

# Deep Value Driller AS

## H1 2024

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# Comments from the Board of directors

## Main events

Early 2023, the company signed a bareboat charter for the Drillship "Deep Value Driller" with Saipem as Charterer. The Charterer will utilize the Drillship for operations on the Ivory Coast under a drilling contract with Eni Côte d'Ivoire Ltd. The bareboat charter term is for 11 wells firm with 6 wells options. Estimated firm revenue is USD 160 million to the Group (excluding the rate payable for any optional extensions of the Contract).

The Drillship was delivered to the Charterer September 8<sup>th</sup> 2023 after an intensive reactivation project and commenced operation on full day rate November 1<sup>st</sup> 2023. The remaining reactivation project activities, including BOP 2, have been finalized and closed.

The rig is now working on her fifth location and performs satisfactorily with limited downtime and high utilization. Currently technical utilization is 98%.

## Main events going forward

The company will continue to distribute all excess cash to shareholders.

# Financial statement

## H1 2024

### Interim Consolidated Profit and Loss (P&L) Statement

Unaudited Amounts in USD

Operating income and operating expenses	Note	Q2 - 2024	Q1 - 2024	YTD 2024	YTD 2023
Daily rate		13 650 000	13 650 000	27 300 000	-
Other income		510 656	751 463	1 262 119	-
<b>Total Income</b>		<b>14 160 656</b>	<b>14 401 463</b>	<b>28 562 119</b>	-
Operational cost		(1 081 045)	(1 858 726)	(2 939 771)	(5 916 672)
Employee benefits expense		(83 266)	(60 457)	(143 723)	(635 685)
Depreciation and amortisation expenses	2	(4 027 095)	(3 943 838)	(7 970 933)	(1 443 561)
Other expenses		(114 114)	(40 763)	(154 876)	(1 218 964)
<b>Total expenses</b>		<b>(5 305 520)</b>	<b>(5 903 783)</b>	<b>(11 209 303)</b>	<b>(9 214 882)</b>
<b>Operating profit (loss)</b>		<b>8 855 136</b>	<b>8 497 680</b>	<b>17 352 816</b>	<b>(9 214 882)</b>
<b>Operating profit (loss) before depreciation (EBITDA)</b>		<b>12 882 231</b>	<b>12 441 518</b>	<b>25 323 749</b>	<b>(7 771 321)</b>
<b>Financial income and expenses</b>					
Financial income		717 474	228 288	945 762	1 281 463
Financial expenses		(4 149 535)	(2 451 003)	(6 600 538)	(4 767 558)
<b>Net financial items</b>	3	<b>(3 432 060)</b>	<b>(2 222 716)</b>	<b>(5 654 776)</b>	<b>(3 486 094)</b>
<b>Net profit (loss) before tax</b>		<b>5 423 076</b>	<b>6 274 964</b>	<b>11 698 040</b>	<b>(12 700 976)</b>
Income tax for the period		(221 104)	(209 241)	(430 344)	(51 753)
<b>Profit (loss) for the period</b>		<b>5 201 972</b>	<b>6 065 724</b>	<b>11 267 696</b>	<b>(12 752 729)</b>
<b>Transferred to retained earnings</b>		<b>5 201 972</b>	<b>6 065 724</b>	<b>11 267 696</b>	<b>(12 752 729)</b>

# Financial statement

## H1 2024

### Interim Consolidated statement of Financial Position

Unaudited Amounts in USD

Assets	Note	30 June 2024	31 March 2024
<b>Non-current assets</b>			
<b>Intangible assets</b>			
Concessions, patents, licences	2	3 382	3 826
<b>Total intangible assets</b>		<b>3 382</b>	<b>3 826</b>
<b>Property, plant and equipment</b>			
Ships	2	59 237 517	59 958 186
Reactivation project cost	2	56 341 935	57 973 902
Equipment and other movables	2	499	636
<b>Total property, plant and equipment</b>	<b>2</b>	<b>115 579 951</b>	<b>117 932 724</b>
<b>Non-current financial assets</b>			
<b>Total non-current financial assets</b>		<b>-</b>	<b>-</b>
<b>Total fixed assets</b>			
		<b>115 583 332</b>	<b>117 936 550</b>
<b>Current assets</b>			
Inventories		1 189 839	1 514 200
<b>Debtors</b>			
Other short-term receivables		12 312 473	11 846 614
<b>Total receivables</b>		<b>12 312 473</b>	<b>11 846 614</b>
Cash and cash equivalents		25 336 875	8 132 291
<b>Total current assets</b>		<b>38 839 188</b>	<b>21 493 104</b>
<b>Total assets</b>		<b>154 422 520</b>	<b>139 429 654</b>

### Interim Consolidated statement of Financial Position

Unaudited Amounts in USD

Equity and liabilities	Note	30 June 2024	31 March 2024
<b>Equity</b>			
<b>Paid-in capital</b>			
Share capital	4,5	1 019 177	1 019 177
Treasury stock	4	(3 519)	(3 519)
Share premium reserve	4	45 627 964	82 209 233
Other paid-up equity	4	383 146	383 146
<b>Total paid-up equity</b>		<b>47 026 768</b>	<b>83 608 037</b>
<b>Retained earnings</b>			
Other equity		3 519	3 519
Uncovered loss	4	(40 121 095)	(45 323 067)
<b>Total retained earnings</b>		<b>(40 117 576)</b>	<b>(45 319 548)</b>
<b>Total equity</b>		<b>6 909 192</b>	<b>38 288 489</b>
<b>Liabilities</b>			
<b>Long-term liabilities</b>			
Deferred tax liabilities		2 365 486	2 365 486
Liabilities to financial institutions	3	125 000 000	75 000 000
<b>Total Long-term liabilities</b>		<b>127 365 486</b>	<b>77 365 486</b>
<b>Current liabilities</b>			
Payable tax		834 314	613 210
Trade payables		659 486	8 305 587
Other current liabilities		18 654 042	14 856 882
<b>Total current liabilities</b>		<b>20 147 842</b>	<b>23 775 679</b>
<b>Total liabilities</b>		<b>147 513 328</b>	<b>101 141 164</b>
<b>Total equity and liabilities</b>		<b>154 422 520</b>	<b>139 429 654</b>

# Financial statement

## H1 2024

### Interim Consolidated Indirect cash flow

Unaudited Amounts in USD

NRS Indirect method	YTD 2024	YTD 2023
<b>Amount in USD</b>		
<b>Cash Flow from operating activities</b>		
Profit/Loss before tax	11 698 040	(12 700 976)
Ordinary depreciation	7 970 933	1 443 561
Profit/Loss sale of fixed assets	-	-
Changes in inventories	324 361	456 345
Changes other short term receivable	(5 304 358)	(2 060 473)
Changes in accounts payable	(15 749 935)	16 094 312
Change in other accrual items	(8 798 440)	633 549
<b>Net cash flows from operating activities</b>	<b>(9 859 399)</b>	<b>3 866 318</b>
<b>Cash flow from investment activities</b>		
Acquisition of intangible assets	-	-
Acquisition of tangible assets	(2 444 647)	(41 582 008)
Share investment	-	-
<b>Net cash flow from investment activities</b>	<b>(2 444 647)</b>	<b>(41 582 008)</b>
<b>Cash flow from financing activities</b>		
Proceeds from equity	-	-
Capital increase costs	-	-
Dividends	(24 290 333)	-
Debt financing	50 000 000	75 000 000
Loan repayment	-	(6 000 000)
<b>Net cash flow from financing activities</b>	<b>25 709 667</b>	<b>69 000 000</b>
<b>Net change in cash and cash equivalents</b>	<b>13 405 621</b>	<b>31 284 310</b>
<b>Cash and cash equivalents at the end of period</b>	<b>25 336 876</b>	<b>31 392 448</b>

# NOTES to the Financial statements H1 2024

## Notes to the Financial statements

### Note 1: Summary of Significant Accounting Policies

#### Company overview

Deep Value Driller AS is a company which purpose is contracting, managing and owning drilling rigs.

#### Basis for preparation

The interim report, which has not been audited by the Company's independent auditor, has been prepared in compliance with the provisions laid down in the Norwegian Accounting Act NRS 11 and generally accepted accounting principles in Norway.

Note 2: Fixed assets	Intangible assets	Fixtures and fittings	Rig	Reactivation project costs	Total
Acquisition at 31 December 2023	8 835	8 031	68 663 387	63 521 499	132 201 752
Additions in 2024	-	-	-	2 444 647	2 444 647
<b>Acquisition cost at 30 June 2024</b>	<b>8 835</b>	<b>8 031</b>	<b>68 663 387</b>	<b>65 966 146</b>	<b>134 646 399</b>
Opening book value 2024	4 270	1 305	60 678 856	60 425 188	121 109 618
Depreciation & amortisation 2024	(888)	(806)	(1 441 339)	(4 083 253)	(5 526 286)
Accumulated depreciation & amortisation	(5 453)	(7 532)	(9 425 870)	(9 624 211)	(19 063 067)
<b>Closing Book Value 30 June 2024</b>	<b>3 382</b>	<b>499</b>	<b>59 237 517</b>	<b>56 341 935</b>	<b>115 583 332</b>

# NOTES to the Financial statements H1 2024

## Note 3: Long-term liabilities

On March 26, 2024, the loan facility of 75 million USD was upsized by 50 million USD to 125 million USD. Monthly installments will start in August 2024 as earlier planned, but the maturity of the loan facility has been extended to July 2026, thus aligning with the end of the firm period for the Group's current bareboat charter.

Note 4: Shareholders' equity	Share capital	Own Stock	Share premium	Other paid-up equity	Other equity	Uncovered loss	Total
Opening balance 1 January 2024	1 019 177	(3 519)	82 209 233	383 146	3 519	(51 388 791)	32 222 765
Dividends			(36 581 269)				(36 581 269)
Share-based payment				-			-
Profit for the period						11 267 696	11 267 696
<b>Closing balance 31 December 2023</b>	<b>1 019 177</b>	<b>(3 519)</b>	<b>45 627 964</b>	<b>383 146</b>	<b>3 519</b>	<b>(40 121 095)</b>	<b>6 909 192</b>



# NOTES to the Financial statements H1 2024

Note 5: Shareholders above 1% as of 30 June 2024		
Shareholders	Ordinary	Share of votes
UTHALDEN AS	8 148 365	9,40 %
SOLAN CAPITAL AS	7 000 000	8,07 %
Goldman Sachs & Co. LLC	6 264 842	7,23 %
HORTULAN AS	3 798 194	4,38 %
TORSTEIN INGVALD TVENGE	3 700 000	4,27 %
ALDEN AS	3 081 617	3,55 %
SCAN CHEMICALS AS	2 500 000	2,88 %
CAMACA AS	2 100 000	2,42 %
BNP Paribas Securities Corp.	1 902 861	2,19 %
THOR HUSHOVD	1 707 311	1,97 %
CACEIS Bank Spain SA	1 605 000	1,85 %
CIPRIANO AS	1 500 000	1,73 %
Citibank Europe plc	1 438 224	1,66 %
A HOLDINGS AS	1 283 260	1,48 %
NORDNET LIVSFORSIKRING AS	1 256 739	1,45 %
HØGSET HOLDING AS	1 200 000	1,38 %
SONGA CAPITAL AS	1 069 131	1,23 %
MELESIO INVEST AS	1 030 591	1,19 %
ARVO INVEST AS	1 000 398	1,15 %
TTC INVEST AS	1 000 000	1,15 %
PORTIA AS	1 000 000	1,15 %
THABO ENERGY AS	1 000 000	1,15 %
CACEIS Bank	906 429	1,05 %
MARKET-MAKING SPAREBANK 1 MARKETS AS	898 466	1,04 %
The Bank of New York Mellon SA/NV	876 595	1,01 %
<b>Total</b>	<b>57 268 023</b>	<b>66,1 %</b>
Others (interest < 1 %)	29 428 644	33,9 %
<b>Total</b>	<b>86 696 667</b>	<b>100 %</b>

Deep Value Driller AS owns 300 000 Treasury stocks at par value 0,1 NOK which amounts to 0,35% of the company's total stocks.

# Disclaimer

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