

# Deep Value Driller AS

## Q1 2022

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# Comments from the Chairman

The Chairman of the Board, Einar J. Greve commented:

Since we reported Q4 we can now confirm that most of 7th generation drilling rigs are now utilized.

This supports the belief of the board that the rig is still very attractive in this high demand market.

The rig activation plan is established, and we have moved the rig to Westcon Yard in Ølensvåg. This yard is well suited to support the activation of the vessel.

The company continues the dialogue with multiple clients that have a fully utilized fleet and are in need of additional capacity to meet the increasing demand for 7th generation drilling vessels.

The company is in the final stage of securing a credit facility to secure future activation and warm stacking.

# Status rig

## *Premium 7th Generation Drillship*

### Current Vessel Status

- > The vessel is warm stacked with a crew of 15 persons
- > All the main systems onboard are being operated on a regular basis
- > The vessel has been moved to Westcon Yard in Ølensvåg after a short stay in Tysnes.
- > The rig is now undergoing inspections at the yard to prepare the vessel for the increasing demand for 7th generations drillships. The global availability on these assets are now very limited.

### Reactivation Key Parameters

- > We are now in cooperation with Westcon Yards to further plan the activation scope to establish class status, work packs etc.
- > **Execution Yard:**
  - > **Location:** Activation will take place at Westcon Yard in Ølensvåg Norway.
  - > **Timeline and workscope established**

# Deep Value Driller LTD is now established in Malta

## New companies in group

- > Deep Value Driller Holding Ltd (registered 10 May 2021)

Registered office: 10 Poltua, G. Debono Square, Msida MSD 1250, Malta

- > Deep Value Driller Ltd (registered 10 May 2021)

Registered office: 10 Poltua, G. Debono Square, Msida MSD 1250, Malta

- > The shipowning company Deep Value Driller Ltd is now established in Malta.
- > All company activities and support are managed and operated from the office in Malta.
- > Office phonenumber +356 7905 7057





## Key figures

### R i g   p u r c h a s e

**\$65,000,000**

- 7th Generation Drillship
- Build in 2014
- Build cost 750 Million USD

### E q u i p m e n t p u r c h a s e

**\$3,663,387**

- Maintenance system and reactivation activities

### L a y u p   c o s t

**\$23,718/day**

- Average daily layup cost pr. 31. March 2022

### M o b i l i s a t i o n c o s t s   p e r M a r c h 3 1 - 2 0 2 2

**\$2,733,003**

- Destacking BOP's
- Condition assesment stage 1
- Rig move

# Financial statement Q1 2022

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

Unaudited amounts in USD

Operating income and expenses	Notes	1 January - 31 March 2022
Stacking costs	5	2 927 455
Salaries		222 477
Other operating expenses		376 630
<b>Operating profit/loss before depreciation (EBITDA)</b>		<b>-3 526 562</b>
Depreciation of assets	2	721 643
Financial income and expenses		-4 209
<b>Net income/loss</b>		<b>-4 243 996</b>



# Financial statement Q1 2022

## Interim Consolidated statement of Financial Position

Unaudited amounts in USD

Assets		31 March 2022
<b>Fixed assets</b>		
Intangible assets	2	7 362
Ships	2	65 723 541
Equipment and other movables	2	4 258
<b>Total fixed assets</b>		<b>65 735 161</b>
<b>Current assets</b>		
Fuel		412 038
<b>Debtors</b>		
Other short-term receivables		341 433
<b>Total receivables</b>		<b>753 471</b>
Cash and bank deposits		1 385 953
<b>Total current assets</b>		<b>2 139 424</b>
<b>Total assets</b>		<b>67 874 585</b>

## Interim Consolidated statement of Financial Position

Unaudited amounts in USD

Equity and liabilities	Notes	31 March 2022
<b>Equity</b>		
<b>Paid-up equity</b>		
Share capital	3	1 015 261
Own stocks	3	-3 519
Share premium reserve	3	81 880 257
<b>Total intangible assets</b>		<b>82 891 999</b>
<b>Retained earnings</b>		
Uncovered loss		-16 154 259
<b>Total retained earnings</b>		<b>-16 154 259</b>
<b>Total equity</b>		<b>66 737 740</b>
<b>Liabilities</b>		
<b>Current debt</b>		
Trade creditors		1 037 496
Other current debt		99 349
<b>Total receivables</b>		<b>1 136 845</b>
<b>Total liabilities</b>		<b>1 136 845</b>
<b>Total equity and liabilities</b>		<b>67 874 585</b>

# Financial statement Q1 2022

## Interim Consolidated Indirect cash flow

Unaudited amounts in USD

NRS Indirect method	Notes	1 January - 31 March 2022
<b>Cash flow from operating activities</b>		
Profit loss before tax		-16 154 259
Ordinary depreciation		721 643
Change in inventory	-	412 038
Change in accounts payable		1 037 496
Change in other accrual items		-805 544
<b>Net cash flows from operating activities</b>		<b>-15 612 702</b>
<b>Cash flow from investment activities</b>		
Payments for the purchase of fixed assets	2	68 668 769
<b>Net cash flows from investment activities</b>		<b>-68 668 769</b>
<b>Cash flows from financing activities</b>		
Proceeds from equity	3	82 895 518
<b>Net cash flows from financing activities</b>		<b>82 895 518</b>
<b>Net change in cash and cash equivalents</b>		<b>1 385 953</b>
<b>Cash and cash equivalents at the end of the period</b>		<b>1 385 953</b>

# NOTES to the Financial statements Q1 2022

## Notes to the Financial statements

### Note 1: Summary of Significant Accounting Policies

#### Company overview

Deep Value Driller AS is a company whose 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 and generally accepted accounting principles in Norway.

<b>Note 2: Assets</b>	<b>Intangible assets</b>	<b>Equipment etc.</b>	<b>Rig</b>	<b>Total</b>
Acquisition of fixed assets	8 835	6 388	68 663 387	68 678 610
<b>Acquisition cost 31 December 2021</b>	<b>8 835</b>	<b>6 388</b>	<b>68 663 387</b>	<b>68 678 610</b>
Depreciation for the period	1 473	2 130	2 939 846	2 943 449
<b>Book Value 31 December 2021</b>	<b>7 362</b>	<b>4 258</b>	<b>65 723 541</b>	<b>65 735 161</b>
Economic life	5 years	3 years	5-20 years	

# NOTES to the Financial statements Q1 2022

Note 3: Equity	Share capital	Own Stocks	Share Premium	Equity/loss	Total
Founded 4 January 2021	3 532				3 532
Capital increase	1 011 729		83 997 035		85 008 764
Capital raise cost			-2 116 778		-2 116 778
Own shares		-3 519			-3 519
Loss for the period				-16 154 259	-16 154 259
<b>Book Value 31 December 2021</b>	<b>1 015 261</b>	<b>-3 519</b>	<b>81 880 257</b>	<b>-16 154 259</b>	<b>66 737 740</b>

## Note 4: Stacking cost

Stacking cost on average from takeover 25 March 2021 until 31 March 2022 is accumulated to \$ 23 718/day. The figure show preliminary increase of the daily stacking cost due to extra rig move through temporary port with no access to shore power.

# NOTES to the Financial statements Q1 2022

## Note 5: Shareholders above 1% as of 31 March 2022

Shares	%	Shareholder
8 000 000	9,27 %	Goldman Sachs & Co. LLC
7 620 865	8,83 %	UTHALDEN AS
5 500 000	6,37 %	SOLAN CAPITAL AS
3 090 052	3,58 %	CACEIS Bank Spain SA
3 000 000	3,48 %	PORTIA AS
2 600 000	3,01 %	TORSTEIN I. TVENGE
2 500 000	2,90 %	INAK 3 AS
2 350 000	2,72 %	ALDEN AS
2 251 000	2,61 %	Euroclear Bank S.A./N.V.
1 950 075	2,26 %	TIGERSTADEN AS
1 931 216	2,24 %	CLEARSTREAM BANKING S.A.
1 500 000	1,74 %	JPMorgan Chase Bank, N.A., London
1 500 000	1,74 %	BORG CAPITAL PARTNERS AS
1 500 000	1,74 %	AS CLIPPER
1 500 000	1,74 %	CIPRIANO AS
1 436 128	1,66 %	CAMACA AS
1 200 000	1,39 %	MELESIO INVEST AS
1 200 000	1,39 %	HØGSET HOLDING AS
1 150 000	1,33 %	HUSHOVD
1 029 990	1,19 %	Nordnet Livsforsikring AS
1 000 000	1,16 %	TTC INVEST AS
1 000 000	1,16 %	A HOLDINGS AS
1 000 000	1,16 %	FOUGNER INVEST AS
940 196	1,09 %	OLA RUSTAD
930 467	1,08 %	KRISTIANRO AS
927 696	1,07 %	SYNECO AS