



Q3 2024 Presentation

November 14, 2024



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Q3 2024 Highlights

- Revenue
- \$26.5 million including reimbursables
- Utilization
- 89.3% utilization in Q3 2024 vs. 85.9% in Q2 2024
- EBITDA
- Adj. EBITDA of \$6.0 million
 - Higher utilization leading to \$1.2 million improvement from Q2
- Net results
- Profit after tax of \$0.7 million
 - EPS of \$0.02
- Backlog
- Backlog of \$26.6 million as of November 13, 2024

Recent Events and Outlook

Monthly cash distributions

- 24 consecutive monthly distributions, totaling \$67m or NOK ~16.4 per share
- Latest distribution of \$0.04/sh implies 14.4% dividend yield p.a.⁽¹⁾

Fleet status

- 10 out of 11 rigs contracted, no renewals before 2025
- Pursuing opportunities for the idle rig

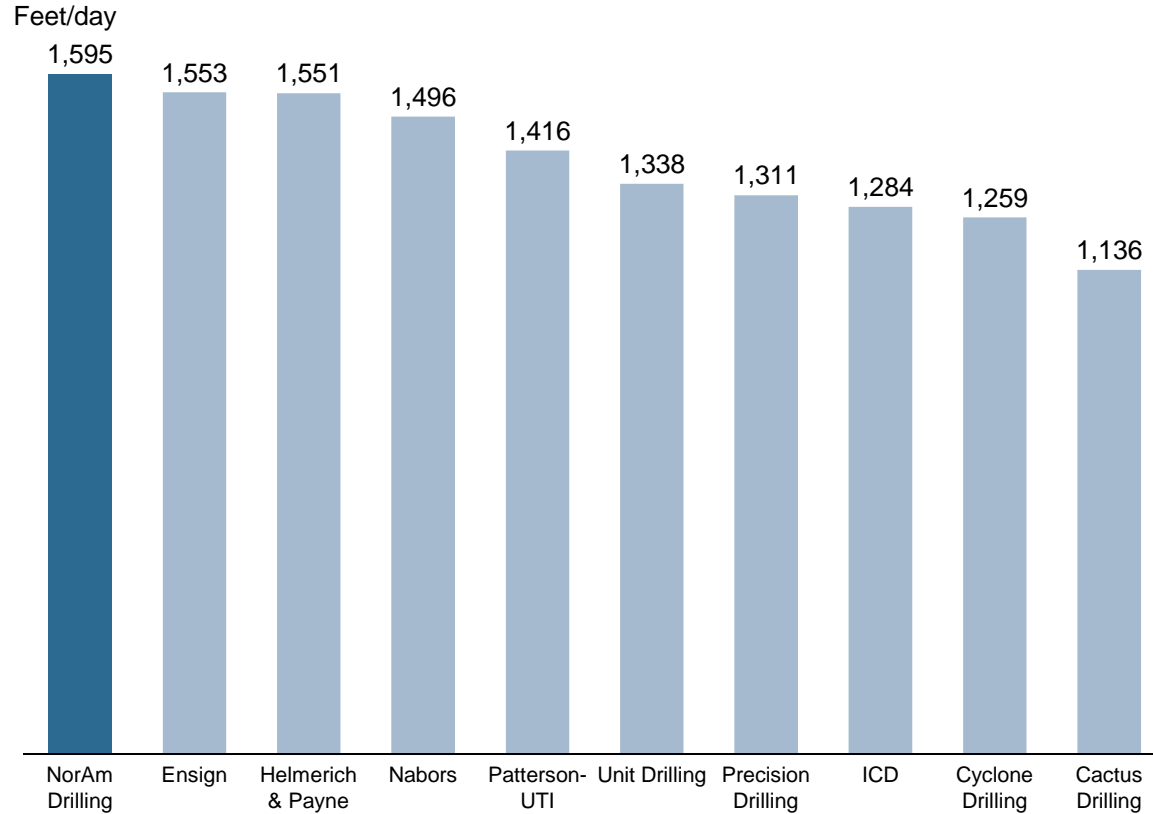
Stable near term outlook

- Permian rig counts expected to have reached or is near a bottom
- E&Ps with persistent operational discipline and flat 2025 capex plans
- Productivity gains seen in Permian driven by well completion services
- Believe we are nearing increased drilling demand for natural gas
- US election results could drive increased drilling demand over the next few years

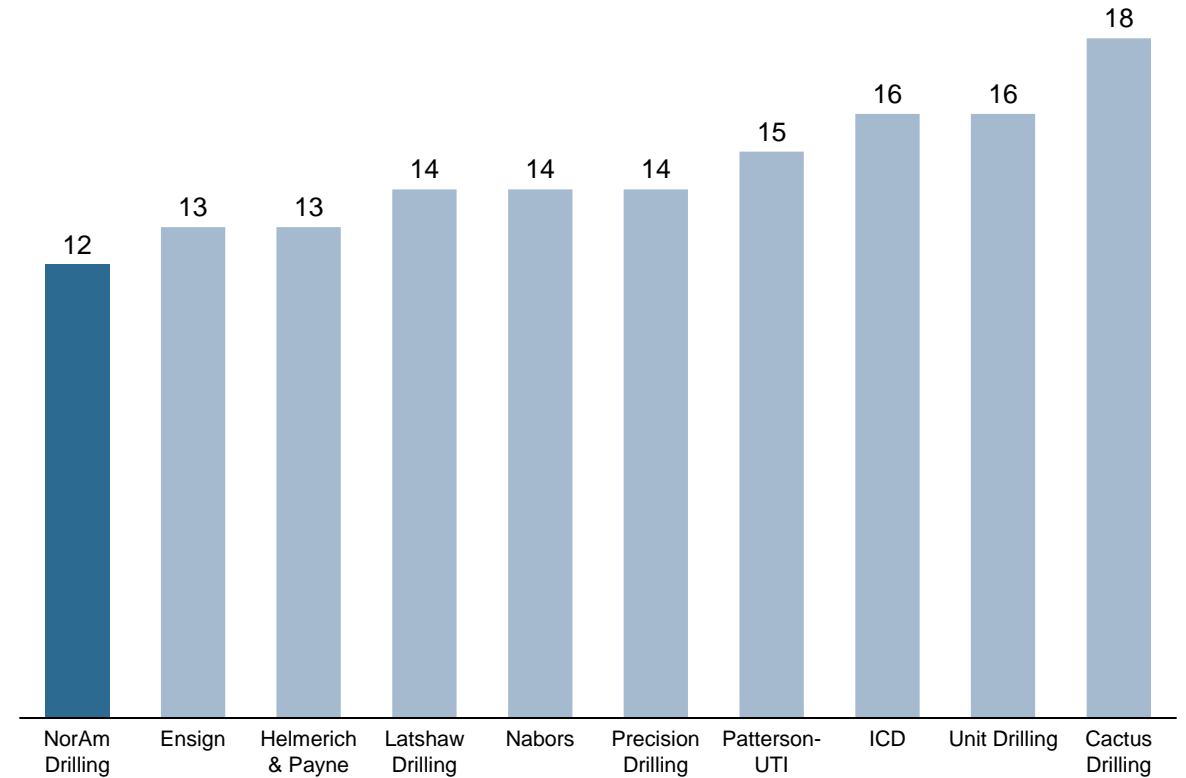
Note: (1) Based on NorAm Drilling's closing share price of NOK 37 as of November 13, 2024

The #1 Performer In The US Land Rig Market

Top 10 US land drillers by average drill rate⁽¹⁾



Top 10 US land drillers by days spent on location⁽²⁾



Note: (1) Q2 2024. Source: Enverus Oilfield Pulse Oct 2024. (2) Based on Enverus data from last six months to end of October 2024

Key Operational Figures

Selected operational and financial data

<i>(All amounts in USD per day) unless noted</i>	3Q 2024	2Q 2024	1Q 2024	4Q 2023
Rig utilization	89.3%	85.9%	87.5%	82.3%
Rig metrics per day:				
Direct margin	10,643	9,879	11,491	12,597
Operation and SG&A allocation	2,436	2,374	2,231	2,218
Maintenance and capex allocation	786	379	1,457	559
Net cash flow margin	7,421	7,126	7,803	9,820
Operating costs (1)	14,832	15,710	14,850	14,278
Cash break even, working rigs (2)	18,054	18,463	18,538	17,055
Direct stacked cost per day	9,800	10,250	10,560	9,698
Reimbursements of "out-of-pocket" expenses (000's)	3,176	2,723	1,966	930

(1) Excludes reimbursements for "out-of-pocket" expenses

(2) Excludes reimbursements for "out-of-pocket" expenses. Excludes operating costs of rigs not active

- Dayrate flat Q/Q in Q3
- Utilization up 3.4 percentage points with no whitespace for the 10 working rigs

Income statement

<i>(All amounts in USD 1000s)</i>	3Q 2024	2Q 2024	1Q 2024	4Q 2023
Total Operating Income	26,528	24,930	25,036	24,034
Payroll Expenses	8,862	7,952	7,955	8,124
Depreciation of Tangible and Intangible Assets	4,943	4,915	4,850	4,796
Rig Mobilization, Service and Supplies	7,833	8,524	7,478	6,540
Insurance Rigs and Employees	1,499	1,300	1,170	1,819
Other Operating Expenses	2,420	2,392	1,768	2,237
Total Operating Expenses	25,557	25,083	23,222	23,519
Operating Profit (+)/ Loss (-)	970	-153	1,815	515
Net Financial Items	83	126	-2	258
Profit (+)/Loss(-) before Income Tax	1,053	-27	1,812	773
Income Tax Expense	353	250		2,990
Net Profit (+)/Loss (-)	700	-277	1,812	-2,216

- Revenue up in Q3 with higher utilization
- Payroll expenses higher in Q3 due to higher reimbursables
- Seeing some inflationary pressure on insurance premiums

Balance Sheet And Cash Flow Statement

Balance sheet

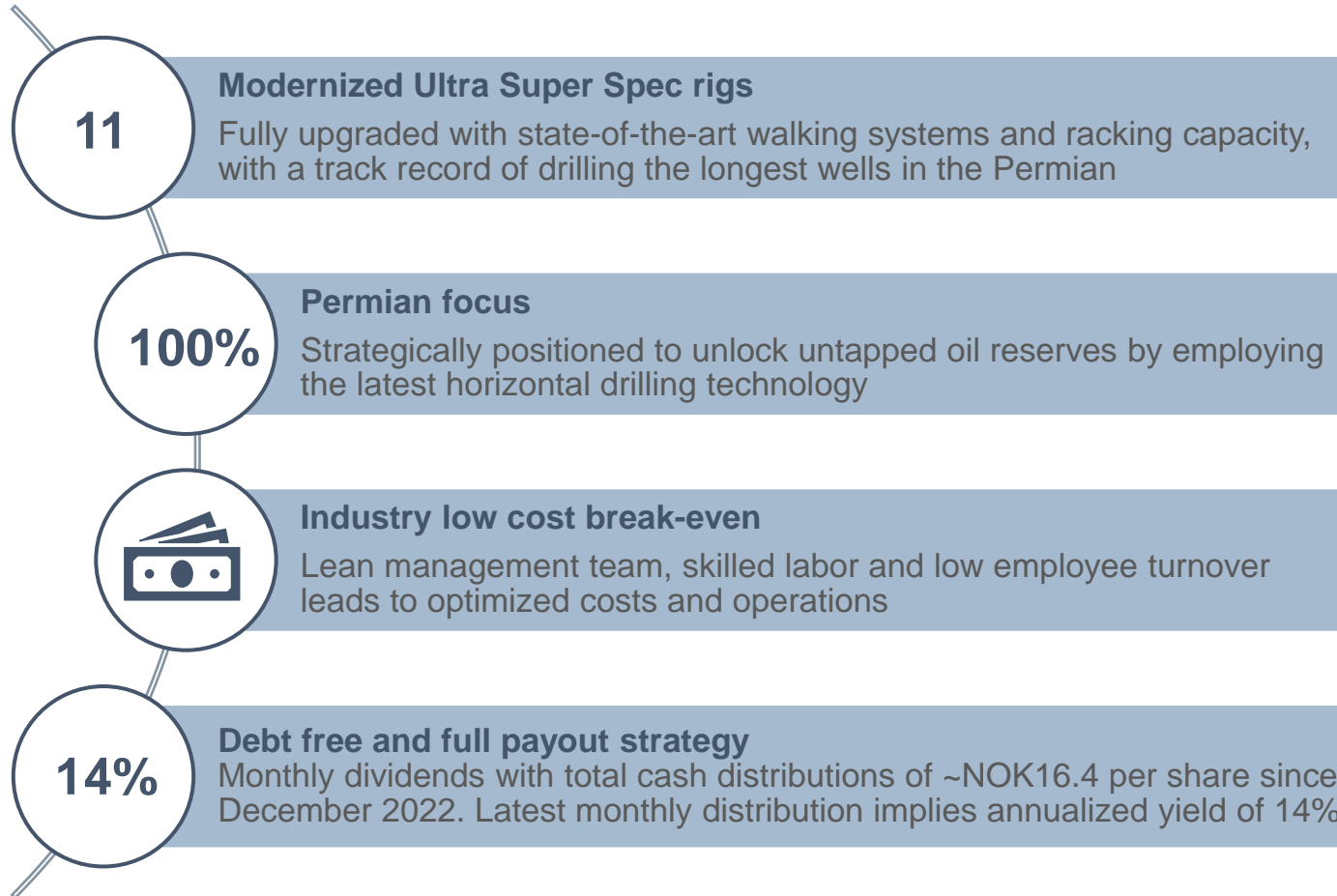
(All amounts in USD 1000s)	3Q 2024	2Q 2024	1Q 2024	4Q 2023
<i>Non current assets</i>				
Rigs and Accessories	59,660	63,867	68,368	72,061
Vehicles and Office Equipment	641	653	722	553
<i>Current assets</i>				
Accounts Receivable	11,965	11,223	11,405	11,297
Other Receivable	1,732	2,483	764	1,367
Bank Deposits/Cash	10,370	10,579	10,544	12,139
Total Assets	84,368	88,805	91,804	97,418
<i>Equity</i>				
Issued Capital	12,569	12,547	12,547	12,547
Share Premium	100,403	105,542	107,223	107,163
Other Shareholder Contribution	369	369	369	369
Other Equity	-46,023	-46,723	-46,446	-48,258
Total Equity	67,318	71,735	73,694	71,822
<i>Non current liabilities</i>				
Deferred Tax	4,825	4,881	4,881	4,881
<i>Current Liabilities</i>				
Accounts Payable	5,102	5,126	5,228	4,388
Tax Payable	695	287	326	326
Public Duties Payable	159	163	160	268
Other Current Liabilities	6,269	6,614	7,514	15,838
Total Liabilities	17,050	17,071	16,362	20,275
Total Equity & Liabilities	84,368	88,805	91,804	97,418

Cash flow statement

(All amounts in USD 1000s)	3Q 2024	2Q 2024	1Q 2024	4Q 2023
Net Profit (+)/Loss (-)	700	-277	1,812	773
Tax paid for the period	408	-39		
Depreciation of fixed assets	4,943	4,915	4,850	4,796
Change in accounts receivable	-742	182	-108	-1,697
Change in accounts payable	-24	-103	840	-1,904
Change in other current balance sheet items	412	906	-1,258	840
Net cash flow from operational activities	5,697	5,584	6,136	2,807
Purchase of tangible fixed assets	-723	-345	-1,326	-711
Net cash flow from investing activities	-723	-345	-1,326	-711
Repayment of long term debt				
Issued capital	21			
Dividends	-5,183	-5,204	-6,406	-5,279
Net cash flow from financing activities	-5,162	-5,204	-6,406	-5,279
Net change in cash and cash equivalent	-209	35	-1,595	-3,182
Cash and cash equivalents opening balance	10,579	10,544	12,139	15,321
Cash and cash equivalents closing balance	10,370	10,579	10,544	12,139

- Stable cash position with cash flow distributions to shareholders
- 2024 capex projected to be around ~\$3 million

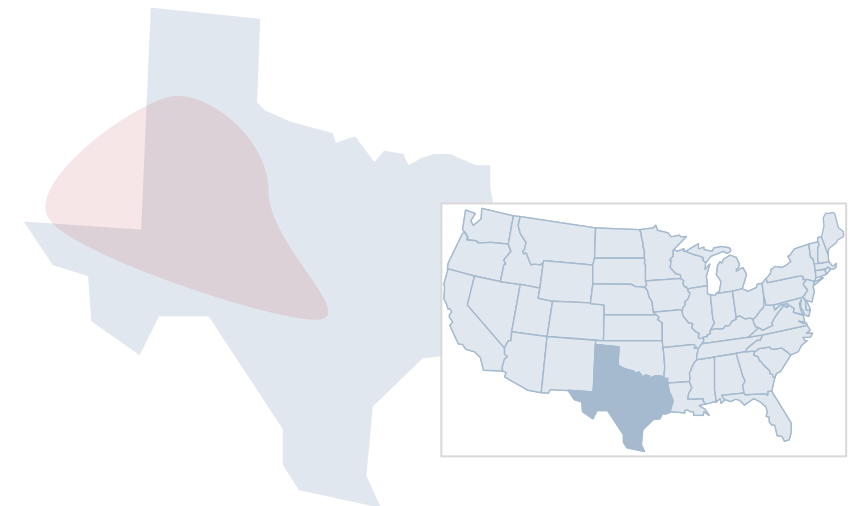
NorAm Drilling - Summary



Top quality customer portfolio



The Permian holds the largest energy reserves in the U.S





Q&A

Please use the raise hand function to ask a question. Thanks