

# AWILCO DRILLING Q1 2022 PRESENTATION

*25 May 2022*



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# AGENDA

1. Main Events
2. Q1 2022 Results
3. Disputes Update
4. Summary
5. Q&A

# 1. Main Events





# MAIN EVENTS

- No revenue earned in Q1, EBITDA loss of USD 6.2 million, Net loss of USD 6.6 million
- WilHunter sold for environmentally responsible recycling in Turkey
  - *Rig delivery expected mid-June*
- WilPhoenix sold to Well-Safe Solutions Ltd. for USD 15.5 million
  - *Rig delivery planned on or about 1 June*
- Short-term shareholder loan of up to USD 4 million secured as bridge financing
- Preparations for the arbitration cases against Keppel FELS continues



## 2. Q1 2022 results



# Q1 2022 INCOME STATEMENT

## Condensed statement of comprehensive income

in USD thousands, except earnings per share

	Q1 2022 (unaudited)	Q1 2021 (unaudited)
Contract revenue	-	12,466
Reimbursables	-	155
Other revenue	-	19
	<u>-</u>	<u>12,640</u>
Rig operating expenses	2,611	5,162
Reimbursables	-	24
General and administrative expenses	3,625	3,762
Depreciation	17	2,485
Impairment	205	-
	<u>6,458</u>	<u>11,433</u>
Operating (loss)/profit	<u>(6,458)</u>	<u>1,207</u>
Interest income	0	-
Interest expense	(8)	(16)
Other financial items	(123)	88
Net financial items	<u>(131)</u>	<u>72</u>
(Loss)/Profit before tax	(6,589)	1,279
Tax expense	-	(1)
Net (loss)/profit	<u>(6,589)</u>	<u>1,278</u>
Total comprehensive (loss)/profit	<u>(6,589)</u>	<u>1,278</u>
Attributable to shareholders of the parent	(6,589)	1,278
Basic and diluted (loss)/profit per share	(0.12)	0.02



# Q1 2022 BALANCE SHEET

## Condensed statement of financial position

in USD thousands

	31.03.2022	31.03.2021
	(unaudited)	(unaudited)
Rigs, machinery and equipment	15,747	64,482
Right-of-use asset	-	1,016
Deferred tax asset	-	15
	<u>15,747</u>	<u>65,513</u>
Trade and other receivables	269	4,711
Prepayments and accrued revenue	542	4,873
Inventory	159	3,026
Cash and cash equivalents	1,911	13,195
	<u>2,881</u>	<u>25,805</u>
Total assets	<u>18,628</u>	<u>91,318</u>
Paid in capital	218,905	218,905
Retained earnings	(214,596)	-141,758
	<u>4,309</u>	<u>77,147</u>
Trade and other creditors	743	1,139
Accruals and provisions	4,325	5,708
Current tax payable	9,251	66
	<u>14,319</u>	<u>6,913</u>
Total equity and liabilities	<u>18,628</u>	<u>84,060</u>





# 3. Disputes Update



# DISPUTES UPDATE

- Arbitration processes related to the terminations of new build Rig 1 and Rig 2 continue
  - *Claim amounts to a total of USD 97.7 million plus interest*
  - *Tribunal hearing for Rig 1 has been scheduled to commence in October 2022 with award expected in Q1 2023, the hearing for Rig 2 has been scheduled to commence in May 2023*
- WilHunter (UK) Ltd. – Tax Dispute
  - *The Rule 38 application demanding the Tribunal's decision to be set aside and re-made was dismissed on 6 December 2021*
  - *Liquidation process in progress for WilHunter (UK) Ltd.*
  - *This is considered a liability of the subsidiary and not the parent company*



# 4. Summary



# SUMMARY

- Both WilPhoenix and WilHunter are sold, however, new rig opportunities are evaluated on a case-by-case basis
- The organisation will be sized to manage the arbitrations while retaining the operational flexibility/capability to assess new investment opportunities as they arise
- Short-term shareholder loan secures bridge funding until proceeds from rig sales are received
- Actively managing the arbitration processes towards Keppel FELS to receive refunds of paid instalments



Q&A



