

# AWILCO DRILLING Q2 2021 PRESENTATION

*18 August 2021*



# DISCLAIMER

This presentation is being made only to, and is only directed at, persons to whom such presentation may lawfully be communicated («relevant persons»). Any person who is not a relevant person should not act or rely on these presentations or any of its contents. Information in the following presentations relating to price at which relevant investments have been bought or sold in the past or the yield on such investments cannot be relied upon as a guide to future performance of such investments. This presentation does not constitute an offering of securities or otherwise constitute an invitation or inducement to any person to underwrite, subscribe for or otherwise acquire securities in Awilco Drilling PLC or any affiliated company thereof. The release, publication or distribution of this presentation in certain jurisdictions may be restricted by law, and therefore persons in such jurisdictions into which this presentation is released, published or distributed should inform themselves about, and observe, such restrictions.

This presentation has been prepared for information purposes only. It has not been prepared for the purposes of, and does not form part of the subscription material for, any offering of securities.

This presentation may include certain forward-looking statements, estimates, predictions, influences and projections with respect to anticipated future performance and as to the market for products or services which may reflect various assumptions made by the management of the Company. These assumptions may or may not prove to be correct and no representation is made as to the accuracy of such statements, estimates, projections, predictions and influences. These statements and forecasts involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. The information and opinions contained in this presentation are subject to change without notice and the Company assumes no responsibility or obligation to update publicly or review any of the forward-looking statements contained herein.



# AGENDA

1. Main Events
2. Q2 2021 Results
3. Operations Update
4. Disputes Update
5. Summary
6. Q&A

# 1. Main Events





# MAIN EVENTS

- Total Q2 revenue USD 12.0 million, EBITDA of USD 3.0 million, Net profit of USD 1.6 million
- Revenue efficiency was 96.7% during the quarter
- Total contract backlog at end of Q2 2021 was approx. USD 7.1 million



## 2. Q2 2021 results



# Q2 2021 INCOME STATEMENT

## Condensed statement of comprehensive income

in USD thousands, except earnings per share

	YTD		YTD	
	Q2 2021	30.06.21	Q2 2020	30.06.20
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Contract revenue	11,633	24,099	6,118	6,118
Reimbursables	308	463	-	-
Other revenue	17	36	306	308
	<u>11,958</u>	<u>24,598</u>	<u>6,424</u>	<u>6,426</u>
Rig operating expenses	6,280	11,442	4,774	9,630
Reimbursables	41	65	-	-
General and administrative expenses	2,675	6,437	3,138	5,713
Depreciation	1,417	3,901	2,518	5,036
	<u>10,413</u>	<u>21,845</u>	<u>10,430</u>	<u>20,379</u>
Operating profit/(loss)	<u>1,545</u>	<u>2,752</u>	<u>(4,006)</u>	<u>(13,953)</u>
Interest income	-	-	14	386
Interest expense	(16)	(32)	(7)	(14)
Other financial items	40	128	(620)	(363)
Net financial items	<u>24</u>	<u>96</u>	<u>(613)</u>	<u>9</u>
Profit before tax	1,569	2,848	(4,619)	(13,944)
Tax expense	(1)	(2)	(8)	(86)
Net profit/(loss)	<u>1,568</u>	<u>2,846</u>	<u>(4,627)</u>	<u>(14,030)</u>
Total comprehensive profit/(loss)	<u>1,568</u>	<u>2,846</u>	<u>(4,627)</u>	<u>(14,030)</u>
Attributable to shareholders of the parent	1,568	2,846	(4,627)	(14,030)
Basic and diluted earnings /(loss) per share	0.03	0.05	(0.08)	(0.26)



# Q2 2021 BALANCE SHEET

## Condensed statement of financial position

in USD thousands

	30.06.2021	30.06.2020
	(unaudited)	(unaudited)
Rigs, machinery and equipment	63,146	157,914
Right-of-use asset	936	1,257
Deferred tax asset	12	22
	<u>64,094</u>	<u>159,193</u>
Trade and other receivables	4,533	56,638
Prepayments and accrued revenue	4,522	5,406
Inventory	3,267	4,648
Cash and cash equivalents	15,373	16,651
	<u>27,695</u>	<u>83,343</u>
Total assets	<u>91,789</u>	<u>242,536</u>
Paid in capital	218,905	218,905
Retained earnings	(132,932)	18,050
	<u>85,973</u>	<u>236,955</u>
Trade and other creditors	1,456	2,903
Accruals and provisions	4,360	2,607
Current tax payable	0	71
	<u>5,816</u>	<u>5,581</u>
Total equity and liabilities	<u>91,789</u>	<u>242,536</u>





# 3. Operations Update



# OPERATIONS UPDATE

- Operational uptime for WilPhoenix in Q2 was 94.2 % with average OPEX of approximately USD 67,700 per day in the quarter
- Contract with Ithaca commenced on 29 July
- Five Year Class & Flag work on WilPhoenix completed in July, remaining SPS work scheduled to take place after the Ithaca Fotla well and prior to any follow-on work
  - *Total SPS cost expected to be about USD 10 million*
- UK market continues to tighten with a number of new enquiries and ITT's coming to market
- Awards of new contracts taking longer than expected, however, anticipated in the next two months
  - *Macro drivers remain unchanged*



## 4. Disputes Update



# DISPUTES UPDATE

- Arbitration processes related to the terminations of new build Rig 1 and Rig 2
  - *Claim amounts to a total of USD 97.7 million*
  - *Tribunal hearing for Rig 1 has been scheduled to commence in October 2022 with award expected in Q1 2023, the hearing for Rig 2 expected to follow a couple of months after*
  - *Total legal fees for both cases expected to be approx. USD 10 million*
  
- WilHunter (UK) Ltd. – Tax Dispute
  - *A Rule 38 application was submitted on 9 August*
  - *Outcome expected within 1-2 months, unless new tribunal hearing*



# 5. Summary



# SUMMARY

- Awaiting contract awards on tenders submitted for WilPhoenix
- Exploring alternatives for financing
- Actively managing the arbitration processes towards Keppel FELS to receive refund for paid instalments
- Actively pursuing opportunities in a recovering global rig market
  - *Consolidation*
  - *Acquisition*
  - *Management of units*



Q&A



