



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2023 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	929 315 235
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	ELDORADO DRILLING AS
Forretningsadresse:	11. etg Haakon VIIs gate 1 0161 OSLO

Regnskapsår

Årsregnskapets periode:	01.01.2023 - 31.12.2023
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Konsern

Morselskap i konsern:	Ja
Konsernregnskap lagt ved:	Ja

Regnskapsregler

Regler for små foretak benyttet:	Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet:	Forenklet IFRS
Benyttet ved utarbeidelsen av årsregnskapet til konsernet:	IFRS

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Henrik August Christensen
Dato for fastsettelse av årsregnskapet:	15.03.2024

Grunnlag for avgivelse

År 2023: Årsregnskapet er elektronisk innlevert
År 2022: Tall er hentet fra elektronisk innlevert årsregnskap fra 2023

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 31.07.2025



Resultatregnskap

Beløp i: USD	Note	2023	2022
RESULTATREGNSKAP			
Kostnader			
Lønnskostnad	1	1 674 000	5 000
Nedskrivning av varige driftsmidler og immaterielle eiendeler	2	26 000 000	0
Annen driftskostnad	1	4 051 000	24 000
Management fee	1	436 000	41 000
Sum kostnader	3	32 161 000	70 000
Driftsresultat		-32 161 000	-70 000
Finansinntekter og finanskostnader			
Annen finansinntekt	4	10 936 000	31 000
Sum finansinntekter	4	10 936 000	31 000
Annen finanskostnad	4	97 690 000	-2 000
Sum finanskostnader	4	97 690 000	-2 000
Netto finans		-86 754 000	33 000
Ordinært resultat før skattekostnad		-118 915 000	-37 000
Skattekostnad på ordinært resultat	5	0	28 000
Ordinært resultat etter skattekostnad		-118 915 000	-65 000
Årsresultat		-118 915 000	-65 000
Overføringer og disponeringer			
Udekket tap		-118 915 000	-65 000
Sum overføringer og disponeringer		-118 915 000	-65 000



Balanse

Beløp i: USD	Note	2023	2022
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Varige driftsmidler			
Skip, rigger, fly og lignende	2	29 962 000	32 301 000
Sum varige driftsmidler		29 962 000	32 301 000
Finansielle anleggsmidler			
Investering i datterselskap	6	9 000	0
Sum finansielle anleggsmidler		9 000	0
Sum anleggsmidler		29 971 000	32 301 000
Omløpsmidler			
Varer			
Fordringer			
Kundefordringer		1 676 000	1 735 000
Konsernfordringer	7	160 904 000	0
Sum fordringer		162 580 000	1 735 000
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	8	60 853 000	6 354 000
Sum bankinnskudd, kontanter og lignende		60 853 000	6 354 000
Sum omløpsmidler		223 433 000	8 089 000
SUM EIENDELER		253 404 000	40 390 000
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital		6 345 000	1 378 000



Balanse

Beløp i: USD	Note	2023	2022
Overkurs		262 574 000	38 979 000
Annen innskutt egenkapital		1 496 000	0
Sum innskutt egenkapital	9, 10	270 415 000	40 357 000
Opptjent egenkapital			
Udekket tap		118 981 000	65 000
Sum opptjent egenkapital		-118 981 000	-65 000
Sum egenkapital	9, 10	151 434 000	40 292 000
Sum langsiktig gjeld		0	0
Kortsiktig gjeld			
Leverandørgjeld		4 293 000	70 000
Betalbar skatt	5	0	28 000
Kortsiktig konserngjeld	7	97 678 000	0
Sum kortsiktig gjeld		101 971 000	98 000
Sum gjeld		101 971 000	98 000
SUM EGENKAPITAL OG GJELD		253 405 000	40 390 000



Konsernets resultatregnskap

Beløp i: USD	Note	2023	2022
RESULTATREGNSKAP			
Kostnader			
Lønnskostnad	3	1 674 000	5 000
Avskrivning på varige driftsmidler og immaterielle eiendeler		0	
Nedskrivning av varige driftsmidler og immaterielle eiendeler	4	112 000 000	0
Annen driftskostnad	3	6 027 000	24 000
Management fee	3	1 186 000	41 000
Sum kostnader	5	120 887 000	70 000
Driftsresultat		-120 887 000	-70 000
Finansinntekter og finanskostnader			
Annen finansinntekt	6, 7	1 987 000	31 000
Sum finansinntekter		1 987 000	31 000
Annen finanskostnad	6, 7	15 000	-2 000
Sum finanskostnader		15 000	-2 000
Netto finans		1 972 000	33 000
Ordinært resultat før skattekostnad		-118 915 000	-37 000
Skattekostnad på ordinært resultat	8	0	28 000
Ordinært resultat etter skattekostnad		-118 915 000	-65 000
Årsresultat		-118 915 000	-65 000
Overføringer og disponeringer			
Udekket tap		-118 915 000	-65 000
Sum overføringer og disponeringer		-118 915 000	-65 000



Konsernets balanse

Beløp i: USD	Note	2023	2022
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Konsesjoner, patenter, lisenser, varemerker og lignende rettigheter	4	15 000 000	0
Sum immaterielle eiendeler		15 000 000	0
Varige driftsmidler			
Skip, rigger, fly og lignende	4	69 429 000	32 301 000
Sum varige driftsmidler		69 429 000	32 301 000
Sum anleggsmidler		84 429 000	32 301 000
Omløpsmidler			
Varer			
Fordringer			
Kundefordringer	11	12 045 000	1 735 000
Sum fordringer		12 045 000	1 735 000
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	12	62 458 000	6 354 000
Sum bankinnskudd, kontanter og lignende		62 458 000	6 354 000
Sum omløpsmidler		74 503 000	8 089 000
SUM EIENDELER		158 932 000	40 390 000
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital		6 345 000	1 378 000
Overkurs		262 574 000	38 979 000
Annen innskutt egenkapital		1 496 000	0



Konsernets balanse

Beløp i: USD	Note	2023	2022
Sum innskutt egenkapital	13, 14	270 415 000	40 357 000
Opptjent egenkapital			
Udekket tap		118 981 000	65 000
Sum opptjent egenkapital		-118 981 000	-65 000
Sum egenkapital	13, 14	151 434 000	40 292 000
Sum langsiktig gjeld		0	0
Kortsiktig gjeld			
Leverandørgjeld	15	7 498 000	70 000
Betalbar skatt	8	0	28 000
Sum kortsiktig gjeld		7 498 000	98 000
Sum gjeld		7 498 000	98 000
SUM EGENKAPITAL OG GJELD		158 932 000	40 390 000



Skatteetaten

Vår dato 09.01.2024	Din/Deres dato	Saksbehandler Vibeke Home
800 80 000 Skatteetaten.no	Din/Deres referanse	Telefon 48123176
Org.nr 974761076	Vår referanse 2023/5699601	Postadresse Postboks 9200 Grønland 0134 OSLO

ELDORADO DRILLING AS
Att.Bernt Ausland
11. etg, Haakon Vlls gate 1
0161 OSLO
Norge

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk for Eldorado Drilling AS, org.nr. 929 315 235

Vi viser til deres henvendelse mottatt 14. desember 2023 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk for Eldorado Drilling AS.

Skattekontoret gir på bakgrunn av en konkret helhetsvurdering Eldorado Drilling AS dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen gjelder så lenge opplysningene som danner grunnlaget for vedtaket ikke endres vesentlig.

Kopi av dette brevet må sendes til Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Den regnskapspliktige må selv dokumentere ved dette brev at tillatelse er gitt.

Bakgrunn

Eldorado Drilling AS har internasjonale eiere og er en del av et konsern. Selskapets marked og kundemasse er internasjonale oljeoperatører for boring på store havdyp.

Engelsk er selskapets arbeidsspråk. Selskapet har utenlandske styremedlemmer.

Skattekontorets vurdering

Etter regnskapsloven § 3-4 tredje ledd skal "årsregnskapet og årsberetningen [...] være på norsk. Departementet kan ved [...] enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk."

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap mv., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

"Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til



kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon.”

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til “informative regnskaper for ulike grupper av regnskapsbrukere”. Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter skattekontorets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har skattekontoret lagt særlig vekt på at selskapet har internasjonale eiere og er i et konsern. Videre er det vektlagt at selskapet driver virksomhet i en internasjonal bransje der alle sentrale aktører behersker og benytter engelsk.

Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Vibeke Horne
Skatteetaten

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.



Deloitte.

Deloitte AS
Dronning Eufemias gate 14
Postboks 221
NO-0103 Oslo
Norway

To the General Meeting of Eldorado Drilling AS

INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the financial statements of Eldorado Drilling AS, which comprise:

- The financial statements of the parent company Eldorado Drilling AS (the Company), which comprise the statement of financial position as at 31 December 2023, statement of profit and loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.
- The consolidated financial statements of Eldorado Drilling AS and its subsidiaries (the Group), which comprise the statement of financial position as at 31 December 2023, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with simplified application of International Accounting Standards according to the Norwegian Accounting Act section 3-9, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Board of Directors and the CEO (management) are responsible for the information in the Board of Directors' report. Our opinion on the financial statements does not cover the information in the Board of Directors' report.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report. We have nothing to report in this regard.

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Medlemmer av Den norske Revisorforening
Organisasjonsnummer: 980 211 282

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Eldorado Drilling AS

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with simplified application of International Accounting Standards according to the Norwegian Accounting Act section 3-9, and for the preparation of the consolidated financial statements of the Group that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU. Management is responsible for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are

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Eldorado Drilling AS

responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Oslo, 15 March 2024
Deloitte AS

Jens Bjørner Ugland
State Authorised Public Accountant

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Jens Bjørner Owren Ugland

Statsautorisert revisor

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ANNUAL REPORT 2023

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Directors' report for 2023

Operations and locations

Eldorado Drilling AS ("the company") is an independent drilling contractor built on extensive experience and expertise from the oil and gas industry. The group includes, in addition to Eldorado Drilling AS, the following subsidiaries (together referred to as "Eldorado Drilling" or "the group"):

Dorado Drilling AS
Zonda Drilling AS
Draco Drilling AS
Eldrill I Ltd.
Eldrill II Ltd.
Eldrill III Ltd.

Eldorado Drilling has offices in Haakon VII's gate 1, 0161 Oslo, Norway and Dragonara Business Centre, 5th Floor, Dragonara Road, St. Julian's STJ 3141, Malta.

Established in 2022, the group owns three state-of-the-art 7th generation ultra deepwater ("UDW") drill ships.

It has been secured a time charter contract for Zonda with Petrobras in Brazil expected to commence late 2024. The main objective of Eldorado Drilling in 2024 is to win favourable contracts for the other two drill ships.

Comments related to the financial statements

The group had no revenues in 2023 or 2022. Loss for the financial year was USD 118.9 million in 2023 (USD 118.9 million for the company) compared to USD 0.1 million (USD 0.1 million for the company) in 2022. The loss in 2023 is mainly due to impairments of drill ships and operating expenses related to drill ships under construction.

Total cash flow from operating activities was negative USD 9.8 million (negative USD 151.9 for the company) this year compared to negative USD 1.7 million (negative USD 1.7 million for the company) in the prior year, while the operating loss constituted USD 120.9 million (USD 32.2 million for the company) this year compared to USD 0.1 million (USD 0.1 million for the company) in the previous year. The difference mainly concerns impairments and changes in working capital.

The group's liquidity reserve as of 31 December 2023 was USD 62.5 million (USD 60.9 for the company).

The group had no long-term debt as of 31 December 2023 and 2022 and as such short-term debt constituted 100 % of the group's total debt, both in 2023 and 2022. The group's financial position is adequate to settle short-term debt as of 31 December 2023.

Total assets at year-end amounted to USD 158.9 million (USD 253.4 million for the company), compared to USD 40.4 million (USD 40.4 million for the company) last year. The equity ratio for the group was 95.3 % as of 31 December 2023 (59.8% for the company), compared to 99.8 % (99.8% for the company) the year before.

Market outlook

The floater market outlook is positive. Firm demand-side progress throughout 2023 has continued to tighten floater markets, underpinning significant growth in day rates, with further improvements likely. Indeed, though some concerns remain surrounding the impacts of macroeconomic

headwinds on oil demand and pricing, continued demand growth is likely as units commence contracts and with significant tendering ongoing. Floater demand is projected to grow more than 10% next year to reach 165 units at the end of 2024. Meanwhile, active floater supply is projected to grow more modestly out to the end of 2024, on the back of various further deliveries and reactivations, in order to facilitate rising demand (although floater availability is expected to remain limited). Overall, floater utilization is forecast to stand at around 94% at the end of 2024, just a few percentage points below the start of 2014. Strong floater market conditions are expected, with particularly tight UDW markets in the 'Golden Triangle' (Gulf of Mexico, southeast Brazil and West Africa) and limited harsh semi-sub availability likely to remain key drivers of the floater market upturn.

Financial risk

Overall view on objectives and strategy

The group is exposed to financial risk in different areas, especially liquidity risk. The goal is to reduce the financial risk as much as possible. The group's current strategy does not include the use of financial instruments. In 2023 the liquidity risk was not very high, but this risk is expected to increase somewhat in 2024 due to the planned delivery of the three 7th generation ultra deepwater drill ships for which significant instalments to the yard are to be paid.

Market risk

The group has limited exposure to exchange rate risk, due to the fact that the substantial parts of cash outflows are in USD. Future revenues for the group will also be paid in USD. The group has not entered into derivative or other agreements to reduce the exchange rate risk and the related market risk. The group has very limited exposure to changes in the interest rate, as the group holds no external loans as of 31 December 2023. Changes in the interest rate can in any case affect future investment opportunities.

Credit risk

The risk for losses on receivables is considered to be low as the group does not have any revenues in 2022 or 2023 and there are no trade receivables. Trade and other receivables in the balance sheet mainly relates to prepayments to suppliers.

Liquidity risk

The group's liquidity is good, but with an increased focus on the capital expenditures related to the deliveries of the drill ships from yard. The group has secured a USD 275 million direct lending loan facility that was drawn down subsequent to year end in February 2024 to facilitate the delivery of the Zonda drill ship. A USD 140 million direct lending loan facility has also been secured to finance the final instalment for the Dorado drill ship. The group is working on obtaining financing for the West Draco drill ship that is scheduled to be delivered from year later in 2024.

Going concern

In accordance with the Accounting Act § 3-3a, we confirm that the financial statements have been prepared under a going concern assumption. This assumption is based on the group's long-term strategic forecasts. The group's economic and financial position is satisfactory.



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Allocation of result for the year

The Board of Directors has proposed the loss for the year to be attributed to:

Uncovered loss group	USD 118.9 million
Uncovered loss company	USD 118.9 million

The working environment and the employees

The group had no employees as of 31 December 2023. Facilitating a working place for many people employed by sub suppliers, the group is working to support equal rights across nationality, gender, and age.

Remuneration of executives

The board approves the remuneration package for the CEO and CFO. The compensation package is determined on the basis of an evaluation of the qualifications and competencies and is designed to be competitive with comparable positions in the market and the achievement of Eldorado Drilling's goals. Further details on the remuneration of executives are

provided in Note 3 to the 2023 consolidated financial statements.

Insurance for board members and executives

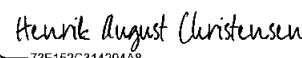
The company have put in place insurance for the board members and executive officers through a board and executive officer insurance scheme. The insurance is established to cover the costs of any compensation claims made against the company's directors and executive officers for wrongful acts.

Environmental considerations

The group's goal is always to limit any negative impact the operations might have on the environment and biodiversity. Eldorado Drilling has specific focus on marine ecosystems and works continuously to minimize the risks related to the operations of the group.

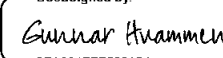
Oslo, Norway, 15 March 2024


The Board of Directors and the CEO of Eldorado Drilling AS

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Henrik August Christensen
Chairman

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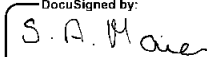
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Darren Maupin
Director

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Gunnar Hvanem
Director

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Harald Møræus-Hansen
Director

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Steven John Davies
Director

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Svend Anton Maier
CEO


eldorado
drilling



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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

USD'000	Note	2023	22 Apr - 31 Dec 2022
Personnel expenses	3	(1 674)	(5)
Operational expenses	3	(6 027)	(24)
Management fee	3	(1 186)	(41)
Depreciation & amortization		-	-
Impairment of assets	4	(112 000)	-
OPERATING EXPENSES	5	(120 888)	(70)
OPERATING PROFIT (LOSS)		(120 888)	(70)
Total finance income		1 987	31
Total finance costs		(15)	2
NET FINANCIAL ITEMS	6,7	1 972	32
ORDINARY PROFIT (LOSS) BEFORE TAX		(118 915)	(37)
Income tax expense	8		(28)
ORDINARY PROFIT (LOSS) FOR THE YEAR		(118 915)	(65)
Items which will not be reclassified over profit and loss		-	-
Items which may not be reclassified over profit and loss		-	-
TOTAL COMPREHENSIVE PROFIT (LOSS) FOR THE YEAR		(118 915)	(65)
ALLOCATION OF PROFIT (LOSS)		(118 915)	(65)
Earnings per share, basic (USD per share)	16	(0.13)	(0.00)
Earnings per share, diluted (USD per share)	16	(0.12)	(0.00)

The notes on page 9 to 22 are an integral part of these consolidated financial statements.



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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

USD'000	Note	31 Dec 2023	31 Dec 2022
Non-current assets			
Patents & licenses	4	15 000	-
Drill ships under construction	4	69 429	32 301
Total non-current assets		84 429	32 301
Current assets			
Trade and other receivables	11	12 045	1 735
Cash and cash equivalents	12	62 458	6 354
Total current assets		74 503	8 089
TOTAL ASSETS		158 932	40 389
Equity			
Share capital		6 345	1 378
Share premium reserve		262 574	38 979
Other paid-in equity		1 496	-
Uncovered loss		(118 981)	(65)
Total equity	13,14	151 434	40 292
Current liabilities			
Payable tax	8	-	28
Trade and other payables	15	7 498	70
Total current liabilities		7 498	98
TOTAL EQUITY AND LIABILITIES		158 932	40 389

The notes on page 9 to 22 are an integral part of these consolidated financial statements.

Oslo, Norway, 15 March 2024

The Board of Directors and the CEO of Eldorado Drilling AS

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Henrik August Christensen
Chairman

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Darren Maupin
Director

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Gunnar Hvammen
Director

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Harald Møræus-Hanssen
Director

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Steven John Davies
Director

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Svend Anton Maier
CEO





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CONSOLIDATED STATEMENT OF CASH FLOWS

USD'000	Note	2023	22 Apr – 31 Dec 2022
Operating activities			
Operating profit (loss)		(120 888)	(70)
Impairment	4	112 000	-
Finance costs (net)	7	1 972	32
Changes in:			
Trade and other receivables	11	(10 311)	(1 734)
Trade and other payables	15	7 428	69
Payable tax	8	(28)	-
NET CASH FLOWS FROM OPERATING ACTIVITIES		(9 826)	(1 703)
Investing activities			
Purchase of intangible assets	4	(15 000)	-
Purchase of fixed assets	4	(149 128)	(32 301)
NET CASH FLOWS FROM INVESTING ACTIVITIES		(164 128)	(32 301)
Financing activities			
Changes in paid in-capital		228 563	40 357
Changes in share-based payments	14	1 496	-
NET CASH FLOWS FROM FINANCING ACTIVITIES		230 059	40 357
Net change in cash and cash equivalents		56 104	6 354
Cash and cash equivalents at start of the period		6 354	-
CASH AND CASH EQUIVALENTS AS OF 31 DECEMBER		62 458	6 354

The notes on page 9 to 22 are an integral part of these consolidated financial statements.



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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

USD'000	Share capital	Share premium	Other paid-in capital	Uncovered loss	TOTAL EQUITY
As of 1 January 2022	-	-	-	-	-
Capital increases	1 378	37 529	1 450	-	40 357
Annual profit (loss)	-	-	-	(65)	(65)
As of 31 December 2022	1 378	37 529	1 450	(65)	40 292

	Share capital	Share premium	Other paid-in capital	Uncovered loss	TOTAL EQUITY
As of 1 January 2023	1 378	37 529	1 450	(65)	40 292
Capital increases	4 967	231 193	(1 450)	-	234 708
Fee capital increase	-	(6 147)	-	-	(6 147)
Annual profit (loss)	-	-	-	(118 915)	(118 915)
Share-based payments	-	-	1 496	-	1 496
As of 31 December 2023	6 345	262 574	1 496	(118 981)	151 434

The notes on page 9 to 22 are an integral part of these consolidated financial statements.



Note 1: Corporate information

Eldorado Drilling AS (the "company") is a private limited liability company incorporated under the laws of Norway. The company's registered office is at Haakon VIIs gate 1, 0161 Oslo, Norway. The consolidated financial statements for the fiscal year of 2023 comprise the company and its subsidiaries (collectively "Eldorado Drilling" or the "group").

Information on the group's structure is provided in Note 9. Information on other related party transactions of Eldorado Drilling is provided in Note 10.

As of 31 December 2023, Eldorado Drilling owned three 7th generation ultra deepwater drill ships under construction. The annual accounts for the company and the group for the year ended 31 December 2023 were approved by the Board of Directors on 15 March 2024.

Note 2: Summary of material accounting policy information.

2.1 Basis for preparation of the annual accounts

The consolidated financial statements of Eldorado Drilling have been prepared in accordance with the International Financial Reporting Standards (IFRS) Accounting Standards as adopted by the EU.

These are the first consolidated accounts for Eldorado Drilling presented in accordance with IFRS (and also the first ever consolidated accounts prepared for the group). The company has previously prepared the financial accounts in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway (NGAAP). The transition date to IFRS has been set to 22 April 2022, which is the date of incorporation for the company. Transition dates for the other subsidiaries in the group have been set to their respective dates of incorporation. The transition to IFRS is reported in accordance with IFRS 1 First-time Adoption of International Financial Reporting Standards. Thorough judgments have been made related to assessing any accounting differences related to the adoption of IFRS and the effects of such on the accounts. Management are not aware of any material differences arising from the adoption of IFRS for the group or the company. Since no material differences between NGAAP and IFRS exist at the time of adoption, it has not prepared reconciliations for equity, comprehensive income and cash flows.

The accounting principles for Eldorado Drilling are written to comply with the requirements of the amended IAS 1 related to disclosure of material accounting policy information.

The consolidated financial statements have been prepared on a historical cost basis.

The consolidated financial statements are presented in USD, having changed the presentation currency from NOK to USD effective from this year, and all values are rounded to the nearest thousand (USD'000) unless otherwise indicated. As a result of rounding differences amounts and percentages may not add up to the total.

The consolidated statement of cash flows is presented using the indirect method. The income statement is presented by showing expenses by their nature.

The annual financial statements have been prepared under a going concern assumption. This assumption rests on financial forecasts and plans for the coming year on the basis of several assumptions made about future events and planned transactions. At the date of this report, management is not aware of any significant current or future impacts on the company from the ongoing war in Ukraine, other macroeconomic events or climate change that could alter this.

2.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of Eldorado Drilling AS and the entities it controls (its subsidiaries) for their entire lifetimes, as the group has owned these entities since their inception. Control is achieved when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The subsidiaries, engaged in the operation of drilling ships, are fully consolidated, reflecting the group's continuous control from the date of their establishment.

The group applies the full consolidation method, presenting the financial statements of the parent company and its subsidiaries as those of a single economic entity. Intercompany transactions, balances, income, and expenses are eliminated in full on consolidation.

2.3 Foreign currencies

In preparing the financial statements, estimates and assumptions that affect the income statement and the valuation of assets and liabilities, as well as uncertain assets and liabilities on the balance sheet date, have been used in accordance with generally accepted accounting principles. Areas that largely contain such discretionary assessments, a high degree of complexity, or areas where assumptions and estimates are significant to the financial statements, are described in the notes.

2.4 Segment reporting

The chief operating decision maker, who is responsible for allocating resources, making strategic decisions and assessing performance, has been identified as the board of the company. Strategic decisions, allocation of resources and assessment of performance are made for the group as a whole and individually for each vessel in the fleet. There is no separate management reporting for any subsidiaries in the group.





2.5 Operating expenses

Vessel operating expenses mainly include stacking costs, salaries and personnel expenses, communication expenses and management fees.

2.6 Current versus non-current classification

Eldorado Drilling presents assets and liabilities in the statement of financial position based on current/ non-current classification. An asset is current when it is (i) expected to be realised or intended to be sold or consumed in the normal operating cycle, (ii) held primarily for trading, (iii) expected to be realised within twelve months after the reporting period or (iv) cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current. A liability is current when (i) it is expected to be settled in the normal operating cycle, (ii) it is held primarily for trading, (iii) it is due to be settled within twelve months after the reporting period or (iv) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. The group classifies all other liabilities as non-current. Deferred tax assets and liabilities are all classified as non-current assets and liabilities.

2.7 Cash and cash equivalents

Cash and cash equivalents include cash at hand, bank deposits and short-term deposits with maturity of three months or less.

Cash not available for general use by Eldorado Drilling due to loan restrictions are classified as restricted cash.

2.8 Fair value measurement

Financial instruments, such as trade receivables, are measured at fair value. The fair value of financial instruments traded in active markets is determined by reference to quoted market prices or dealer price quotations, without any deduction for transaction cost. The fair value of financial instruments not traded in active markets is determined using appropriate valuation techniques.

A fair value measurement of a non-financial asset considers a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. Eldorado Drilling uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy based on the lowest level input that is significant

to the fair value measurement, and can be described as follows:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Fair value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed are summarised in Note 6.

2.9 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

The group's financial assets are: trade and other receivables and cash and cash equivalents.

Recognition and derecognition

Financial assets are recognised when the group becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred.

Classification and initial and subsequent measurement

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

The group's trade and other receivables and cash and cash equivalents fall into the classification category of financial assets at amortised cost as both the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and,
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.



Financial assets at amortised cost are subsequently measured using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The group's cash and cash equivalents, trade and other receivables fall into this category.

Financial liabilities

The group's financial liabilities are: trade and other payables.

Recognition and derecognition

Financial liabilities are recognised when the group becomes a party to the contractual provisions of the financial instrument. A financial liability is derecognised when its contractual obligations are extinguished that is, when the obligation specified in the contract is discharged, cancelled, or expires.

Classification and initial and subsequent measurement

Financial liabilities are classified, at initial recognition, based on their nature, as appropriate. Payables are recognised at fair value net of directly attributable transaction costs. Since the effect of discounting is not material, payables are in practice measured at their nominal amount.

2.10 Tangible assets

Drill ships under construction are carried at cost less impairment charges. The cost comprises directly attributable cost during the construction period. Drill ships under construction are not depreciated until the vessels are ready for their intended use.

2.11 Shares in subsidiaries

Subsidiaries are valued at the cost method in the company accounts. The investment is valued at the acquisition cost of the shares unless a write-down has been necessary. A write-down to fair value is made when the impairment is due to reasons that cannot be expected to be temporary and is considered necessary according to generally accepted accounting principles. Write-downs are reversed when the basis for the write-down is no longer present.

Dividends, group contributions, and other distributions from subsidiaries are recognized as income the same year as it is set aside in the donor's accounts. If the dividend / group contribution exceeds the share of earned profit after the acquisition date, the excess part represents repayment of invested capital, and the distributions are deducted from the investment's value in the company's balance sheet.

2.12 Provisions

A provision is recognised when the group has an obligation (legal or self-imposed) as a result of a previous event, it is

probable (more likely than not) that a financial settlement will take place as a result of this obligation and the size of the amount can be measured reliably. If the effect is considerable, the provision is calculated by discounting estimated future cash flows using a discount rate before tax that reflects the market's pricing of the time value of money and, if relevant, risks specifically linked to the obligation.

2.13 Intangible assets

Intangible assets that have been acquired separately are carried at cost.

The economic life is either definite or indefinite. Intangible assets with a definite economic life are amortised over their economic life and tested for impairment if there are any indications. The amortisation method and period are assessed at least once a year. Changes to the amortisation method and/or period are accounted for as a change in estimate.

(a) Patents and licenses

Amounts paid for patents and licenses are capitalised and amortised in a straight line over the expected useful life.

2.14 Income tax

The companies in the group are subject to income tax in certain countries in which they operate. Income tax expense in these entities represents the current income tax and changes in any deferred tax assets and liabilities.

(a) Current income tax

Current income tax assets and liabilities for the current period are measured at the amount recovered from or expected paid to the tax authorities. Tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the group operates and generate taxable income.

(b) Deferred tax

Deferred tax is calculated using the method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying values for financial reporting purposes.

2.15 Impairment of assets

(a) Financial assets

Eldorado Drilling assesses at each reporting date, whether a financial asset or a group of financial assets is impaired. For financial assets carried at amortised cost, the group assesses expected credit losses. The amount of the loss is measured as the difference between the asset's gross carrying value and the present value of estimated future cash flows.



(b) Drill ships under construction

The carrying values of drill ships under construction are tested for impairment whenever there are indications that the value may be impaired. When such indicators exist, Eldorado Drilling estimates the asset's recoverable amount. The recoverable amount is the higher of the fair market value of the asset, less cost to sell, and the net present value of future estimated cash flows from the employment of the asset ("value in use"). If the recoverable amount is lower than the carrying value, the asset is impaired to the recoverable amount.

If there is a subsequent increase in the recoverable amount of an impaired drill ship, a reversal of the impairment loss is recorded up to the amount of the original carrying amount that would have been recognized if no impairment loss had been accounted for in prior years.

All vessels are considered separate cash generating units and assessed independently.

2.16 The use of estimates and assessment of accounting policies when preparing the annual accounts

The preparation of the group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying value of assets or liabilities affected in future periods.

Judgments

The management has, when preparing the financial statements, made certain assessments based on its judgment when it comes to application of the accounting principles, however none of which are considered significant or critical.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying values of assets and liabilities within the next financial year, are described below. The group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the group. Such changes are reflected in the assumptions when they occur. Management has applied significant estimates and assumptions mainly relating to the following:

- Impairment assessment of drill ships under construction

Drill ships under construction

There have been recorded impairment provisions for three drill ships in 2023. See note 4. Such impairment assessment

demands a high degree of estimation, where management must make complex assessments of the fair market values of the drill ships when ready-to-drill and the future capital expenditures to make the drill ships get to that stage.

Changes to these estimates could have a significant impact on the impairments recognised for the drill ships.

2.17 Earnings per share

Basic earnings per share are calculated by dividing net profit for the year attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the year, excluding ordinary shares purchased by the company and held as treasury shares. The company held no such treasury shares as of 31 December 2023.

Diluted earnings per share are calculated by dividing the net profit attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all dilutive potential ordinary shares to ordinary shares. Net loss will not be attributed to dilutive shares, hence diluted loss per share will be equal to loss per basic shares. Dilutive shares relates to warrants, see note 14.

2.18 Standards and interpretations issued but not yet effective

Standards and interpretations that are issued up to the date of issuance of the consolidated financial statements, but not yet effective are disclosed below. The group's intention is to adopt the relevant new and amended standards and interpretations when they become effective, subject to EU approval before the consolidated financial statements are issued.

- Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
- Disclosures of Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)

The amendments are not expected to have a material impact on the group.

2.19 Events after the reporting period

New information on the group's financial position on the end of the reporting period which becomes known after the reporting period is recorded in the annual accounts. Events after the reporting period that do not affect the group's financial position on the end of the reporting period, but which will affect the group's financial position in the future are disclosed if significant.



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Note 3: Salary costs and benefits, remuneration to the chief executive, board and auditor

Salary costs

USD'000	2023	2022
Salaries	48	4
Employment tax	6	1
Other benefits	-	-
Other personnel costs	1 620	-
Total	1 674	5

In 2023, the group employed 0 man-years.

The company is not liable to maintain an occupational pension scheme under the Mandatory Occupational Pensions Act. The company's pension schemes satisfy the requirements of this Act.

USD'000	Salary/Board remuneration 2023	Value of warrants granted	Expensed warrants 2023	Total remuneration
Management				
Svend Anton Maier (CEO), Pelago Management Malta Ltd.*	-	656	656	656
Rune Magnus Lundetræ (CFO), Primato AS*	-	330	330	330
Members of the Board				
Henrik A. Christensen (Chairman)	27	27	27	54
Harald Møræus-Hanssen (Director)	3	268	268	271
Darren Maupin (Director)	1	-	-	1
Gunnar Hvammen (Director)	8	215	215	222
Steven John Davies (Director)	1	-	-	1
Petter Fredrik Bøe (Former Director)	6	38	38	44
Gerard Michael O'Brien (Former Director)	2	-	-	2
Total Remuneration	48	1 534	1 534	1 582

*Note that Rune Magnus Lundetræ and Svend Anton Maier have accrued costs for their services through their respective companies, rather than receiving direct salary compensation during this period. Rune Magnus Lundetræ, through Primato AS, has accrued costs amounting to USD 147.5 thousand for management fees and expenses. Similarly, Svend Anton Maier, through Pelago Management Malta Ltd., has accrued costs totaling USD 400 thousand for management fees and expenses. These costs have been allocated among the drill ship-owning companies.

Bonus:

The chief executive officer has a bonus agreement with the company for a one-time payment of NOK 12 million. The main criteria for the bonus is that all three drill ships have been awarded drilling contracts and delivered to their respective end user within 30 June 2026.





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Auditor's Remuneration:

The Company has incurred expenses related to audit services as required by Norwegian law. The auditor's remuneration is negotiated annually based on the scope of the audit work. For the year ended 31 December 2023, the auditor's remuneration is as follows:

USD'000

Statutory audit 2023	31
Other attestation services	15
Tax advice	93
Other non-audit services	-
Total	139

The auditor's fees are exclusive value-added tax and are expensed in the period in which the services are rendered.

Note 4: Non-current assets

USD'000	Patents & licenses	Drill ships (under construction)	Total
Acquisition cost 31 December 2022	-	32 301	32 301
Additions purchased fixed assets	15 000	149 128	164 128
Acquisition cost 31 December 2023	15 000	181 429	196 429
Depreciations and amortizations	-	-	-
Impairment	-	(112 000)	(112 000)
Book value 31 December 2023	15 000	69 429	84 429

Eldorado Drilling has acquired three drill ships named Zonda, Dorado and Draco. The SPAs for Zonda and Draco are at year end 2023 held by Zonda Drilling AS and Draco Drilling AS, respectively, while the SPA for Dorado is held by Eldorado Drilling AS. As of 31 December 2023, total remaining installment amount to be paid for the three drill ships was USD 478.8 million.

Zonda was delivered from the yard on 28 February 2024. The target delivery dates for the Dorado and Draco, are March 2024 and June 2024, respectively.

The group has successfully executed a reorganization of its structure in 2024, where the SPAs (rights and obligations) for the three drill ships have been transferred from the Norwegian entities to three wholly owned special-purpose entities located in Malta. As part of the reorganization, a valuation and impairment assessment was conducted. The fair value method was applied to determine the transaction price to be paid. The fair value is based on the average of valuations from three independent brokers and comparable analysis of market value of similar businesses to Eldorado Drilling. To get to the final fair value per SPA, the average of the three broker valuations and the results from the comparable analysis of peers is reduced by remaining instalments plus estimated ready to drill-, mobilization-, stacking-, and marketing costs. For all three drill ships the estimated final fair value is lower than the actual recorded acquisition costs and has resulted in impairments of asset values.





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USD'000	Zonda	Dorado	Draco	Group
Average broker valuation	416 000	424 000	418 000	1 258 000
Comparable analysis	290 000	295 000	295 000	880 000
Market price	353 000	359 500	356 500	1 069 000
Instalments to be paid	(142 500)	(161 250)	(175 000)	(478 750)
Ready to drill costs	(132 500)	(111 960)	(113 760)	(358 220)
Mobilization cost	(35 000)	(41 000)	(41 000)	(117 000)
Stacking costs		(11 000)	(11 000)	(22 000)
Marketing expenses		(4 500)	(4 500)	(9 000)
Total fair value per SPA	43 000	29 790	11 240	84 030
Acquisition costs, paid	65 000	55 790	75 240	196 030
Asset impairment	22 000	26 000	64 000	112 000

Drill ships Zonda and Dorado are pledged as security for the Zonda credit line facility and the Dorado Drilling AS debt term sheet, respectively. The difference between acquisition costs, paid versus booked acquisition costs as per 31 December 2023, is due to rounding in the transfer agreements for the drill ships under construction.

Note 5: Specification of operating costs by type

USD'000	2023	2022
Cost of goods	-	-
Salary costs	(1 674)	(5)
Depreciation	-	-
Impairments	(112 000)	-
Other operating costs	(7 213)	(65)
Total operating costs	(120 888)	(70)

Note 6: Financial risk, management objectives and policies

Eldorado Drilling is committed to a comprehensive approach to financial risk management, with policies and practices designed to identify, assess, and mitigate the various financial risks that could impact our operations and financial performance. Our primary financial risk management objectives are to ensure the company's financial stability and protect against potential financial losses. The company's financial risk management policies are overseen by the Board of Directors and are implemented by the company's financial management team.

Types of Financial Risk and Management Strategies:

Market risk factors

Given the absence of financial instruments and external debt, the primary market risk for the company arises from potential changes in operational costs and the eventual need to establish a market presence. Strategies to mitigate these risks include careful market analysis, strategic planning, and cost management to adapt to market conditions effectively.

Liquidity risk

Despite the current lack of external debt and customer-related transactions, effective liquidity management is essential to support ongoing operations and future growth. The company continues to monitor its cash flow closely and maintain sufficient reserves to cover operational expenses.

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Currency risk

As previously noted, since the company operates primarily in USD, which is also its functional currency, and given its current lack of transactions in foreign currencies, the exposure to currency risk remains minimal. The company's financial position and cash flows are, therefore, less likely to be significantly impacted by fluctuations in exchange rates.

Interest rate risk

Without financial instruments or external borrowings, the company's exposure to interest rate risk remains negligible. The absence of debt instruments means that the company's financial performance is unaffected by interest rate fluctuations

Credit risk

With no customers to date, the company currently faces minimal credit risk from receivables. As the company begins to acquire customers and enter into contracts, it will need to establish credit risk management practices to assess and manage the creditworthiness of its customers. Until then, the focus on credit risk is primarily forward-looking and preparatory.

Financial Assets and Liabilities:

The group's financial assets are limited to trade and other receivables, plus cash and cash equivalents. Our financial liabilities consist solely of trade and other payables. The carrying values of these financial assets and liabilities are considered to be equivalent to their fair values, due to their short-term nature.

Note 7: Net financial items

Financial income

USD'000	2023	2022
Interest income from companies in the same group	-	-
Other interest income/financial income (agio)	1 987	31
Total financial costs	1 987	31

Financial costs

USD'000	2023	2022
Interest costs to companies in the same group	-	-
Other interest costs/financial costs (agio)	(15)	2
Impairment of investments in subsidiaries	-	-
Total financial costs	(15)	2



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Note 8: Tax

This year's tax expense

USD'000	2023	2022
Entered tax on ordinary profit/loss:		
Payable tax	-	-
Changes in deferred tax assets	-	-
Tax expense on ordinary profit/loss	-	-
Taxable income:		
Result before tax	(118 915)	(37)
Permanent differences	(4 651)	-
Changes in temporary differences	112 104	-
Conversion differences	(927)	65
Taxable income:	(12 389)	27
Payable tax in the balance:		
Payable tax on this year's result	-	27
Payable tax on received Group Contribution	-	-
Total payable tax in the balance	-	27
Calculation of effective tax rate:		
Profit (loss) before tax	(118 915)	(37)
Calculated tax on profit before tax	(26 161)	(8)
Tax effect on permanent differences	(1 023)	-
Conversion differences	(204)	35
Deferred tax asset not recognised	27 389	-
Total	-	27
Effective tax rate	0.0 %	-73.1 %

The tax effects of temporary differences and carry-forward losses that constitute the basis for deferred tax assets and liabilities, categorized by the type of temporary differences:

Specification of temporary differences	2023	2022	Difference
Tangible assets	(112 000)	-	112 000
Allocations and more	(104)	-	104
Total	(112 104)	-	112 104
Accumulated losses carried forward	(12 389)	(1)	(12 388)
Not included in the deferred tax calculation	(125 980)	1	(125 981)
Basis for deferred tax assets	-	-	-
Deferred tax assets (22%)	-	-	-

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IAS 12 requires that deferred tax assets are recognized only to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, the carry-forward of unused tax credits, and unused tax losses can be utilized. The company has conducted a detailed review of its forecasted financial performance and has concluded that it is not probable that the company will generate sufficient taxable profits in the foreseeable future. This assessment takes into consideration the company's current loss position and its projections for future operating results. As a consequence, the company has not recognized deferred tax assets in the balance sheet.

Note 9: Subsidiaries

USD'000

Name	Business address	Ownership & voting rights	Equity 31 Dec 2023	Result 2023	Book value 31 Dec 2023
Dorado Drilling AS (Est.22-12-09)	Oslo, Norway	100 %	3	(2)	3
Zonda Drilling AS (Est. 22-03-14)	Oslo, Norway	100 %	3	(29 189)	3
Draco Drilling AS (Est. 22-06-10)	Oslo, Norway	100 %	3	(67 312)	3
Eldrill I Ltd (Est. 23-12-20)	St.Julian's, Malta	100 %	1	0	1
Eldrill II Ltd (Est. 23-12-20)	St.Julian's, Malta	100 %	1	0	1
Eldrill III Ltd (Est. 23-12-20)	St.Julian's, Malta	100 %	1	0	1
Total			13	(96 502)	9

During the fiscal year, Eldorado Drilling AS has supported its subsidiaries through group contributions aimed at enhancing operational activities and financial stability within the group. Subsequently, an assessment of the investments in subsidiaries was conducted, leading to an impairment to reflect the equity value post-contribution. Below is a comprehensive table detailing the contributions made and the corresponding impairment of investments:

Name	Contribution amount (net)	Carrying amount pre-impairment	Impairment	Carrying amount post-impairment
Dorado Drilling AS	2	5	2	3
Zonda Drilling AS	29 189	29 192	29 189	3
Draco Drilling AS	68 487	68 490	68 487	3
Total	97 678	97 687	97 678	9

This comprehensive approach ensures that Eldorado Drilling's strategic efforts to support its subsidiaries are transparently reflected alongside the financial adjustments made to align the carrying amount of these investments with their recoverable amounts. The recoverable amount is determined to be the equity value of the respective subsidiaries post-contribution. These measures provide stakeholders with an accurate and transparent view of the financial position and performance of the Group.

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Note 10: Related party transactions

USD'000		Outstanding Balance at	Interest rate	Interest expense
Lender	Borrower	Year-End		
Eldorado Drilling AS	Dorado Drilling AS	96 777	12 %	968
Eldorado Drilling AS	Zonda Drilling AS	74 143 734	12 %	4 927 291
Eldorado Drilling AS	Draco Drilling AS	75 061 681	12 %	2 599 017
Total		149 302 192		7 527 276

These intercompany transactions are eliminated in consolidation to present a true and fair view of the group's financial position and performance in the consolidated financial statements. The interest rates applied to these loans are reviewed annually to ensure they reflect current market conditions and are in compliance with the arm's length principle.

The group's policy for intercompany short-term revolving loans aims to address the subsidiaries' financing needs flexibly, ensuring that the terms of these loans are consistent with market conditions and comparable to those in arm's length transactions.

Key management

The CEO and CFO are contracted through their respective holding companies. See the Note 3 for further details.

Note 11: Trade and other receivables

USD'000	2023	2022
Prepayments and other receivables	11 634	1 660
VAT receivables	411	75
Total	12 045	1 735

Note 12: Cash and cash equivalents

USD'000	2023	2022
Short-term bank deposits	62 458	6 354
Total	62 458	6 354

USD 2 097 of the bank deposit is comprised of funds that are reserved and allocated for tax withholding purposes.





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Note 13: Shareholders

The share capital in Eldorado Drilling AS as of 31 December 2023 consists of:

USD'000	Total	Face value (NOK)
Ordinary shares	1 653 247 107	0,04
Total	1 653 247 107	0,04

Top 20 shareholders	Ordinary shares	Ownership	Shares of votes
Brown Brothers Harriman & Co.	476 226 420	28,81 %	28,81 %
Uthalden AS	233 102 772	14,10 %	14,10 %
Strawberry Equities AS	155 757 728	9,42 %	9,42 %
Goldman Sachs & Co. LLC	109 531 528	6,63 %	6,63 %
Pershing LLC	67 567 567	4,09 %	4,09 %
Datum AS	59 093 369	3,57 %	3,57 %
Songa Capital AS	59 008 034	3,57 %	3,57 %
Morgan Stanley & Co. LLC	57 856 256	3,50 %	3,50 %
Torstein Ingvald Tvenge	38 108 108	2,31 %	2,31 %
Thabo Energy AS	36 058 727	2,18 %	2,18 %
Solan Capital AS	35 114 648	2,12 %	2,12 %
Midelfart Capital AS	34 312 141	2,08 %	2,08 %
Portia AS	28 000 000	1,69 %	1,69 %
Union Investcorp Limited	27 027 027	1,63 %	1,63 %
De Hoop Ltd	27 027 027	1,63 %	1,63 %
Caceis Bank	23 783 784	1,44 %	1,44 %
Cipriano AS	19 027 076	1,15 %	1,15 %
Fearnley Securities AS	16 216 216	0,98 %	0,98 %
Old Water Ship Holding Company	16 216 216	0,98 %	0,98 %
Thor Hushovd	14 098 585	0,85 %	0,85 %
Total	1 533 133 229	92,73 %	92,73 %
Others	120 113 878	7,27 %	7,27 %
Total	1 653 247 107	100,00 %	100,00 %

Shares and warrants held by leading personnel and members of the board as of 31 December 2023:

	Warrants	Shares
CEO Svend Anton Maier, Pelago Management Malta Ltd.	12 000 000	
CFO Rune Magnus Lundetræ, Primato AS	6 000 000	
Chairman Henrik A. Christensen	884 002	
Board member Harald Moræus-Hanssen, Uthalden AS	8 840 016	233 102 772
Board member Gunnar Hvammen, Solan Capital AS, Thabo Energy AS	8 486 416	35 114 648
Total	36 210 434	268 217 420





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Note 14: Warrants

Warrants

The company has granted warrants to founders and key employees of the company. As of 31 December 2023, 39 216 040 warrants had been granted. The fair value of the warrants on grant date have been expenses in 2023. There are no vesting conditions related to services rendered.

The Company has in the general meeting on 27 December 2022 issued warrants pursuant to section 11-12 of the Norwegian Private Companies Act as set out below:

Warrants for Board of directors and other key personnel:

Name, company	Number of warrants
Board member Harald Moræus-Hanssen, Uthalden AS	8 840 016
Board member Gunnar Hvammen, Solan Capital AS	8 486 416
Chairman Henrik A. Christensen	884 002
Petter Fredrik Bøe (Former Member)	1 237 602
Michael Aasland	884 002
Anders Rise	884 002
Sum	21 216 040

The warrants were subscribed and granted on 27 December 2022. Each warrant gives the holder the right to demand the issuance of one Share. The consideration to be paid per Share is NOK 1.13, with 5% interest p.a. calculated from 1 January 2023. The warrants have an unconditional subscription period until 31 December 2025.

In the board meeting held on September 14th, the company has resolved to enter into Agreements with Management involving a scheme of warrants, pursuant to section 11-12 of the Norwegian Private Companies Act, as outlined below:

Warrants for Management:

Name, company	Number of warrants
CEO Svend Anton Maier, Pelago Management Malta Ltd.	12 000 000
CFO Rune Magnus Lundetræ, Primato AS	6 000 000
Sum	18 000 000

The warrants were subscribed and granted on 17 and 27 September 2023. Each warrant gives the holder the right to demand the issuance of one Share. The consideration to be paid per share is USD 0.185. The warrants have an unconditional subscription period up until 15 September 2026 and 1 October 2026 for Pelago Management Malta Ltd. and Primato AS, respectively.

The fair value of the warrants has been calculated using Black & Scholes option-pricing model. The average fair value of the warrants granted in 2022 is USD 0.03034. The average fair value of the warrants granted in 2023 is USD 0.05488.

The calculations are based on the following assumptions:

Share price on the grant date

The share price is set to the last issuance price before the grant date.

The exercise price per warrant

The exercise price is on the warrants issued in 2022 NOK 1.13 with a 5% interest p.a. calculated from 1 January 2023. The exercise price is on the warrants issued in 2023 is USD 0.185.





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Volatility

It is assumed that historic volatility is an indication of future volatility. The expected volatility is therefore stipulated to be the same as the historic volatility, which equals a volatility of 36,3%

The term of the warrant

The warrants are expected to have a term of 3 years.

Risk-free interest rate

The risk-free interest rate is set equal to the interest rate on government bonds during the term of the warrant, i.e. 3,77 % for the 2022 warrants and respectively 4,21 % & 4,3% for the 2023 warrants.

Note 15: Trade and other payables

USD'000	2023	2022
Trade creditors	2 572	65
Other taxes and social security	109	1
Accruals	4 817	4
Total	7 498	70

Note 16: Earnings per share

	2023	2022
Net profit/(loss)	(118 915)	(65)
Weighted average number of ordinary shares	940 781 169	353 600 658
Weighted average number of ordinary shares, including dilutive warrants	966 952 782	374 816 698
Earnings per share, basic (USD per share)	(0.13)	(0.00)
Earnings per share, diluted (USD per share)	(0.12)	(0.00)

Note 17: Subsequent events

On 20 February 2024, Eldorado Drilling successfully executed a reorganization of the group's operations and dropped down through Dorado Drilling AS the Dorado drill ship, which is under construction, to Dorado Drilling AS' wholly owned Maltese subsidiary, Eldrill I Ltd. The Zonda and Draco drill ships were dropped down from Zonda Drilling AS and Draco Drilling AS to Eldrill II Ltd. and Eldrill III Ltd., respectively

In January 2024, the group's wholly owned subsidiary Dorado Drilling AS signed a term sheet for a direct lending loan facility of USD 140 million. The loan will mainly be applied to finance the upcoming delivery of the Dorado drill ship from the yard.

On 2 February 2024, the group's wholly owned subsidiary Eldrill II Ltd. signed a direct lending loan facility of USD 275 million to finance the delivery of the Zonda drill ship from the yard and the ongoing upgrade and modification program. The delivery of the vessel took place late February 2024, and the debt was successfully drawn down at the same time.





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Financial statements
Eldorado Drilling AS

For the year ended 31 December 2023





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STATEMENT OF PROFIT AND LOSS

USD'000	Note	2023	22 Apr - 31 Dec 2022
Personnel expenses	1	(1 674)	(5)
Operational expenses	1	(4 051)	(24)
Management fee	1	(436)	(41)
Depreciation & amortization		-	-
Impairment of assets	2	(26 000)	-
OPERATING EXPENSES	3	(32 162)	(70)
OPERATING PROFIT (LOSS)		(32 162)	(70)
Total finance income		10 936	31
Total finance costs		(97 690)	2
NET FINANCIAL ITEMS	4	(86 755)	32
ORDINARY PROFIT (LOSS) BEFORE TAX		(118 917)	(37)
Income tax expense	5	-	(28)
ORDINARY PROFIT (LOSS) FOR THE YEAR		(118 917)	(65)

STATEMENT OF COMPREHENSIVE INCOME

Items which will not be reclassified over profit and loss		-	-
Items which may not be reclassified over profit and loss		-	-
TOTAL COMPREHENSIVE PROFIT (LOSS) FOR THE YEAR		(118 917)	(65)
ALLOCATION OF PROFIT (LOSS)		(118 917)	(65)

The notes on page 28 to 37 are an integral part of these financial statements.



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STATEMENT OF FINANCIAL POSITION

USD'000	Note	31 Dec 2023	31 Dec 2022
Non-current assets			
Drill ships under construction	2	29 962	32 301
Shares in subsidiaries	6	9	-
Total non-current assets		29 971	32 301
Current assets			
Intercompany receivables	7	150 808	-
Intercompany accruals		10 096	-
Trade and other receivables		1 676	1 735
Cash and cash equivalents	8	60 853	6 354
Total current assets		223 434	8 089
TOTAL ASSETS		253 405	40 389
Equity			
Share capital		6 345	1 378
Share premium reserve		262 574	38 979
Other paid-in equity		1 496	-
Uncovered loss		(118 981)	(65)
Total equity	9,10	151 434	40 292
Current liabilities			
Payable tax	5	-	28
Intercompany payables	7	97 678	-
Trade and other payables		4 293	70
Total current liabilities		101 971	98
TOTAL EQUITY AND LIABILITIES		253 405	40 389

The notes on page 28 to 37 are an integral part of these financial statements.

Oslo, Norway, 15 March 2024

The Board of Directors and the CEO of Eldorado Drilling AS

DocuSigned by:

73E152C31429443
Henrik August Christensen
Chairman

DocuSigned by:

1C3D9C8458134DC...
Darren Maupin
Director

DocuSigned by:

3EAB94E7E5224CA...
Gunnar Hvammen
Director

DocuSigned by:

077E9A739ED128
Harald Møræus Hanssen
Director

DocuSigned by:

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Steven John Davies
Director

DocuSigned by:

E95E5629B94C4B4...
Svend Anton Maier
CEO

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STATEMENT OF CASH FLOWS

USD'000	Note	2023	22 Apr - 31 Dec 2022
Operating activities			
Operating profit (loss)		(32 162)	(70)
Impairment	2	26 000	-
Finance costs (net)	4	(86 755)	32
Changes in:			
Trade and other receivables		59	(1 735)
Trade and other payables		101 901	69
Liabilities and receivables group	7	(160 904)	-
Payable tax	5	(28)	-
NET CASH FLOW FROM OPERATING ACTIVITIES		(151 889)	(1 704)
Investing activities			
Purchase of fixed assets	2	(23 661)	(32 301)
Acquisition of subsidiaries	6	(9)	-
NET CASH FLOW FROM INVESTING ACTIVITIES		(23 670)	(32 301)
Financing activities			
Changes in paid in-capital		228 563	40 357
Changes in share-based payments	10	1 496	-
NET CASH FLOW FROM FINANCING ACTIVITIES		230 059	40 357
Net change in cash and cash equivalents		54 500	6 353
Cash and cash equivalents at start of the period		6 354	-
CASH AND CASH EQUIVALENTS AS OF 31 DECEMBER		60 853	6 353

The notes on page 28 to 37 are an integral part of these financial statements.



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STATEMENT OF CHANGES IN EQUITY

USD'000	Share capital	Share premium	Other paid-in capital	Uncovered loss	TOTAL EQUITY
As of 1 January 2022	-	-	-	-	-
Issued upon incorporation	3	-	-	-	3
Capital increases	1 374	38 979	-	-	40 354
Annual profit (loss)	-	-	-	(65)	(65)
As of 31 December 2022	1 378	38 979	-	(65)	40 292

	Share capital	Share premium	Other paid-in capital	Uncovered loss	TOTAL EQUITY
As of 1 January 2023	1 378	38 979	-	(65)	40 292
Capital increases	4 967	229 743	-	-	234 708
Fee capital increase	-	(6 147)	-	-	(6 147)
Result for the year	-	-	-	(118 917)	(118 917)
Share-based payments	-	-	1 496	-	1 496
As of 31 December 2023	6 345	262 574	1 496	(118 981)	151 434

The notes on page 28 to 37 are an integral part of these financial statements.



Notes

Accounting Principles

In preparation of the accounts for Eldorado Drilling AS, the company has used simplified IFRS in accordance with the Norwegian accounting act section 3-9. This means that the valuation principles of IFRS have been used, while at the same time using the Norwegian Accounting Act and generally accepted accounting principles in Norway (NGAAP) for the presentation of the notes.

Use of Estimates

In preparing the financial statements, estimates and assumptions that affect the income statement and the valuation of assets and liabilities, as well as uncertain assets and liabilities on the balance sheet date, have been used in accordance with generally accepted accounting principles. Areas that largely contain such discretionary assessments, a high degree of complexity, or areas where assumptions and estimates are significant to the financial statements, are described in the notes.

Currency

The accounts have been prepared in the currency considered as the most important economic environment in which the company operates (its functional currency). In the accounts the result and balance sheet are presented in USD, which is the company's functional currency and presentational currency.

In the preparation of the accounts transactions are translated from foreign currency to USD at the exchange rate at the date of the transaction. Monetary assets and liabilities in foreign currency are translated to the functional currency at the exchange rate on the date of the balance sheet.

Tax

Income tax for the period comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current Tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred Tax

Deferred income tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, and deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date.

Income tax relating to items recognized directly in equity is recognized in equity and not in profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Classification and Valuation of Fixed Assets

Drill ships Under Construction

Drill ships that are being acquired or constructed and have not yet been delivered are categorized as 'Drill ships Under Construction' and are recorded at cost. This includes all direct costs related to the procurement and construction of the drill ships. As these vessels are not yet operational, no depreciation is charged. The costs accumulated under construction will be reclassified to the 'Drill ships' asset category, and depreciation will begin when the vessels are complete and ready for their intended operational use.

Capitalization and Depreciation of Class Costs

Class costs, which are the expenditures incurred to ensure regulatory compliance for the operation of the drill ships, are also capitalized under "Drill ships under construction". Depreciation of these costs will commence as soon as the class costs are fully incurred and have been approved, and will be distributed over the period the class certification is valid. This approach ensures that depreciation is aligned with the period over which the class costs are expected to provide economic benefits.





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Impairment of Assets

If there are any indications of impairment of assets, an impairment test is conducted in accordance with IFRS guidelines (IAS36). If the recoverable amount of the drill ship (measured as the higher of its fair value less costs to sell, and its value in use) is less than its carrying amount, an impairment loss is recognized. This loss is immediately recognized in profit or loss, and the carrying amount of the asset is correspondingly reduced.

If there is a subsequent increase in the recoverable amount of an impaired drill ship, a reversal of the impairment loss is recorded up to the amount of the original carrying amount that would have been recognized if no impairment loss had been accounted for in prior years. Such reversals are recognized immediately in profit or loss.

Classification and Valuation of Current Assets

Current assets and short-term debt normally include items that are due for payment within one year after the balance sheet date, as well as items that relate to the inventory cycle. Current assets are valued at the lower of acquisition cost and fair value. Short-term debt is recognized at the nominal amount at the transaction date.

Subsidiary and Associated Company

Subsidiaries and associated companies are valued at the cost method in the company accounts. The investment is valued at the acquisition cost of the shares unless a write-down has been necessary. A write-down to fair value is made when the impairment is due to reasons that cannot be expected to be temporary and is considered necessary according to generally accepted accounting principles. Write-downs are reversed when the basis for the write-down is no longer present.

Dividends, group contributions, and other distributions from subsidiaries are recognized as income the same year as it is set aside in the donor's accounts. If the dividend / group contribution exceeds the share of earned profit after the acquisition date, the excess part represents repayment of invested capital, and the distributions are deducted from the investment's value in the parent company's balance sheet.

Cash Flow Statement

The cash flow statement has been prepared using the indirect method. Cash and cash equivalents comprise cash, bank deposits, and other short-term, liquid placements.





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Note 1: Salary costs and benefits, remuneration to the chief executive, board and auditor.

Salary costs USD'000	2023	2022
Salaries	48	4
Employment tax	6	1
Other benefits	-	-
Other personnel costs	1 620	-
Total	1 674	5

In 2023 the company employed 0 man-years.

The company is not liable to maintain an occupational pension scheme under the Mandatory Occupational Pensions Act. The company's pension schemes satisfy the requirements of this Act.

	Salary/Board remuneration 2023	Value of warrants granted	Expensed warrants 2023	Total remuneration
Management				
Svend Anton Maier (CEO), Pelago Management Malta Ltd.*	-	656	656	656
Rune Magnus Lundetræ (CFO), Primato AS*	-	330	330	330
Members of the Board				
Henrik A. Christensen (Chairman)	27	27	27	54
Harald Møræus-Hanssen (Director)	3	268	268	271
Darren Maupin (Director)	1	-	-	1
Gunnar Hvammen (Director)	8	215	215	222
Steven John Davies (Director)	1	-	-	1
Petter Fredrik Bøe (Former Director)	6	38	38	44
Gerard Michael O'Brien (Former Director)	2	-	-	2
Total Remuneration	48	1 534	1 534	1 582

*Note that Rune Magnus Lundetræ and Svend Anton Maier have accrued costs for their services through their respective companies, rather than receiving direct salary compensation during this period. Rune Magnus Lundetræ, through Primato AS, has accrued costs amounting to USD 147.5 thousand for management fees and expenses. Similarly, Svend Anton Maier, through Pelago Management Malta Ltd., has accrued costs totaling USD 400 thousand for management fees and expenses. These costs have been allocated among the drill ship-owning companies.

Bonus:

The chief executive officer has a bonus agreement with the company for a one-time payment of NOK 12 million. The main criteria for the bonus is that all three drill ships have been awarded drilling contracts and delivered to their respective end user within 30 June 2026.





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Auditor's Remuneration:

The Company has incurred expenses related to audit services as required by Norwegian law. The auditor's remuneration is negotiated annually based on the scope of the audit work. For the year ended 31 December 2023, the auditor's remuneration is as follows:

USD'000	2023
Statutory audit 2023	26
Other attestation services	15
Tax advice	93
Other non-audit services	-
Total	134

Note 2: Non-current assets

USD'000	Drill ships (under construction)	Total
Acquisition cost 31.12.22	32 301	32 301
Additions purchased fixed assets	23 661	23 661
Acquisition cost 31.12.23	55 962	55 962
Depreciations and amortizations	-	-
Impairment	(26 000)	(26 000)
Book value 31.12.23	29 962	29 962

As of 31 December 2023, remaining instalments to be paid for the Dorado drill ship was USD 161.3 million.

In compliance with IAS 36 'Impairment of Assets', we have conducted an impairment review of our non-current assets. After thorough analysis, an impairment loss has been recognized on specific assets where the recoverable amount has been determined to be lower than the carrying amount. This impairment reflects changes in the use of the assets, market conditions, and/or projections of future cash flows associated with the assets. The impairment charge has been recorded in the profit or loss for the period, and the carrying amount of the asset has been adjusted accordingly. This action ensures the carrying amount of our assets does not exceed their recoverable amounts and represents our commitment to responsible financial reporting. Refer to Note 4 in the consolidated financial statements for further information.

Note 3: Specification of operating costs by type

USD'000	2023	2022
Cost of goods	-	-
Salary costs	(1 674)	(5)
Depreciation	-	-
Impairments	(26 000)	-
Other operating costs	(4 487)	(65)
Total operating costs	(32 162)	(70)





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Note 4: Net financial items

Financial income USD'000	2023	2022
Interest income from companies in the same group	7 527	-
Other interest income/financial income (agio)	3 409	32
Total financial costs	10 936	32

Financial costs USD'000	2023	2022
Interest costs to companies in the same group	-	-
Other interest costs/financial costs (agio)	(13)	-
Impairment of investments in subsidiaries*	(97 678)	-
Total financial costs	(97 690)	-

* Refer to Note 6 for further information.

Note 5: Tax

USD'000		
This year's tax expense	2023	2022
Entered tax on ordinary profit/loss:		
Payable tax	-	-
Changes in deferred tax assets	-	-
Tax expense on ordinary profit/loss	-	-
Taxable income:		
Result before tax	(118 917)	(37)
Permanent differences	91 521	-
Changes in temporary differences	26 104	-
Received group contribution	1 506	-
Conversion differences	(7 865)	65
Taxable income:	(7 651)	27
Payable tax in the balance:		
Payable tax on this year's result	331	27
Payable tax on received group contribution	(331)	-
Total payable tax in the balance	-	27
Calculation of effective tax rate:		
Profit (loss) before tax	(118 917)	(37)
Calculated tax on profit before tax	(26 162)	(8)
Tax effect on permanent differences	20 203	-
Conversion differences	(1 467)	36
Deferred tax asset not recognised	7 426	-
Total	-	28

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Effective tax rate 0.0 % -75.8 %

The tax effects of temporary differences and carry-forward losses that constitute the basis for deferred tax assets and liabilities, categorized by the type of temporary differences:

Specification of temporary differences	2023	2022	Difference
Tangible assets	(26 000)	-	26 000
Allocations and more	(104)	-	104
Total	(26 104)	-	26 104
Accumulated losses carried forward	(7 651)	-	(7 651)
Not included in the deferred tax calculation	(33 755)	-	(33 755)
Basis for deferred tax assets	-	-	-
Deferred tax assets (22%)	-	-	-

IAS 12 requires that deferred tax assets are recognized only to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, the carry-forward of unused tax credits, and unused tax losses can be utilized. The company has conducted a detailed review of its forecasted financial performance and has concluded that it is not probable that the company will generate sufficient taxable profits in the foreseeable future. This assessment takes into consideration the company's current loss position and its projections for future operating results. As a consequence, the company has not recognized deferred tax assets in the balance sheet.

Note 6: Subsidiaries

USD'000

Name	Business address	Ownership & voting rights	Equity 31.12.2023	Result 2023	Book value 31.12.2023
Dorado Drilling AS (Est.22-12-09)	Oslo, Norway	100 %	3	(2)	3
Zonda Drilling AS (Est. 22-03-14)	Oslo, Norway	100 %	3	(29 189)	3
Draco Drilling AS (Est. 22-06-10)	Oslo, Norway	100 %	3	(67 312)	3
Eldrill I Ltd (Est. 23-12-20)	St.Julian's, Malta	100 %	1	()	1
Eldrill II Ltd (Est. 23-12-20)	St.Julian's, Malta	100 %	1	()	1
Eldrill III Ltd (Est. 23-12-20)	St.Julian's, Malta	100 %	1	()	1
Total			13	(96 502)	9

During the fiscal year, Eldorado Drilling AS has supported its subsidiaries through group contributions aimed at enhancing operational activities and financial stability within the group. Subsequently, an assessment of the investments in subsidiaries was conducted, leading to an impairment to reflect the equity value post-contribution. Below is a comprehensive table detailing the contributions made and the corresponding impairment of investments:

Name	Contribution amount (net)	Carrying amount pre-impairment	Impairment	Carrying amount post-impairment
Dorado Drilling AS	2	5	2	3
Zonda Drilling AS	29 189	29 192	29 189	3
Draco Drilling AS	68 487	68 490	68 487	3
Total	97 678	97 687	97 678	9

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This comprehensive approach ensures that Eldorado Drilling's strategic efforts to support its subsidiaries are transparently reflected alongside the financial adjustments made to align the carrying amount of these investments with their recoverable amounts. The recoverable amount is determined to be the equity value of the respective subsidiaries post-contribution. These measures provide stakeholders with an accurate and transparent view of the financial position and performance of the group.

Note 7: Related party transactions

USD'000	2023	2022
Receivables		
Other short-term receivables within the group	150 808	-
Total	150 808	-
Liabilities		
Other short-term liabilities within the group	97 678	-
Total	97 678	-

The table below summarizes the outstanding intercompany short-term loans, including interest rates and interest expenses:

Lender	Borrower	Outstanding Balance at Year-End	Interest rate	Interest expense
Eldorado Drilling AS	Dorado Drilling AS	96 777	12 %	968
Eldorado Drilling AS	Zonda Drilling AS	74 143 734	12 %	4 927 291
Eldorado Drilling AS	Draco Drilling AS	75 061 681	12 %	2 599 017
Total		149 302 192		7 527 276

These intercompany transactions are eliminated in consolidation to present a true and fair view of the group's financial position and performance in the consolidated financial statements. The interest rates applied to these loans are reviewed annually to ensure they reflect current market conditions and are in compliance with the arm's length principle.

The group's policy for intercompany short-term revolving loans aims to address the subsidiaries' financing needs flexibly, ensuring that the terms of these loans are consistent with market conditions and comparable to those in arm's length transactions.

Key management

The CEO and CFO are contracted through their respective holding companies. See Note 1 for further details.

Note 8: Cash and cash equivalents

USD'000	2023	2022
Short-term bank deposits	60 853	6 354
Total	60 853	6 354

USD 2 097 of the bank deposit is comprised of funds that are reserved and allocated for tax withholding purposes.





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Note 9: Shareholders

The share capital in Eldorado Drilling AS as of 31 December 2023 consists of:

USD'000	Total	Face value (NOK)
Ordinary shares	1 653 247 107	0,04
Total	1 653 247 107	0,04

Top 20 shareholders	Ordinary shares	Ownership	Shares of votes
Brown Brothers Harriman & Co.	476 226 420	28,81 %	28,81 %
Uthalden AS	233 102 772	14,10 %	14,10 %
Strawberry Equities AS	155 757 728	9,42 %	9,42 %
Goldman Sachs & Co. LLC	109 531 528	6,63 %	6,63 %
Pershing LLC	67 567 567	4,09 %	4,09 %
Datum AS	59 093 369	3,57 %	3,57 %
Songa Capital AS	59 008 034	3,57 %	3,57 %
Morgan Stanley & Co. LLC	57 856 256	3,50 %	3,50 %
Torstein Ingvald Tvenge	38 108 108	2,31 %	2,31 %
Thabo Energy AS	36 058 727	2,18 %	2,18 %
Solan Capital AS	35 114 648	2,12 %	2,12 %
Midelfart Capital AS	34 312 141	2,08 %	2,08 %
Portia AS	28 000 000	1,69 %	1,69 %
Union Investcorp Limited	27 027 027	1,63 %	1,63 %
De Hoop Ltd	27 027 027	1,63 %	1,63 %
Caceis Bank	23 783 784	1,44 %	1,44 %
Cipriano AS	19 027 076	1,15 %	1,15 %
Fearnley Securities AS	16 216 216	0,98 %	0,98 %
Old Water Ship Holding Company	16 216 216	0,98 %	0,98 %
Thor Hushovd	14 098 585	0,85 %	0,85 %
Total	1 533 133 229	92,73 %	92,73 %
Others	120 113 878	7,27 %	7,27 %
Total	1 653 247 107	100,00 %	100,00 %

Shares and warrants held by leading personnel and members of the board as of 31 December 2023:

	Warrants	Shares
CEO Svend Anton Maier, Pelago Management Malta Ltd.	12 000 000	
CFO Rune Magnus Lundetræ, Primato AS	6 000 000	
Chairman Henrik A. Christensen	884 002	
Board member Harald Moræus-Hanssen, Uthalden AS	8 840 016	233 102 772
Board member Gunnar Hvammen, Solan Capital AS, Thabo Energy AS	8 486 416	35 114 648
Total	36 210 434	268 217 420





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Note 10: Warrants

Warrants

The company has granted warrants to founders and key employees of the company. As at 31 December 2023, 39 216 040 warrants had been granted. The fair value of the warrants on grant date have been expenses in 2023. There are no vesting conditions related to services rendered.

The Company has in the general meeting at 27 December 2022 issued warrants pursuant to section 11-12 of the Norwegian Private Companies Act as set out below:

Warrants for Board of directors and other key personnel:

Name, company	Number of warrants
Board member Harald Moræus-Hanssen, Uthalden AS	8 840 016
Board member Gunnar Hvammen, Solan Capital AS	8 486 416
Chairman Henrik A. Christensen	884 002
Petter Fredrik Bøe (Former Member)	1 237 602
Michael Aasland	884 002
Anders Rise	884 002
Sum	21 216 040

The warrants were subscribed and granted on 27 December 2022. Each warrant gives the holder the right to demand the issuance of one Share. The consideration to be paid per Share is NOK 1.13, with 5% interest p.a. calculated from 1 January 2023. The warrants has an unconditional subscription period until 31 December 2025.

In the board meeting held on September 14th, the company has resolved to enter into Agreements with Management involving a scheme of warrants, pursuant to section 11-12 of the Norwegian Private Companies Act, as outlined below:

Warrants for Management:

Name, company	Number of warrants
CEO Svend Anton Maier, Pelago Management Malta Ltd.	12 000 000
CFO Rune Magnus Lundetræ, Primato AS	6 000 000
Sum	18 000 000

The warrants were subscribed and granted on 17 and 27 September 2023. Each warrant gives the holder the right to demand the issuance of one Share. The consideration to be paid per share is USD 0.185. The warrants have an unconditional subscription period up until 15 September 2026 and 1 October 2026 for Pelago Management Malta Ltd. and Primato AS, respectively.

The fair value of the warrants has been calculated using Black & Scholes option-pricing model. The average fair value of the warrants granted in 2022 is USD 0.03034. The average fair value of the warrants granted in 2023 is USD 0.05488.

The calculations are based on the following assumptions:

Share price on the grant date

The share price is set to the last issuance price before the grant date.

The exercise price per warrant

The exercise price is on the warrants issued in 2022 NOK 1.13 with a 5% interest p.a. calculated from 1 January 2023. The exercise price is on the warrants issued in 2023 is USD 0.185.





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Volatility

It is assumed that historic volatility is an indication of future volatility. The expected volatility is therefore stipulated to be the same as the historic volatility, which equals a volatility of 36,3%

The term of the warrants

The warrants are expected to have a term of 3 years.

Risk-free interest rate

The risk-free interest rate is set equal to the interest rate on government bonds during the term of the warrant, i.e. 3,77 % for the 2022 warrants and respectively 4,21 % & 4,3% for the 2023 warrants.

Note 11: Subsequent events

Refer to Note 17 in the consolidated financial statements for events after the balance sheet date.

