

AWILCO DRILLING Q4 2021 PRESENTATION

1 March 2022



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AGENDA

1. Main Events
2. Q4 2021 and Preliminary 2021 Results
3. Operations Update
4. Disputes Update
5. Summary
6. Q&A

1. Main Events





MAIN EVENTS

- Total Q4 revenue USD 1.0 million, EBITDA loss of USD 7.8 million, Net loss of USD 50.7 million, including impairment of USD 31.0 million
- Revenue efficiency was 90.1% and contract utilisation was 8.2% during the quarter
- In process of arranging a shareholder loan giving an adequate cash buffer for anticipated requirements



2. Q4 2021 and preliminary 2021 results



Q4 2021 INCOME STATEMENT

Condensed statement of comprehensive income

in USD thousands, except earnings per share

	Q4 2021	YTD 31.12.21	Q4 2020	YTD 31.12.20
	(unaudited)	(unaudited)	(unaudited)	(audited)
Contract revenue	1.032	32.411	8.264	25.293
Reimbursables	10	604	254	257
Other revenue	2	62	48	52
	<u>1.044</u>	<u>33.077</u>	<u>8.566</u>	<u>25.602</u>
Rig operating expenses	5.766	24.573	6.128	21.644
Reimbursables	5	146	23	38
General and administrative expenses	3.027	12.657	5.028	13.736
Depreciation	1.171	6.241	2.518	10.072
Impairment	31.009	31.009	25.000	25.000
De-recognition of assets			110.839	111.280
	<u>40.978</u>	<u>74.626</u>	<u>149.536</u>	<u>181.771</u>
Operating loss	<u>(39.934)</u>	<u>(41.549)</u>	<u>(140.970)</u>	<u>(156.169)</u>
Interest income	-	-	-	386
Interest expense	(1.400)	(1.441)	(7)	(28)
Other financial items	(66)	(258)	(67)	(132)
Net financial items	<u>(1.465)</u>	<u>(1.699)</u>	<u>(73)</u>	<u>226</u>
Loss before tax	(41.399)	(43.248)	(141.044)	(155.943)
Tax expense	(9.265)	(9.266)	(67)	(161)
Net loss	<u>(50.664)</u>	<u>(52.514)</u>	<u>(141.111)</u>	<u>(156.104)</u>
Total comprehensive loss	<u>(50.664)</u>	<u>(52.514)</u>	<u>(141.111)</u>	<u>(156.104)</u>
Attributable to shareholders of the parent	(50.664)	(52.514)	(141.111)	(156.104)
Basic and diluted loss per share	(0,93)	(0,96)	(2,59)	(2,86)



Q4 2021 BALANCE SHEET

Condensed statement of financial position

in USD thousands

	<u>31.12.2021</u>	<u>31.12.2020</u>
	(unaudited)	(audited)
Rigs, machinery and equipment	31.677	76.795
Right-of-use asset	775	1.096
Deferred tax asset	0	16
	<u>32.452</u>	<u>77.907</u>
Trade and other receivables	37	3.523
Prepayments and accrued revenue	625	2.800
Inventory	3.141	3.026
Cash and cash equivalents	9.685	14.738
	<u>13.488</u>	<u>24.087</u>
Total assets	<u>45.940</u>	<u>101.994</u>
Paid in capital	218.905	218.905
Retained earnings	(188.292)	(124.023)
	<u>30.613</u>	<u>94.882</u>
Trade and other creditors	885	2.231
Accruals and provisions	5.191	4.815
Current tax payable	9.251	66
	<u>15.327</u>	<u>7.112</u>
Total equity and liabilities	<u>45.940</u>	<u>101.994</u>



3. Operations Update



OPERATIONS UPDATE

- Operational uptime for WilPhoenix in Q4 was 100% for period the rig was under contract
- Contract with Ithaca was completed on 9 October, WilPhoenix is currently warm-stacked in Invergordon
- Average WilPhoenix Opex was approximately USD 61,500 per day in the quarter
 - *Further cost saving measures will reduce Opex until such time that backlog is in place*
- Remaining recertification of equipment work to take place prior to new work
- WilPhoenix is bid against two opportunities and further tenders are expected during Q1/Q2 2022
- Process of recycling of the WilHunter progresses and is expected to be concluded by end of Q2 2022



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 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 expected to follow a couple of months after*
 - *Legal fees may increase from earlier estimates due to the nature of the cases*
- 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*
 - *Parent company funding for an appeal not provided*
 - *Insolvency practitioners appointed and liquidation process initiated for WilHunter (UK) Ltd.*
 - *This is considered a liability of the subsidiary and not the parent company*



5. Summary



SUMMARY

- Actively pursuing future work for WilPhoenix
- In process of arranging a shareholder loan
- Actively managing the arbitration processes towards Keppel FELS to receive refunds of paid instalments
- Actively pursuing opportunities in a recovering global rig market



Q&A



