

AWILCO DRILLING Q3 2021 PRESENTATION

16 November 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. Q3 2021 Results
3. Operations Update
4. Disputes Update
5. Summary
6. Q&A

1. Main Events





MAIN EVENTS

- Total Q3 revenue USD 7.4 million, EBITDA loss of USD -3.1 million, Net loss of USD 4.6 million
- Revenue efficiency was 97.4% during the quarter
- Total contract backlog at end of Q3 2021 was approx. USD 1.0 million



2. Q3 2021 results



Q3 2021 INCOME STATEMENT

Condensed statement of comprehensive income

in USD thousands, except earnings per share

	Q3 2021	YTD	Q3 2020	YTD
	(unaudited)	30.09.21 (unaudited)	(unaudited)	30.09.20 (unaudited)
Contract revenue	7,281	31,379	10,301	16,419
Reimbursables	131	594	3	3
Other revenue	24	60	306	614
	<u>7,436</u>	<u>32,033</u>	<u>10,610</u>	<u>17,036</u>
Rig operating expenses	7,365	18,807	5,885	15,516
Reimbursables	77	141	14	14
General and administrative expenses	3,115	9,552	2,996	8,709
Depreciation	1,168	5,069	2,518	7,554
	<u>11,725</u>	<u>33,569</u>	<u>11,413</u>	<u>31,793</u>
Operating loss	<u>(4,289)</u>	<u>(1,536)</u>	<u>(803)</u>	<u>(14,757)</u>
Interest income	-	-	-	385
Interest expense	(16)	(48)	(7)	(20)
Other financial items	(321)	(192)	(143)	(506)
Net financial items	<u>(337)</u>	<u>(241)</u>	<u>(150)</u>	<u>(141)</u>
Loss before tax	(4,626)	(1,777)	(953)	(14,898)
Tax expense	2	(1)	(8)	(94)
Net loss	<u>(4,624)</u>	<u>(1,778)</u>	<u>(961)</u>	<u>(14,992)</u>
Total comprehensive loss	<u>(4,624)</u>	<u>(1,778)</u>	<u>(961)</u>	<u>(14,992)</u>
Attributable to shareholders of the parent	(4,624)	(1,778)	(961)	(14,992)
Basic and diluted loss per share	(0.08)	(0.03)	(0.02)	(0.27)



Q3 2021 BALANCE SHEET

Condensed statement of financial position

in USD thousands

	30.09.2021	30.09.2020
	(unaudited)	(unaudited)
Rigs, machinery and equipment	63,376	156,978
Right-of-use asset	856	1,176
Deferred tax asset	14	17
	<u>64,246</u>	<u>158,171</u>
Trade and other receivables	3,812	58,487
Prepayments and accrued revenue	4,351	4,597
Inventory	3,026	4,647
Cash and cash equivalents	12,122	15,968
	<u>23,311</u>	<u>83,699</u>
Total assets	<u>87,557</u>	<u>241,870</u>
Paid in capital	218,905	218,905
Retained earnings	(137,556)	17,088
	<u>81,349</u>	<u>235,993</u>
Trade and other creditors	1,530	2,685
Accruals and provisions	4,678	3,192
	<u>6,208</u>	<u>5,877</u>
Total equity and liabilities	<u>87,557</u>	<u>241,870</u>



3. Operations Update



OPERATIONS UPDATE

- Operational uptime for WilPhoenix in Q3 was 99.9 % with average OPEX of approximately USD 78,800 per day in the quarter
- Contract with Ithaca was completed on 9 October, and WilPhoenix is currently warm-stacked in Invergordon
- Five Year Class & Flag work on WilPhoenix completed in July, remaining SPS work scheduled to take place prior to new work
 - *Remaining SPS cost expected to be about USD 6 million*
- Contracts are now being awarded for commencement in 2022
- Decision has been made to recycle WilHunter
 - *Recycling options are being pursued*



4. 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*
 - *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
 - *All submissions in respect of the Rule 38 application have been made*
 - *Outcome expected imminently*



5. Summary



SUMMARY

- Awaiting awards on outstanding tenders
- 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



