



Q2 2023 Results Presentation

23 August 2023

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Dividend & Summary



Strong Quarter with Key Activities Completed

Successfully completed refinancing

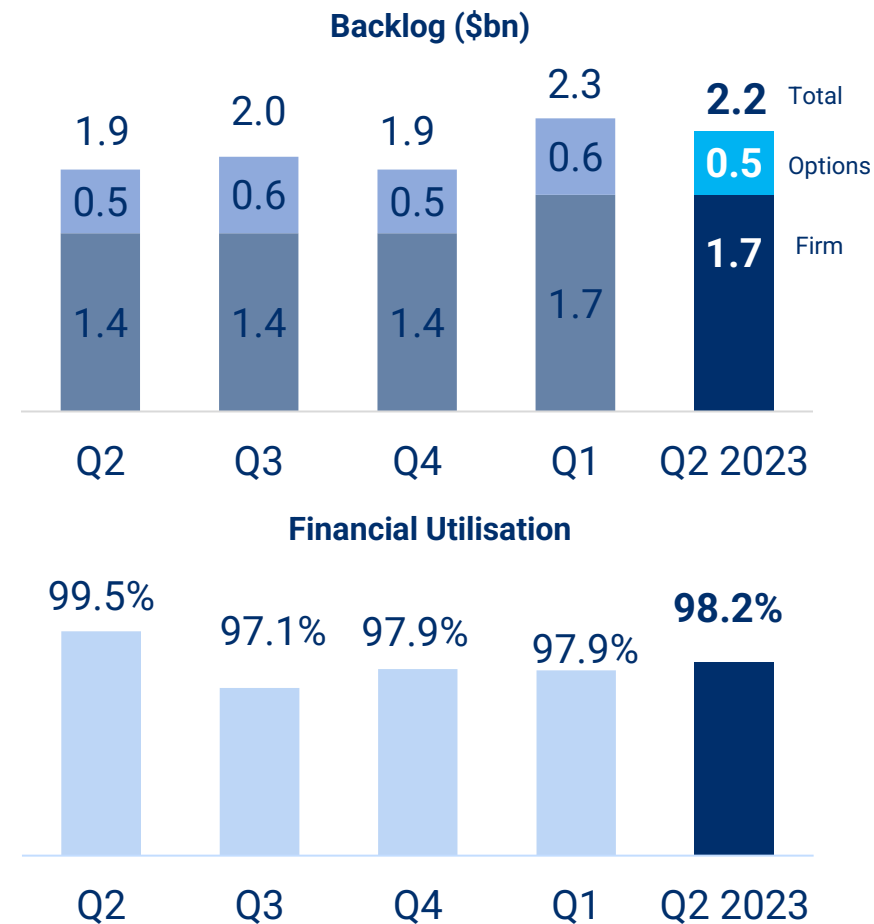
- Diversified capital sources and removed any significant maturities until 2028
- Refinancing facilitates the Company's future growth strategy and flexibility to implement shareholder distribution programme

New contracts agreed across business

- New firm backlog secured on Deepsea Aberdeen and Deepsea Stavanger with Equinor
- New contracts agreed on managed units Deepsea Yantai and Hercules

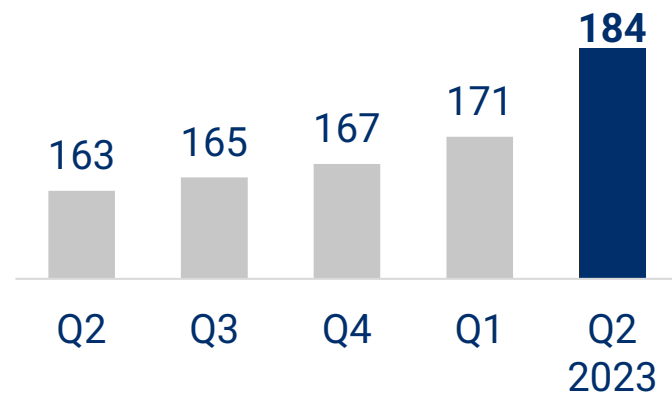
98.2% Own fleet utilisation during the period, with increased activity from managed fleet

- Continued high uptime across own fleet, with all own fleet units operating in Norway at increasing dayrates
- Two managed units drilling throughout the period, with the Deepsea Mira beginning drilling towards the end of the period
- Post period, all managed units now on drilling contract locations

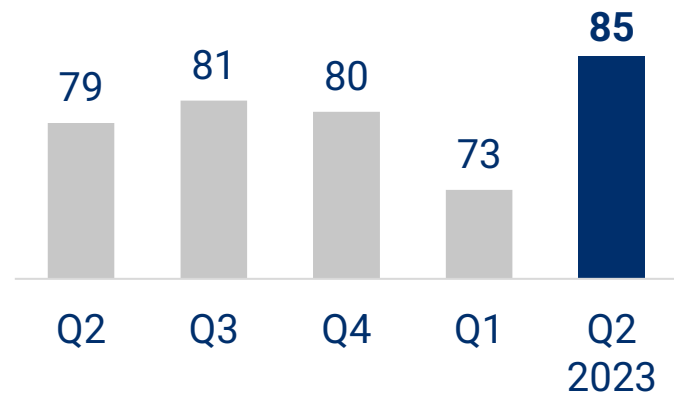


Key Financial Results

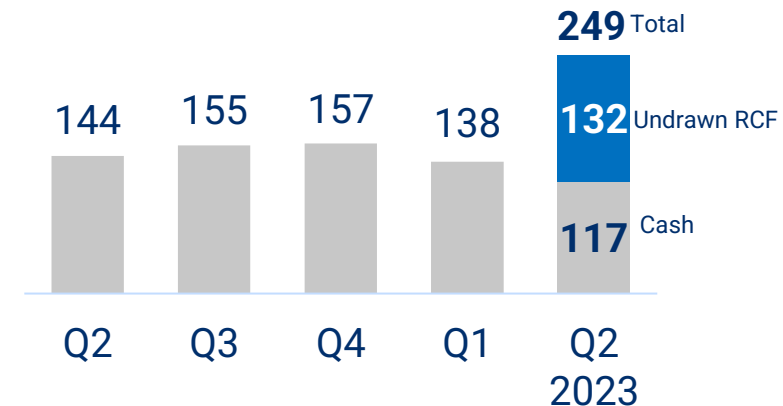
Revenue (USDm)



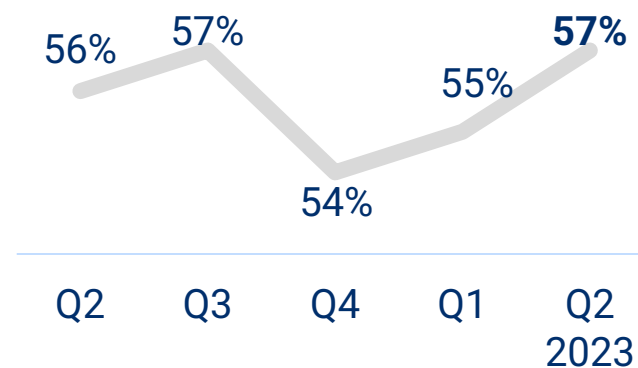
EBITDA (USDm)



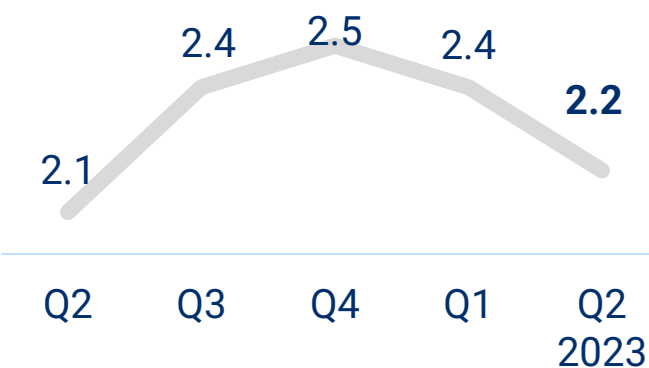
Available Cash (USDm)



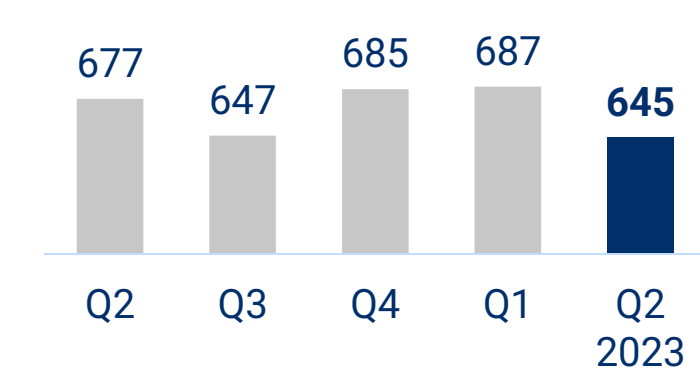
Equity ratio (%)



Leverage ratio (x)



Net Debt (USDm)



High revenue and EBITDA at legacy dayrates

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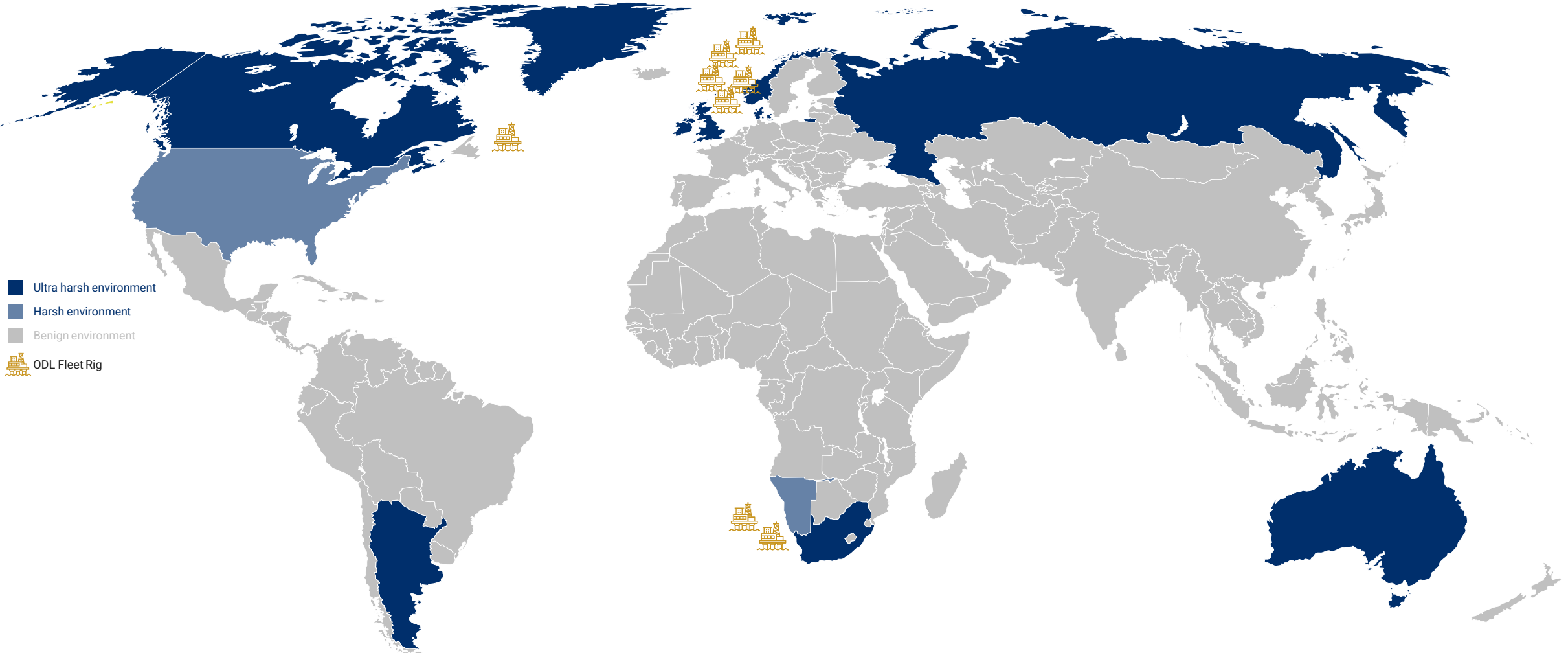
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Dividend & Summary



Fully Deployed Fleet



Owned and managed fleets are all now deployed and on contract.

Strong Visibility for Cash Generation Across the Fleet



USD ~2.2bn revenue backlog

■ Contract ■ Option ■ Frame agreement / Alliance agreement

Own fleet	USD
Revenue firm contracts	1.7bn
Revenue priced options	0.5bn
Total revenue backlog	~2.2bn

Own fleet	Year built	Current Location/Operator	2022	2023	2024	2025	2026	2027	2028	2029
Deepsea Atlantic (6G, UDW, HE)	2009	Norway Equinor	Contract			Priced		Unpriced options (price to be mutually agreed)		
Deepsea Aberdeen (6G, UDW, HE)	2014	Norway Equinor	Contract			Priced with market link		Frame agreement / Alliance agreement		
Deepsea Stavanger (6G, UDW, HE)	2010	Norway Equinor / Aker BP	Contract		Priced	Frame agreement / Alliance agreement	Priced with range (floor and ceiling price linked to market rates)			
Deepsea Nordkapp (6G, UDW, HE)	2019	Norway Aker BP	Contract			Priced	Priced with range (floor and ceiling price linked to market rates)	Frame agreement / Alliance agreement		
External fleet										
Deepsea Yantai (6G, MW, HE)	2019	Norway Wellesley/OMV/DNO/Shell	Contract	Contract						
Deepsea Bollsta (6G, DW, HE)	2019	Namibia Shell	Contract	Contract		Option				
Deepsea Mira (6G, DW, HE)	2019	Namibia TotalEnergies		Contract		Option				
Hercules (6G, DW, HE)	2008	Canada ExxonMobil / GALP Energia / Equinor	Contract	Contract	Contract					

Definitions: 6G = sixth generation, UDW = Ultra deepwater, HE = Harsh environment, Note: Contract backlog excludes bonus and fuel savings incentive payments. Revenue from External Fleet is not included in the backlog.

Market outlook



Supply and demand dynamic remains strong

- Dayrates continue to increase for our units
 - Strong commodity prices and positive macro-economic indicators continue to support demand for our services
 - Supply side remains tight, with no newbuild or stacked capacity likely to impact supply in the near term
- Additional units leaving the Norwegian continental shelf, further restricting supply for Tier 1 semi-submersible units, particularly in 2024 and 2025
 - We don't expect to see many of these units return to Norway in the short to medium term
- Demand overseas has continued in locations such as West Africa, Canada, Australia and Brazil, evidenced by recent contracts
- Recent UK government and opposition party support of new UK hydrocarbon licenses being awarded in tandem with Carbon Capture and Storage facilities, suggests government support of further development of the UKCS in line with energy transition strategy

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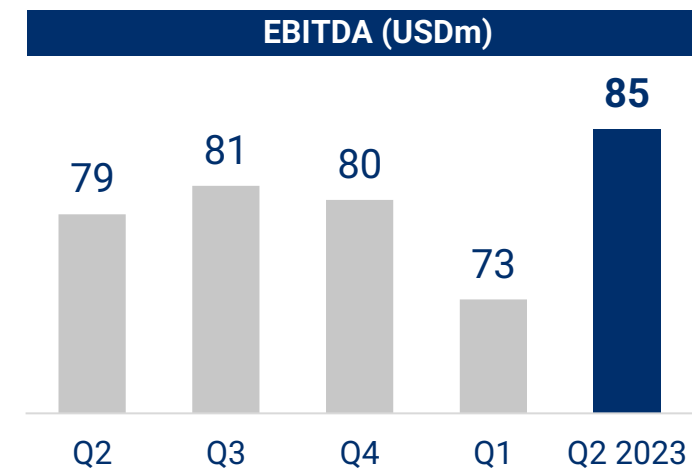
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Dividend & Summary



Condensed consolidated income statement

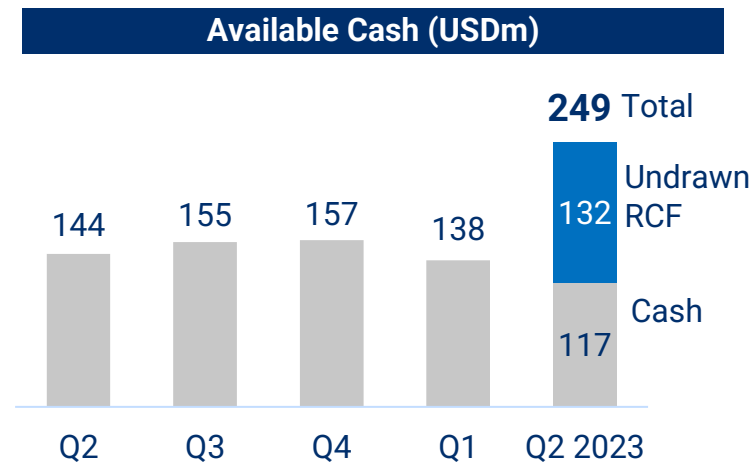
USD million	Q2 23	Q2 22	YTD 23	YTD 22	FY 22
Continuing operations					
Operating revenue	184	163	355	318	650
Other gains and losses	-	-	-	-	0
Personnel expenses	(64)	(51)	(128)	(104)	(207)
Other operating expenses	(35)	(34)	(69)	(67)	(135)
EBITDA	85	79	158	147	308
Depreciation and amortisation	(46)	(43)	(91)	(83)	(171)
Operating profit (EBIT)	40	36	67	64	137
Net financial items	(27)	(13)	(50)	(18)	(48)
Profit before taxes	13	23	17	45	88
Income taxes	(2)	(2)	(4)	(3)	(5)
Net profit from continuing operations	11	22	13	42	83
Profit from discontinued operations	-	-	-	47	47
Profit (loss)	11	22	13	89	130



- Net financial items in the quarter:
 - Net interest expenses of USD 14 million
 - Net currency loss of USD 7 million
 - Expenses related to modification loss and remaining non-amortised financing fees related to prepaid facilities of USD 5 million
 - Other expenses of USD 1 million

Robust balance sheet and sound cash position

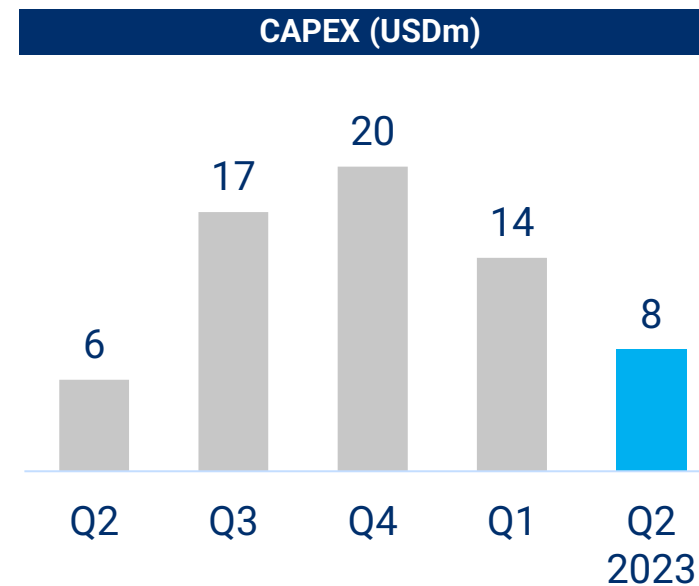
USD million	30.06.2023	30.06.2022	31.12.2022
Assets			
Property, plant and equipment	1,876	1,987	1,938
Intangible assets	3	3	3
Deferred tax asset	1	0	0
Non-current receivable	28	-	-
Other non-current assets	-	7	8
Total non-current assets	1,908	1,998	1,949
Trade receivables	94	96	91
Contract assets	8	9	9
Other current assets	13	20	13
Cash and cash equivalents	117	144	157
Total current assets	232	269	270
Total assets	2,140	2,267	2,219
Equity and liabilities			
Paid-in capital	370	445	370
Other equity	840	815	838
Total equity	1,210	1,260	1,208
Non-current interest-bearing borrowings	674	681	529
Non-current lease liabilities	35	44	42
Other non-current liabilities	1	3	3
Total non-current liabilities	710	728	574
Current interest-bearing borrowings	88	140	314
Current lease liabilities	26	25	27
Contract liabilities	7	24	14
Trade payables	31	36	36
Other current liabilities	67	53	47
Total current liabilities	219	278	437
Total liabilities	930	1,006	1,011
Total equity and liabilities	2,140	2,267	2,219



- Net interest-bearing debt USD 645 million
- Leverage ratio 2.2x
- Equity-ratio 57%
- USD 249 million in available cash
 - USD 132 million in undrawn RCF
 - USD 117 million Cash

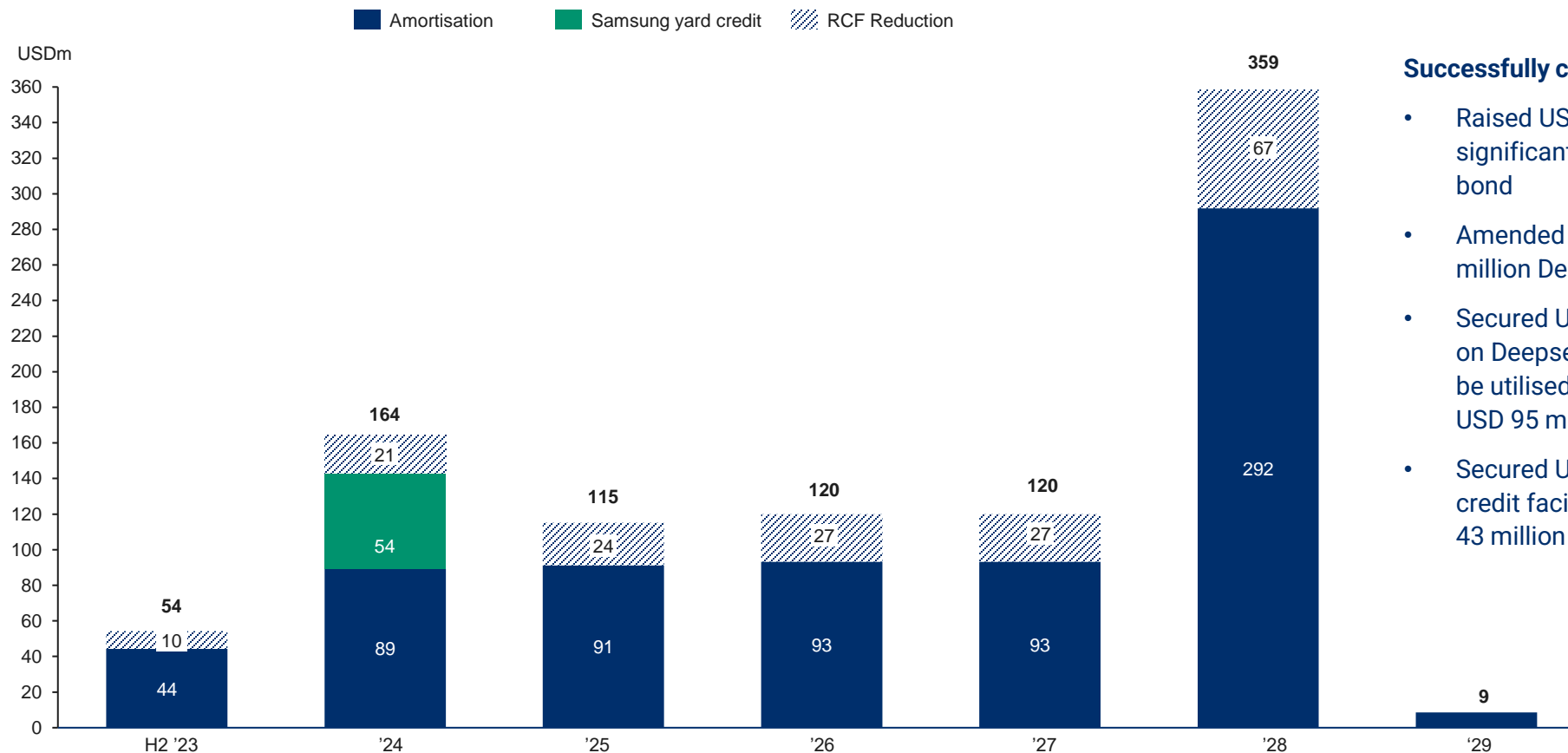
Strong cash flow from operations

USD million	Q2 23	Q2 22	YTD 23	YTD 22	FY 22
Cash flows from operating activities:					
Profit/(loss) before tax from continuing operations	13	23	17	45	88
Profit before tax from discontinued operations	-	-	-	10	10
Adjustment for interest, provisions and non-cash elements	65	55	133	120	233
Changes in working capital	8	(10)	7	(19)	(9)
Cash generated from operations	86	69	157	156	322
Net interest paid	(15)	(11)	(30)	(22)	(45)
Net income tax paid	(6)	0	(6)	(1)	(2)
Net cash flow from operating activities	66	58	122	133	275
-of which from continuing operations	66	58	122	121	263
Cash flows from investing activities:					
Purchase of property, plant and equipment	(21)	(6)	(35)	(29)	(67)
Proceeds from grants	13	-	13	6	6
Proceeds from sale of property, plant and equipment	-	-	-	1	1
Disposal of discontinued operations, net cash disposed of	-	-	-	(50)	(50)
Payment regarding letter of indemnity to Odfjell Technology Ltd.	-	-	(31)	-	-
Other investing activities	-	-	-	(2)	(2)
Net cash flow from investing activities	(8)	(6)	(53)	(74)	(111)
-of which from continuing operations	(8)	(6)	(22)	(15)	(52)
Cash flows from financing activities:					
Proceeds from borrowings	415	-	415	147	242
Repayment of borrowings	(482)	(47)	(502)	(218)	(317)
Repayment of lease liabilities	(5)	(4)	(11)	(8)	(19)
Payment acquisition of treasury preference shares	-	-	-	-	(75)
Dividends paid to preference shareholders	-	(2)	-	(2)	(2)
Net cash flow from financing activities	(73)	(54)	(98)	(81)	(172)
-of which from continuing operations	(73)	(54)	(98)	(227)	(318)
Effects of exchange rate changes on cash and cash equivalents	(6)	(8)	(11)	(7)	(8)
Net increase (decrease) in cash and cash equivalents	(21)	(10)	(40)	(29)	(16)
Cash and cash equivalents at beginning of period	138	154	157	173	173
Cash and cash equivalents at period end	117	144	117	144	157
Available Revolving Credit Facility	132	-	-	-	-
Total Available Cash	249	-	-	-	-



- Q2 Capex:
 - USD 21m whereof USD 10m related to new BOP on Deepsea Atlantic
 - USD 13m proceeds received from Norwegian Nox fund

No significant debt maturities until 2028



Successfully completed refinancing

- Raised USD 390 million via significantly oversubscribed rated bond
- Amended and extended USD 197 million Deepsea Nordkapp facility
- Secured USD 125 million term loan on Deepsea Stavanger (expected to be utilised in Q3 2023 to prepay USD 95 million direct loan)
- Secured USD 175 million Revolving credit facility ("RCF") whereof USD 43 million has been utilised

Reduced amortisation together with increasing day rates increasing free cash flow generation

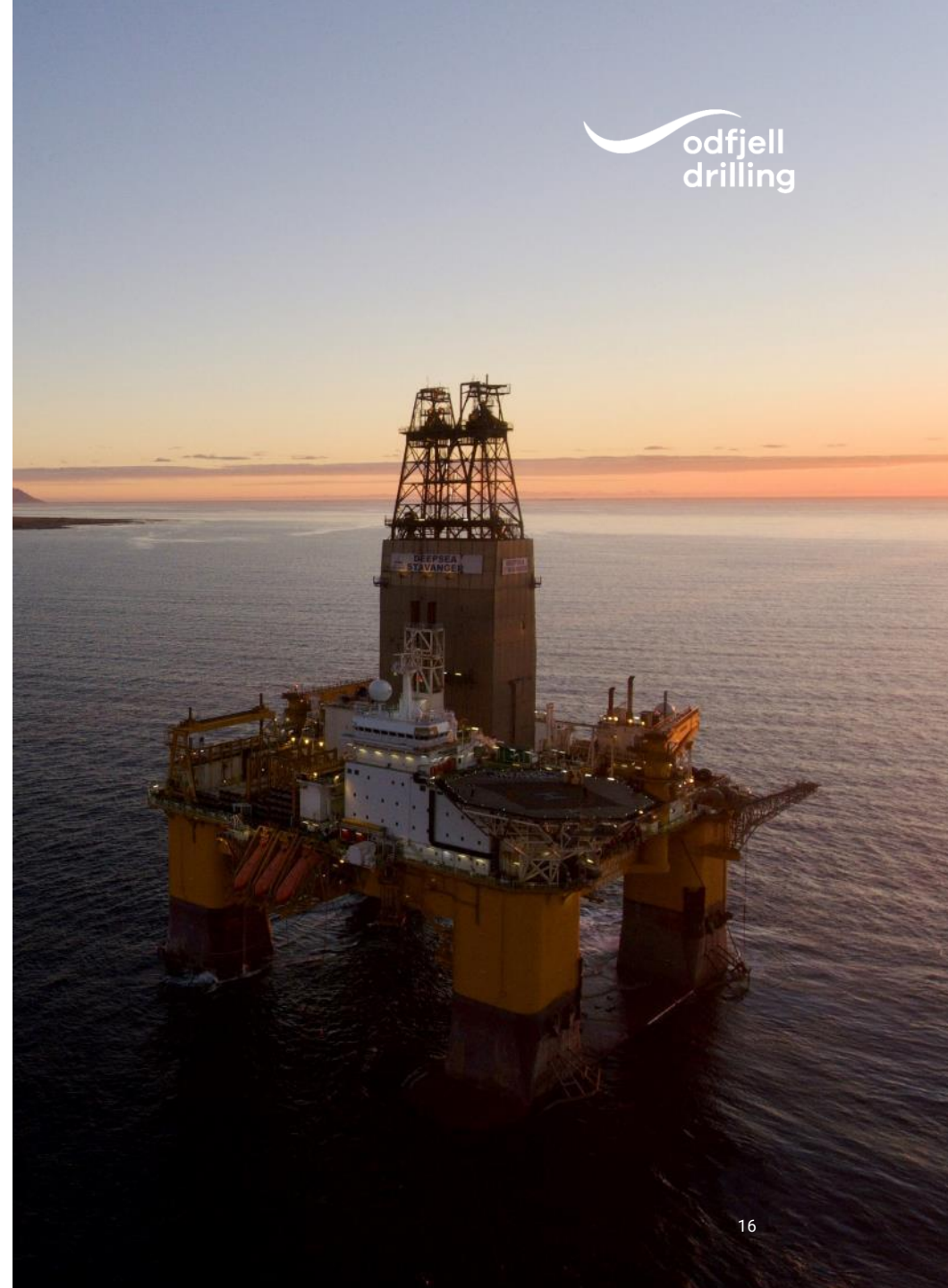
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Updated Dividend Policy

- The Company's ambition is to provide shareholders with a competitive return on their shares through a combination of share price appreciation and a direct return in the form of dividends.
- The Company will, in the first phase of the programme, target a quarterly dividend level that can be sustained quarter by quarter, with the ambition to grow the cash distributions (measured as USD per share) in the medium-term, reflecting increasing underlying earnings and reducing capex commitments. The Company may also consider to buy back shares as part of total distribution of capital to the shareholders.
- The Company will maintain a disciplined capital allocation approach with shareholder distributions always being at the board's discretion and subject to market outlook, contract backlog, cash flow generation, capital expenditure plans and funding requirements, whilst maintaining financial flexibility.
- The Board of Directors will determine the value of the dividend quarterly and revisit the dividend policy annually.

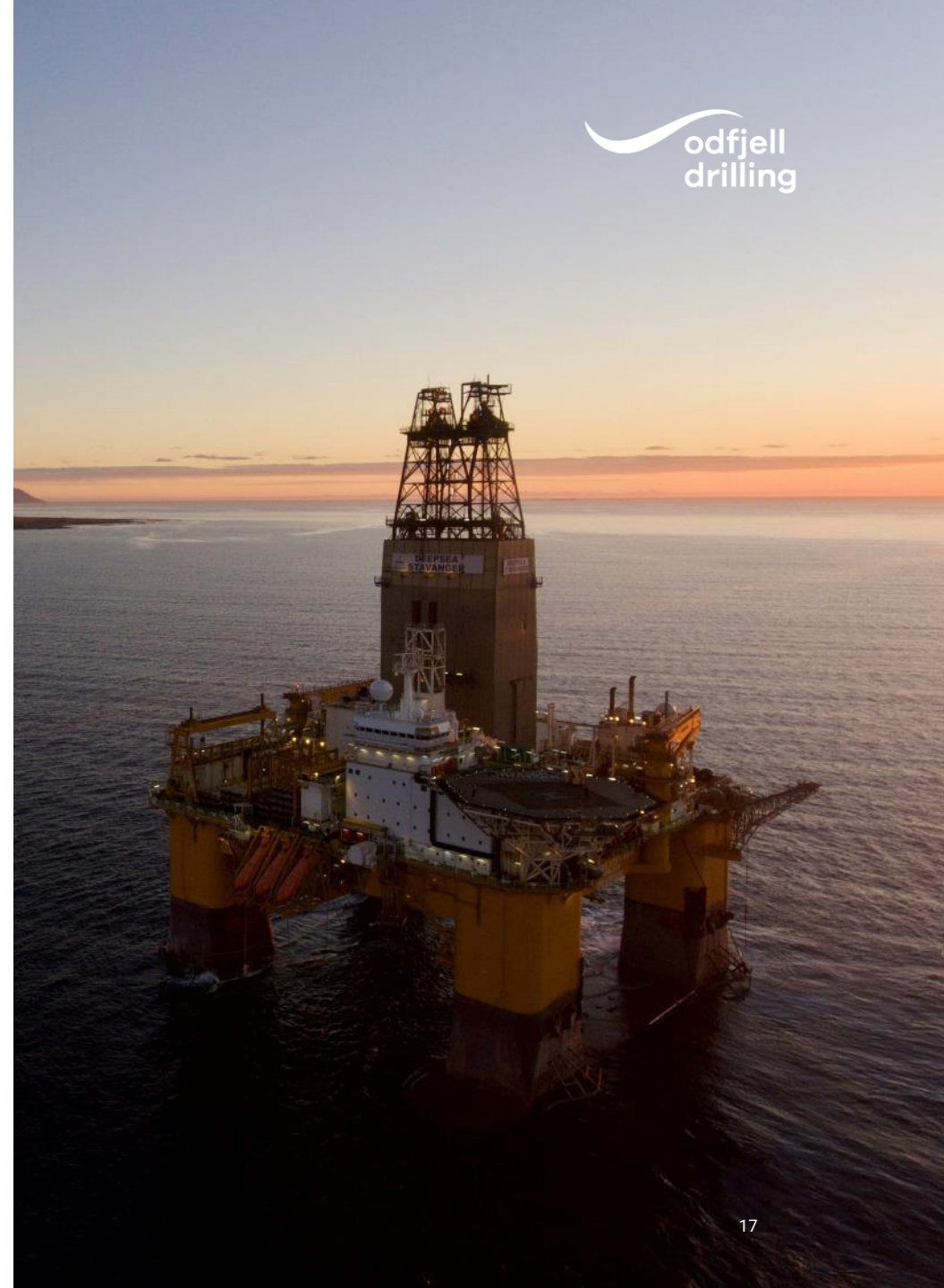


USD 14.2 Million Initial Quarterly Dividend

Key details of Q2 Dividend

- 0.06 USD / share
- Ex-Dividend date: 1 September
- Record date: 4 September
- Payment date: 13 September

Dividends will be declared in USD. Actual NOK payment per share will be determined based on the exchange rate at record date.



Q2 2023 Summary

Highlights

- Quarterly dividend programme implemented, with first distribution of USD 14.2 million for Q2 2023, with cash distribution to be made during Q3 2023.
- Successfully completed refinancing, facilitating the Company's future growth strategy and giving increased liquidity
- All rigs now on contract, with six active during the period resulting in increasing revenue and EBITDA generation during the quarter
- Continued strong operations, with high financial utilisation across the fleet

Outlook

- Continually increasing day rates for our rigs with supply and demand dynamics persisting
- Continued interest from operators to utilise sixth-generation rigs
- Forward backlog remains strong, resulting in increasing earnings in future months and years
- Backlog with upside potential beyond 2024, with market linked options
- Quarterly dividend programme initiated at level that is expected to be sustained quarter by quarter, with medium-term ambition to increase size of shareholder distributions in line with increased cash generation



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