ANNUAL REPORT 2022

JACKTEL

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JACKTEL AS

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REPORT OF THE BOARD OF DIRECTORS

JACKTEL AS

Jacktel AS is listed on the NOTC Stock exchange. The Company is located at Vestre Svanholmen 6, 4313 Sandnes. Jacktel AS was established in 2009 and is the owner of the jack-up accommodation rig Haven. Haven is currently on contract offshore Denmark for TotalEnergies until mid-2024. In December Jacktel was awarded a contract by Aker BP for the provision of accommodation services to the Valhall PWP – Fenris project. The contract will commence 2Q 2026 and has a firm duration of 15 months. As part of the contract, Jacktel granted Aker BP options to extend the contract by up to 6 months. On 15 March, subsequent to the balance sheet date, Jacktel announced the award of a 10-month contract with Equinor. The contract will commence in October 2024 and Jacktel has granted Equinor options to extend the contract by up to 6 months. Following the two recent contract awards, Haven will only be available for new contracts in Q1, 2028.

FINANCIAL DEVELOPMENT AND RESULTS

The Financial Statements are prepared in accordance with International Financial Reporting Standards (IFRS) as approved by the European Union.

The annual accounts were approved by the Board of Directors on **27th April 2023**.

Finance (2021 figures in brackets)

Financial results
Operating revenue for 2022 was 28.0 MUSD (12.3 MUSD). Operating expenses (including depreciation) were 25.8 MUSD (31.0 MUSD), of which 12.5 MUSD (16.0 MUSD) relates to vessel OPEX and 2.5 MUSD (3.3 MUSD) relates to external administrative services. This resulted in an EBITDA of 13.0 MUSD (-18.6 MUSD). After deducting depreciation of 10.8 MUSD (11.7 MUSD), operating profit for the year amounted to 2.2 MUSD (Loss of 18.6 MUSD).

Net financial items equaled 10.9 MUSD (16.9 MUSD) of which 9.4 MUSD (16.3 MUSD) relates to interest expenses.

The Statement of Financial position reflects the book value of the accommodation rig Haven amounting to 153.5 MUSD. Current assets include accounts receivables of 4.0 MUSD and income accruals of 5.0 MUSD. Current liabilities include a senior and super senior Bond loan net of transaction costs and accrued interest of 76.4 MUSD. In February 2022, 102 MUSD of the senior bond debt was converted to equity. The senior bond loan matures in full on 4 December 2023 and the super senior bond loan was repaid in full in March 2023.

The fair market value of Haven is dependent on the development in the offshore industry. The Company has performed quarterly impairment tests resulting in no additional impairment in 2022. The impairment test is based on estimated future charter rates and utilisation. Based on this, the Board of Directors considers the remaining book value of Haven to be aligned with the fair value of the rig. For further details, reference is made to note 12.

The equity ratio at year-end 2022 is 50% (-6.1%). For further comments, reference is made to the Going Concern section.

Net loss for 2022 equaled 8.7 MUSD (Loss of 35.5 MUSD). The Board of Directors proposes to transfer the loss to retained losses.

Cash flow and liquidity
Operational cash flow in 2022 was 7.9 MUSD (-3.6 MUSD). Cash flow from investments was -1.2 MUSD, (-12.2 MUSD) and cash flow from financing was -7.5 MUSD (8.9 MUSD). This resulted in a net decrease in cash and cash equivalents in 2022 of -0.8 (MUSD 6.9 MUSD). As of year-end 2022, the Company had overall cash reserves of 2.3 MUSD (3.1 MUSD).

Alternative Performance Measures
The European Securities and Markets Authority issued guidelines on Alternative Performance Measures (APMs) that came into force on 3 July 2016. The Company has defined and explained the purpose of the following APMs:

- EBITDA. When used by the Company means Earnings Before Interest, Tax, Depreciation and Amortization. The Company believes that EBITDA provides useful information about the ability to serve the long-term debt.
- EBIT. When used means Earnings Before Interest and Tax and provides information about the operational profitability of the Company.
- CASH OR LIQUIDITY RESERVE. When used means cash and bank deposits and provide information about the cash balance at the balance sheet date and the Company's ability to meet its current liabilities.

Financial Exposure

The company is exposed to general business market risks, credit risk, currency risk and revenue risk. The exposure against DKK is relevant as Haven operates in the Danish sector, with revenue in USD and crew expenses in DKK.

OPERATIONS

Risk Management Overview
The Company is exposed to several different market risks arising from the Company's normal business activities. Financial market risk is the possibility that fluctuations in currency exchange rates or interest rates will affect the value of the Company's assets, liabilities, or future cash flows. To reduce and manage these risks, the Company periodically reviews and assesses its primary financial market risks, including liquidity risk and credit risk. Once risks are identified, appropriate action is taken to mitigate the specific risk.

Operational Risk
Utilization is one of the most significant operational risks, hence both owner and manager work closely together to maximize utilization through effective maintenance and detailed follow up of the operation. In 2022 Macro Offshore Crew DK ApS has provided the crew and Macro Offshore Management AS performs technical and commercial management including all HSE activity and risk management.

Future changes in day rates and utilization may impact the valuation of the rig.

The Russian invasion of Ukraine and the following sanctions towards Russia have had a negative impact on the operational costs due to increased general inflation. The supply from Ukraine and Russia have to some degree stopped, creating a delay and reducing the supply of certain goods. Alternative options have emerged, reducing the delays, however the inflationary pressures and disruptions in supply chains is expected to continue and perhaps even accelerate.

The EU commission expects to reduce the CO_2 emission by 55% within 2030, which will impact the future oil and gas prices, which in turn may affect commencement of new oil and gas fields. The Company believes oil and gas will have a pivotal part in the transition before the activity will decrease after 2030. Governments are continuously sanctioning new and larger areas for offshore wind farms, where parts of the overall wind farms are expected to be located further offshore and at deeper waters, requiring accommodation rigs traditionally used in the oil and gas industry. Accommodation Jack-ups are able to provide 100% uptime and provide a service required for the commissioning phase of larger wind parks. It is expected that the wind market could at least offset parts of the potential reduction in demand from the traditional oil and gas industry.

Health, Safety and Environmental (HSE) Reporting

The Company aims to conduct all operations in a safe and environmentally friendly way.

The Company works closely with its manager and clients to ensure a safe operation of “Haven”. High safety and environmental standards are achieved through active and close cooperation between management and the employees. “Haven” complies with the highest safety and environmental standards required by the Danish Working Environmental Authority. The total registered sick leave among the crew at “Haven” was 4.2 % in 2022 compared to 0.9 % in 2021.

Organization, workplace environment and employees

The Company is an asset owning company and has no employees. Management of the Company is performed through a management services agreement with Macro Offshore Management AS. Macro Offshore Management AS provides executive management and general administration, including marketing, finance, accounting, financial reporting as well as other general services. The manager also ensures a safe and cost-efficient operation of the rig. All commercial discussions with clients have been done by Macro Offshore Management AS.

The Company is against all forms of corruption and works actively through the Company’s Ethics Code of Conduct and face-to-face interactions to ensure that corruption does not occur in The Company’s business activities.

The Company’s Integrated Management System (IMS) is compliant with and operated in accordance with ISO 9001-2008.

Jacktel is working systematically with the due diligence assessment in its value chain. The Transparency act’s purpose is to shine light on the company’s respect for fundamental human rights and the environment related to production and services purchased from suppliers. The Company will publish a report according to the requirements in the Transparency act within 30th June 2023 on www.macro-offshore.com.

Future Prospects

In the past seven months Jacktel has been awarded contract extensions and two new contracts securing a contract backlog with options through 2027. The board of Jacktel is pleased to see that Jacktel has been selected by top tier energy companies as a provider of offshore accommodation services. Based on the recent contract awards to Haven, it is evident that day rates have increased from the historically low levels experienced during 2020 and 2021.

Despite the growing push towards renewable energy, oil and gas are still expected to be a major part of the energy mix for the foreseeable future. This has been underlined by a continuous increasing focus on stability and security of energy and as such a demand for new projects and M&M activity is expected to continue.

Leading up to 2030 and beyond the Company expects that the wind market will become increasingly important as new developments move further offshore and into harsher environments. It is therefore likely that the wind industry should demand “high quality” accommodation vessels which can serve as hubs for commissioning personnel and provide 100% gangway connection year around. Oil companies and governments’ focus on reducing the industry’s carbon footprint is expected to have a positive impact on the use of Jack Ups standing firmly on the seabed. As Jack Ups do not use propulsion for station keeping and can run on electrical power from shore, the fuel consumption and carbon footprint is significantly lower than what is the case for assets using engine powered station keeping systems. Based on this, Jack ups should have a competitive advantage in particular on the Norwegian Continental Shelf (NCS) where substantial parts of the shelf have been “electrified”.

GOING CONCERN

As of 31 December 2022, Jacktel AS has a total equity of 83.3 MUSD (-10.3 MUSD). The net loss for 2022 is 8.7 MUSD (-35.5 MUSD). Following the debt conversion of 102 MUSD in February 2022, the balance sheet of Jacktel has been substantially improved and the equity ratio is approximately 50%.

Following the commencement of the TotalEnergies contract operational cash flow has been sufficient to repay the super senior bond loan of USD 10 MUSD in March 2023. Interest on the senior bonds has been capitalized on each interest payment date until the super senior bonds have been repaid in full, following which, cash interest payments shall resume. The senior bond loan matures in December 2023 and has been classified as a current liability in the balance sheet. On the back of the recent contract awards from Aker BP and Equinor and the current improved contract with TotalEnergies the company has started a refinancing process with the aim of refinancing the senior bond loan. With a robust backlog at improved rates, Jacktel has experienced a strong interest from various lenders offering to refinance the Senior Bond. The company has several advanced discussions with lenders and has commenced term sheet negotiations with the aim of refinancing the senior loan in Q2 or Q3 2023, well in advance of the December 2023 maturity.

Based on substantial strengthening of the Balance Sheet, the contract with TotalEnergies including improved day rates, estimated cash flow prognosis of the contracts entered into with Equinor and Aker BP and the likelihood of refinancing the senior bond debt, the Board of Directors confirms that the assumption of going concern is in place and forms the basis for the financial statements in accordance with the Norwegian Accounting Act.

INTERNAL CONTROL

Internal control related to the financial statements closing process is established to ensure the reliability of the financial reporting and compliance with applicable laws and regulations. Policies and procedures established by Management contribute to secure necessary competence, segregation of duties, risk assessments and quality in internal and public reporting. In respect of the reporting, the Board of Directors demonstrates independence from Management.

Jacktel also identifies and evaluates risks that may affect the business and how to mitigate the exposure. The risk for fraud is also considered on a regular basis.

RESPONSIBILITY STATEMENT

We confirm to the best of our knowledge that the financial statements of Jacktel AS for the year ended 31 December 2022 have been prepared in accordance with International Financial Reporting Standards as adopted by the EU and give a true and fair view of the assets, liabilities, financial position and profit and loss of the Company. We also confirm to the best of our knowledge that the Board of Directors' Report provides a fair view of the developments and performance of the business and the financial position of the Company and a description of significant risks and uncertainties that may exist.

Sandnes, 27th April 2023

Harald L. Thorstein
Chairman

Alf Ragnar Løvdal
Board member

Financial Statements 2022

Statement of profit and loss

1 January – 31 December

(USD 1.000)	Notes	**2022**	**2021**
Revenue	4	28 030	12 354
TOTAL OPERATING REVENUE		**28 030**	**12 354**
OPERATING EXPENSES			
Salary and personnel costs	6	-14	0
Vessel operation cost	5	-12 518	-16 000
Other operating expenses	5	-2 457	-3 286
Depreciation and impairment	12	-10 849	-11 669
TOTAL OPERATING EXPENSES		**-25 838**	**-30 954**
OPERATING PROFIT / (LOSS)		**2 192**	**-18 600**
FINANCIAL INCOME AND EXPENSES			
Financial income	7	66	208
Currency profit/loss	7	320	0
Financial expenses	7	-11 239	-17 140
NET FINANCIAL ITEMS		**-10 853**	**-16 932**
PROFIT/(LOSS) BEFORE TAX		**-8 661**	**-35 533**
Income tax expense (benefit)	11	0	0
NET PROFIT (LOSS)		**-8 661**	**-35 533**

Statement of Comprehensive Income

(USD 1.000)		
Net profit/(loss) this period	-8 661	-35 533
Other comprehensive income	0	0
COMPREHENSIVE INCOME	**-8 661**	**-35 533**
Earnings per share:		
- Basic	-0,04	-0,71
- Diluted	-0,04	-0,71

STATEMENT OF FINANCIAL POSITION

(In USD 1.000)	Notes	**31.12.2022**	**31.12.2021**
ASSETS			
Non-current assets:			
Vessels, plant and equipment	12	153 520	163 132
Total non-current assets		**153 520**	**163 132**
Current assets:			
Trade receivables	8/13	3 998	2 827
Other receivables	8/13	5 513	1 114
Cash and cash equivalents	8/14	2 299	3 065
Total current assets		**11 810**	**7 006**
TOTAL ASSETS		**165 330**	**170 138**
EQUITY AND LIABILITIES			
Equity:			
Issued capital	16	30 984	19 740
Share premium	16	273 883	182 793
Retained earnings (losses)	16	-221 579	-212 918
Total capital		**83 288**	**-10 385**
Total equity		**83 288**	**-10 385**
Non-current liabilities:			
Long-term interest-bearing loan	8,9	0	173 940
Total non-current liabilities		**0**	**173 940**
Current liabilities:			
Accounts payable	17	1 189	583
Short-term interest-bearing debt	8/9/17	76 426	1 366
Other current liabilities	17	4 427	4 634
Total current liabilities		**82 042**	**6 583**
Total liabilities		**82 042**	**180 523**
TOTAL EQUITY AND LIABILITIES		**165 330**	**170 138**

Sandnes, 27th April 2023

Harald Thorstein
Chairman

Alf Ragnar Løvdal
Board member

Statement of Changes in Equity

(In USD 1.000)	Share Capital	Share-premium	Retained losses	OCI reserve	Total equity
Equity as at January 1, 2021	**19 740**	**182 793**	**-177 385**	**0**	**25 148**
Net profit (loss)	0	0	-35 533	0	-35 533
Other comprehensive income	0	0	0	0	0
Share issue (Note 15,16)	0	0	0	0	0
Equity as at December 2021	**19 740**	**182 793**	**-212 918**	**0**	**-10 385**
Net profit (loss)	0	0	-8 661	0	-8 661
Other comprehensive income	0	0	0	0	0
Share issue (Note 15,16)	11 244	91 090	0	0	102 334
Equity as at December 2022	**30 984**	**273 883**	**-221 579**		**83 288**

Cash Flow Statement

(In USD 1.000)	*Note*	**Year ended December 31, 2022**	**Year ended December 31, 2021**
Cash flow from operating activities:			
Profit (loss) before tax		-8 661	-35 533
Adjustment to reconcile profit (loss) after tax to net cash flows:			
Non-cash items:			
Depreciation	12	10 849	11 669
Financial income	7	-127	-208
Financial expenses	7/9	10 980	17 140
Working capital adjustments:			
Increase (-)/decrease in trade and other receivables		-5 570	341
Increase/decrease (-) in trade and other payables		399	3 023
Net cash flow from operating activities		**7 870**	**- 3 568**
Cash flow from investing activities:			
Interest received	7	65	0
Acquisition of fixed assets	12	-1 237	-12 204
Net cash flow from investing activities		**-1 172**	**-12 204**
Cash flow from financing activities:			
Interest paid	7/9	-971	0
Net currency gain / loss		62	0
Finance expense	7	-439	-1 134
Proceeds/(repayment) of interest-bearing debt	9	-6 116	10 000
Net cash flow from financing activities		**-7 464**	**8 866**
Net increase/(decrease) in cash and cash equivalents		**-766**	**-6 906**
Cash at beginning of period		3 065	9 970
Cash at end of period		**2 299**	**3 065**

Notes to Financial Statements 2022

1. General information

Jacktel AS ("Company") is a company listed on NOTC. The Company is located in Vestre Svanholmen 6, 4313 Sandnes, Norway.

The annual accounts were approved by the Board of Directors on 27th April 2023.

2. Summary of significant accounting policies

2.1 Statement of compliance

The financial statements of Jacktel for 2022 has been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board and approved by the European Union ("EU"), as well as the additional relevant requirements under the Norwegian Accounting Act.

2.2 Going concern

As of 31 December 2022, Jacktel AS has a total equity of 83.3 MUSD (-10.3 MUSD). The net loss for 2022 is 8.7 MUSD (-35.5 MUSD). Following the debt conversion of 102 MUSD in February 2022, the balance sheet of Jacktel has been substantially improved and the equity ratio is approximately 50%.

Following the commencement of the TotalEnergies contract operational cash flow has been sufficient to repay the super senior bond loan of USD 10 MUSD in March 2023. Interest on the senior bonds has been capitalized on each interest payment date until the super senior bonds have been repaid in full, following which, cash interest payments shall resume. The senior bond loan matures in December 2023 and has been classified as a current liability in the balance sheet. On the back of the recent contract awards from Aker BP and Equinor and the current improved contract with TotalEnergies the company has started a refinancing process with the aim of refinancing the senior bond loan. With a robust backlog at improved rates, Jacktel has experienced a strong interest from various lenders offering to refinance the Senior Bond. The company has several advanced discussions with lenders and has commenced term sheet negotiations with the aim of refinancing the senior loan in Q2 or Q3 2023, well in advance of the December 2023 maturity.

Based on substantial strengthening of the Balance Sheet, the contract with TotalEnergies including improved day rates, estimated cash flow prognosis of the contracts entered into with Equinor and Aker BP and the likelihood of refinancing the senior bond debt, the Board of Directors confirms that the assumption of going concern is in place and forms the basis for the financial statements in accordance with the Norwegian Accounting Act.

2.3 Government grants

Norwegian tax authorities established a compensation scheme for companies affected by the COVID-19 pandemic in 2020 and 2021, which compensates parts of a company's unavoidable fixed costs. The Company, when part of the Macro Offshore group, qualified for grants in the periods November and December 2021.

As instructed by the Norwegian Tax Authorities, the grants from November and December 2021 are recognised as revenue in the 2022 income statement.

2.4 Basis of preparation

The financial statements have been prepared on a historical cost basis, modified for financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss. The statement of comprehensive income is presented by nature of costs (IAS 1). The principal accounting policies are set out below.

The financial statements provide comparative information in respect of the previous period. The Company also presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period
- 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 it is:

- Expected to be settled in the normal operating cycle
- Held primarily for the purpose of trading
- Due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

2.5 PRESENTATION CURRENCY

Jacktel applies USD as reporting currency for its financial statements rounded to the nearest thousand unless otherwise indicated.

2.6 REVENUE RECOGNITION

IFRS 15 requires identification of the performance obligations for the transfer of goods and services in each customer contract. Revenue can first be recognized upon satisfaction of performance. With exception for additional note disclosures and segregation of the service component and the lease component the new standard did not have any impact on the financial statements.

Jacktel is providing offshore accommodation services using the vessel “Haven”. Revenue from contracts with customers is recognized when control of the services is transferred to the customer and at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those services. Time charter revenue is fixed based on a contractual rate of hire. The Company’s time charter contract revenues are separated into a lease element accounted for in accordance with IFRS 16 and a service element in accordance with IFRS 15. The service element from the Company’s time charter contracts are recognized over time, as the performance obligation is satisfied over time. The customer receives and consumes the benefits as the Company performs its obligation. Revenue from goods and services are recognized in the period the goods or services are transferred to the customer. Operating expenses related to time charters are expenses of the charterer. Disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in note 3

Lease income from operating leases is recognized as income on a straight-line basis over the lease term, and other receivable for preparation to meet and fulfil the requirements of the specific contract, unless another systematic basis is more representative.

Interest income is recognized on an accrual basis and is included in financial items in the income statement.

Grants received by the Norwegian tax authorities as a result of the COVID-pandemic is recognized as revenue in the income statement.

2.7 Foreign currency

The financial statements are presented in USD, which is also the Company's functional currency.

The functional currency is set based on the criteria defined in IFRS, with revenue currency as the most important one. Revenue, major transactions and vessel valuation are denominated in USD. The Company evaluate functional currency on a regular basis, and it might be adjusted in case of material changes in the operation. Transactions in foreign currencies are translated into USD at the exchange rate applicable on the transaction date. Monetary items in other currencies are translated into USD using the exchange rate applicable on the balance sheet date. Non-monetary items that are measured at their historical cost expressed in a foreign currency are translated into USD using the exchange rate applicable on the transaction date. Non-monetary items that are measured at their fair value expressed in a foreign currency are translated into USD at the exchange rate applicable on the balance sheet date. Changes to exchange rates are recognized in the income statement as they occur during the accounting period.

The functional currency for each individual company in the group is evaluated based on the economic environment in which the entity operates.

2.8 Segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker who is responsible for allocating resources and assessing the performance of the operating segments. The chief operating decision maker has been identified as the Board of Directors and the Executive Management. The Company has only one operational segment, which is the operation of the accommodation vessel, "Haven".

2.9 Borrowing costs

Borrowing costs directly attributable to acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs an entity incurs in connection with the borrowing of funds.

2.10 Income tax

Taxes in the income statement include taxes payable and changes to deferred tax. Deferred tax liabilities/tax assets are calculated based on the temporary differences between book and tax values that exist at the end of the period. Deferred tax assets are recognised to the extent that it is likely that the tax benefit can be utilised.

Deferred tax assets and liabilities are measured based on the expected future tax rates applicable, recognised at their nominal value and classified as non-current assets and long-term liabilities respectively. Taxes payable and deferred taxes are recognised directly to equity to the extent that they relate to equity transactions.

2.11 Property, plant and equipment

Property, plant and equipment are recognised at cost less accumulated depreciation and impairment losses. When assets are sold or disposed of, the carrying amount is derecognised and any gain or loss is recognised in the income statement. The cost of tangible non-current assets is the purchase price, including taxes/duties and costs directly linked to preparing the asset ready for its intended use. Tangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. An impairment loss is recognised by the excess value of the carrying value of the asset and the recoverable amount and is recognised in the income statement. The recoverable amount is the higher of the asset's net selling price and its value in use. The value in use is determined by reference to the discounted future net cash flows expected to be generated by the asset. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount, however limited by the carrying value if no impairment loss had been recognised in prior years.

Depreciation is calculated using the straight-line method over the estimated economically useful life, taking residual values into consideration. Components with different economic useful life are depreciated on a straight-line basis, over the component useful life. The depreciation period and method are assessed every year. The hull is depreciated over 30 years from start of operation, other parts of the rig is depreciated over 10-25 years pending on type of equipment. Project specific upgrades are depreciated over the useful life of the contract. The residual value is subject to an assessment at each year-end, and changes are treated as a change of estimate.

Repair and maintenance costs are expensed in the period they are incurred. Costs related to major inspections/periodic surveys will be recognised in the carrying value of the units if certain recognition criteria are satisfied. The cost will be amortised over the period to the next inspection/survey.

2.12 LEASES

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. The evaluation is based on the substance of the transaction rather than the form of the contract, and the determination is made when entering into the leasing agreement.

Lease contracts where Jacktel appears as lessee and the contracts are applicable to IFRS 16, are treated according to the standard. Right-of-use assets are measured based on the net present value. Corresponding lease liabilities are recognized as long-term interest-bearing debt. The right-of-use assets are depreciated on a straight-line basis over the lease period. The lease liabilities will be repaid over the lease period while the interest element is charged to the income statement on a monthly or quarterly basis.

2.13 IMPAIRMENT OF FINANCIAL ASSETS

Receivables are initially recognized at fair value which in general is the original invoice amount. For trade receivable and loans to subsidiaries the Group and the Company applies a simplified approach in calculation expected credit losses. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on life time expected credit losses at each reporting date, based on historical credit loss experience adjusted for forward looking factors specific to the debtors and the economic environment.

2.14 FINANCIAL LIABILITIES - BORROWINGS

Borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, borrowings and the related transaction costs are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognised in net profit or loss when the liabilities are de-recognised as well as through the amortization process. Borrowings containing prepayment options are evaluated to determine if these options are closely related to the cost instrument or are embedded derivatives. In assessing whether the option is closely related, the Company consider whether the exercise price is approximately equal to the amortized cost at each exercise date. Borrowings are considered “current” if they fall due within 12 months after the balance sheet date. Borrowings falling due later than 12 months after balance sheet date are considered “long term”.

2.15 DE-RECOGNITION OF FINANCIAL ASSETS AND LIABILITIES

A financial asset is de-recognised when:

- the rights to receive cash flows from the asset have expired,
- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a ‘pass-through’ arrangement, or
- the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2.16 CASH

Cash includes cash in hand and bank deposits. Restricted cash includes cash on retention account held in relation to bond loan.

2.17 EQUITY

(a) Equity and liabilities

Financial instruments are classified as liabilities or equity in accordance with the underlying economic realities. Interest, dividend, gains and losses relating to a financial instrument classified as a liability are recognised in the income statement. Amounts distributed to holders of financial instruments that are classified as equity will be recognised directly in equity. Convertible bonds and similar instruments including a liability and/or an equity element are divided into two components when issued, and these are recognised separately as a liability or equity.

(b) Costs of equity transactions

Transaction costs directly related to an equity transaction are recognized directly to equity after deducting tax expenses.

2.17 PROVISIONS

A provision is recognised when the Company has a present 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. Provisions are reviewed on each balance sheet date and their level reflects the best estimate of the liability.

2.18 EARNINGS PER SHARE

Basic earnings per share are calculated by dividing net profit / (loss) for the year by the weighted average number of shares outstanding in the relevant period. Diluted earnings per share are calculated based on the if-converted method; the profit/(loss) for the Company divided by the average number of outstanding shares weighted over the relevant period and the potential number of shares converted, if the criteria for conversion is fulfilled.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. Management bases its judgments and estimates on historical experience and on various other factors that are expected to be reasonable under the circumstances. Uncertainty about these assumptions and estimates could result in outcomes that could resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The key sources of judgement and estimation of uncertainty at the balance sheet date, that have a significant risk for causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimates and assumptions with significant impact on Jacktel's financial statements relate to depreciation and impairment assessment of the Company's assets. Management assess whether there are any indications of impairment for all non-financial assets at the reporting date. The vessel is tested for impairment when there are indications that the carrying values may not be recoverable. When value in use calculations are performed, management estimates the expected future cash flows from the assets or cash-generating unit and chooses a suitable discount rate in order to calculate the present value of those cash flows. These are based on management's evaluations, including estimates of future performance, revenue generating capacity of the assets, and assumptions of the future market conditions. Changes in circumstances and in management's evaluations and assumptions may give rise to impairment losses. Future utilization of Haven as well as charter hire after the completion of the committed contracts can significantly impact the valuation of Haven. See note 12 for details.

Estimates and assumptions may also have impact on the depreciation of fixed assets. The management determines the expected economic useful life of the assets based on the time of acquisition and subsequent refurbishments. For details regarding depreciation periods, reference is made to section 2.11.

Management also make judgment regarding capitalization of the deferred tax asset. Currently there are no convincing evidence, accordingly no deferred tax asset is recognized. Per 31 December 2022 the tax losses carried forward for the Company amounts to 115.4 MUSD.

Regarding the revenue from contracts with customers, Jacktel has applied the following judgements that significantly affect the determination of the amount and timing:

. The current contract with TotalEnergies for use of the rig consists of two elements; one for lease of the rig and one for services provided onboard. Services provided are compensated based on daily rates.

Management is accordingly able to determine the transaction price and allocate the price to the performance obligations. Services are invoiced and compensated based on when they are provided, and Management is also able to recognize the revenue when performance obligations are satisfied.

Variation orders issued by the customer during the year have recognized using the same principle. The variation orders have clearly described the performance obligations and the transaction price.

Modification work requested and financed by the customer has been capitalized as part of the upgrade project. The modification is contract specific and the cost will be amortized over the fixed contract period.

4. Income and Segment Information

The Company's only asset is the jack-up accommodation rig "Haven". It is therefore only one segment to report which is equal to the income statement. Operating revenue in 2022 and 2021 relates to the contracts with Total Energies E&P.

Specification of revenue

(1.000 USD)	**2022**	**2021**
Leasing element of Charter hire (IFRS 16)	13 244	196
Service element of Charter hire (IFRS 15)	12 919	2 524
Other Income (IFRS 15)	1 867	9 634
Total revenue	**28 030**	**12 354**

Other income relates to grants and reimbursable income. Grants are approved by the Norwegian tax authorities for financial support to cover fixed cost and loss of income as an effect of the COVID pandemic. Reimbursable income relates to additional services to TotalEnergies.

5. Vessel Operation cost and Other Operating Expenses

(1.000 USD)	**2022**	**2021**
Insurance	690	502
Crew	6 778	4 344
Maintenace and spares	1 752	2 170
Other OPEX and project	1 774	3 871
Reimbursable cost	1 524	5 113
Vessel operation	**12 518**	**16 000**

Consultancy fees and external personnel	410	406
Administrative costs	0	20
Management agreement (see note 6)	1 460	2 804
Other operating costs	587	56
Total other operating expenses	**2 457**	**3 286**

Specification auditor's fee

(1.000 USD)	**2022**	**2021**
Statutory audit	41	52
Tax and other services	32	36
Total auditor's fee	**73**	**88**

Auditor's fee is presented without VAT. The fee is included in Other operating expenses.

6. SALARY AND PERSONNEL EXPENSE AND MANAGEMENT SERVICES

There are no employees in the Company, but remuneration was paid to the Board of Directors.

(1.000 USD)	**2022**	**2021**
Board remuneration	12	0
Social security	2	0
Total	**14**	**0**
The average number of man-years employed during the financial year	0	0

The management of the Company is performed through a management services agreement with Macro Offshore Management AS providing executive management and general administration, including finance, accounting, financial reporting as well as crewing services and technical management including all HSE activity and risk management.

7. FINANCIAL INCOME AND EXPENSES

(1.000 USD)	**2022**	**2021**
Financial income		
Other financial income	66	208
Currency profit	320	0
Total financial income	**386**	**208**
Financial expenses		
Interest expenses	-9 365	-16 329
Currency loss	-258	-4
Other financial expenses	-1 616	-807
Total financial expenses	**-11 239**	**-17 140**

Interest expenses relate to interest on bond loan 9.4 MUSD (16.3 MUSD). Other financial expenses mainly consist of amortized costs related to the bond loans.

Foreign exchange gains mainly relate to operational costs in NOK and DKK.

8. INVESTMENTS AND OTHER FINANCIAL INSTRUMENTS

Classification of financial assets and liabilities:

	2022		2021	
(1.000 USD)	**Loans and receivables**	**Other financial liabilities**	**Loans and receivables**	**Other financial liabilities**
Financial assets				
Trade and other receivables	9 511	0	3 941	0
Cash and cash equivalents	2 299	0	3 065	0
Total financial assets	**11 810**	**0**	**7 006**	**0**
Financial liabilities				
Other long-term liabilities	0	0	0	173 940
Other short-term liabilities	0	76 426	0	1 366
Accounts payable	0	1 189	0	583
Other current liabilities	0	4 427	0	4 632
Total financial liabilities	**0**	**82 042**	**0**	**180 520**

9. NON-CURRENT LIABILITIES

31.12.20212 *(1.000 USD)* **Description**	**Lender**	**Nominal amount USD**	**Interest rate**	**Book value**
150 MUSD Bond Loan	Nordic Trustee ASA	72 379	10 %	71 976
10 MUSD Super Senior Bond Loan	Nordic Trustee ASA	3 884	10 %	3 884
Current Portion*				**75 860**
Total Long-term interest-bearing debt				**0**

31.12.2021

(1.000 USD) **Description**	**Lender**	**Nominal amount USD**	**Interest rate**	**Book value**
150 MUSD Bond Loan	Nordic Trustee ASA	150 000	10 %	163 940
10 MUSD Super Senior Bond Loan	Nordic Trustee ASA	10 000	10 %	10 000
Total Long-term interest-bearing debt				**173 940**

***The senior bond loan matures in December 2023 and the super senior bond loan was repaid in full in March 2023, hence both are classified as current liabilities.**

Reconciliation of movements of liabilities to cash flows arising from financing activities:

2022 *(1.000 USD)*	**Interest- bearing debt**
Balance as of 1 January 2022	173 940
Converted to equity	102 333
Changes from non-cash payments	102 333
Interest paid	970
Repayment	6 116
Changes from cash payments	7 086
Super Senior Bond loan	
Accrued interest	10 291
Amortized borrowing costs	1 615
Total other changes	10 979
Current Portion	75 860
Balance as of 31.12.2022	**0**

2021 *(1.000 USD)*	**Interest- bearing debt**
Balance as of 1 January 2021	148 142
Converted to equity	0
Changes from non-cash payments	0
Interest paid	0
Repayment	0
Changes from cash payments	0
Super Senior Bond loan	10 000
Accrued interest	16 329
Amortized borrowing costs	531
Total other changes	26 860
Balance as of 31.12.2021	**173 940**

150 MUSD Senior Bond loan

In December 2018 Jacktel AS issued a Bond agreement in the amount of 150 MUSD. The maturity date is 4th December 2023 and the loan holds a fixed interest of 10 % p.a, payable quarterly. The bond loan is listed on Nordic ABM and the bond loan is secured by mortgages on the vessel Haven. In February 2022 a principal amount of 100 MUSD of the Senior Bonds (150 MUSD Bond Loan) plus accrued interest thereon since the interest payment date in December 2021 was converted into equity, leaving Jacktel with 67 MUSD of outstanding Senior Bonds and the full amount of the Super Senior Bonds. Interest on the Senior Bonds has been capitalized on each interest payment date until the Super Senior Bonds was repaid in full in March 2023, following which, cash interest payments shall resume. On the back of the recent contract awards from AkerBP and Equinor the company has started a refinancing process with the aim of refinancing the senior bond loan well in advance of the maturity date in December 2023

10 MUSD Super Senior Bond loan

Following consent from the bondholders the Company issued a Super Senior secured bond loan of 10 MUSD in April 2021 to finance a required upgrade of Haven in preparation for the current Tyra contract. The super senior bond loan holds a fixed interest of 10 % p.a payable quarterly. The Super Senior bond loan is repayable in 5 quarterly instalments of 1 MUSD from September 2022 and remaining 5 MUSD at maturity date 4th December 2023. In 2022 a total amount of 6.1 MUSD was repaid, and to the loan was fully repaid in March 2023.

10. Financial Instruments and Risk Management

Risk Management Overview

The Company operates on an international basis with cash flows and financing in different currencies. The Company is therefore exposed to market risks related to fluctuations in exchange rates and interest rates. To reduce and manage the risks, the Company periodically reviews and assesses the financial market risks, including liquidity risk and credit risk. When risks are identified, appropriate action is taken to mitigate the risk.

Operational Risk

Utilization of the accommodation vessel Haven is considered to be the largest operational risk, hence both owner and technical manager work closely together to maximize the utilization. Macro Offshore Crew DK ApS provides the crew for the vessel. Macro Offshore Management AS has the technical and commercial management of the vessel including all HSE activity and risk management.

Currency Risk

The Company aim to minimize the currency risk by balancing, to the extent possible, the currencies of different types of assets and liabilities as well as balancing revenues against expenses. The refinancing of the bond loan in December 2018 significantly reduced the Company’s exposure against EUR, and USD remain the key currency, regarding revenue, asset value and financing.

Haven is commenced in Denmark and is exposed to both DKK and NOK.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The interest rate for the 150 MUSD bond loan as well as the 10 MUSD super senior bond loan carry a fixed 10 % p.a interest.

Credit Risk

Credit risk is the risk that a counterparty will not be able to meet its obligations under a financial instrument or customer contract. The Company is exposed to credit risk from its operating activities, primarily trade receivables, and from its financing activities, including deposits with banks and financial institutions.

The Company is continuously monitoring the credit risk. The risk is however considered low since the customers are typically major oil companies with high credit ratings and operating in the North Sea.

As of 31.12.2022 there is no objective evidence indicating that the accounts receivable is impaired, and no impairment losses have been recognized in the income statement. The Company has no receivables exceeding due date. The vessel is currently not in operation and the credit risk is considered low.

Credit risk from balances with banks and financial institutions is managed in accordance with Company policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty.

Credit assessment of sub-contractors and suppliers is part of Jacktel's project evaluations and risk analysis.

Liquidity Risk

The liquidity risk is mainly related to potential loss of day rate due to down time on "Haven". The Company makes active use of a system for planning and forecasting to secure stable cash flow and liquidity sufficient to meet its obligations.

The table below summarizes the maturity profile of the Company's financial liabilities:

At 31.12.2022	**Less than 3 months****	**3 to 12 months****	**1 to 2 years**	**2 to 3 years**	**Thereafter***	**Total**
(1.000 USD)						
Bond loan	3 981	77 898	0	0	0	**81 879**
Trade and other payables	1 189		0	0	0	**1 189**
Sum	5 170	77 898	0	0	0	**83 068**

At 31.12.2021	**Less than 3 months**	**3 to 12 months**	**1 to 2 years**	**2 to 3 years**	**Thereafter***	**Total**
(1.000 USD)						
Bond loan	250	2 720	87 940	0	0	**90 910**
Trade and other payables	2 436	2 778	0	0	0	**5 214**
Sum	2 686	5 498	87 940	0	0	**96 124**

*The maturity date is 4th December 2023. ** For further information see note 10.

Financial instrument or derivatives risk

The Company may use financial instruments and derivatives to manage its financial risks, including spot contracts for buying and selling currencies. Spot contracts are mainly used to sell USD and buy NOK and DKK to pay operating expenses. The Company has no swap or forward contracts as of 31.12.2022.

Financial assets and liabilities risk

Set out below is a comparison by category for carrying amounts and fair values of all of the Company's financial assets and liabilities that are carried in the financial statements. The estimated fair value amounts have been determined by management, using appropriate market information and valuation methodologies based on IFRS level 1-3 hierarchy. The carrying amount of cash and cash equivalents is a reasonable estimate of their fair value.

	31.12.2022				31.12.2021			
	Fair value measurement using:				Fair value measurement using:			
(1.000 USD)	Level 1	Level 2	Level 3	Carrying value	Level 1	Level 2	Level 3	Carrying value
Other current assets	0	0	9 511	9 511	0	0	3 693	3 693
Cash and cash equivalents	2 299	0	0	2 299	3 065	0	0	3 065
Total financial assets	**2 299**	**0**	**9 511**	**11 810**	**3 065**	**0**	**3 693**	**6 758**
Short term liabilities	76 426	0	0	76 426	0	0	1 366	1 366
Bond loan	0	0	0	0	173 940	0	0	173 940
Accounts payable	0	0	1 189	1 189	0	0	583	583
Other current liabilities	0	0	4 427	4 427	0	0	4 632	4 632
Total financial liabilities	**76 426**	**0**	**5 616**	**82 042**	**173 940**	**0**	**6 580**	**180 520**

Jacktel issued a 150 MUSD bond loan in December 2018 that is listed on the Nordic ABM exchange. Due to the low liquidity in the trade of the bond the fair value has been assessed at loan payable less amortised costs. The last trade of the bond was conducted at 94% of par value implying a value of 68 MUSD as of 31 December 2022. The carrying amount of cash and cash equivalents, other current assets and liabilities and prepayments is a reasonable estimate of their fair value. Fair value of long-term liabilities is based on amortized cost.

Capital management

The primary objective of the capital management is to ensure that the Company maintains a satisfactorily capital structure in line with the risk of the business. The capital is defined as the total of shareholder’s equity and long-term debt. The capital structure is monitored on a regular basis based on selected indicators. With reference to the going concern section and the ongoing discussions with the bondholders, the Company expect going forward that the capital structure will be satisfactory.

The Company manages its excess liquidity from loan and equity with low risk placements. All financial capital is currently placed on deposits with first class banks with investment grade rating in Norway

11. INCOME TAX

(1.000 USD)	**2022**	**2021**
Tax payable	0	0
Changes in deferred tax	0	0
Income tax expense	**0**	**0**
Tax payable for the year	0	0
Correction of previous years current income taxes	0	0
Total tax payable	**0**	**0**

Reconciliation of the effective tax rate and nominal tax rate applicable to Jacktel AS:

(1.000 USD)	**2022**	**2021**
Pre-tax profit/(loss)	**- 8 661**	**-35 533**
Expected income taxes according to income tax rate of 22 %	- 1 905	-7 817
Currency effect	0	0
Changes in deferred tax asset not recognized in the balance sheet	1905	7 817
Income tax expense	**0**	**0**

Deferred tax and deferred tax assets:

(1.000 USD)	**2022**	**2021**
Deferred tax assets		
Long term liabilities at amortized cost	0	-359
Vessels, plant and equipment	18 939	29 737
Tax losses carried forward (unlimited)	71 842	71 420
Non-deductible interest expenses carried forward*	24 631	27 558
Net unrecognized deferred tax asset	**115 412**	**128 356**

** Interest expenses paid to related parties is deductible for tax purposes only to a certain extend. Non-deductible interest expenses could be carried forward for 10 years. As of 31 December 2022, Jacktel has an unrecognized tax asset of 24 .6 MUSD related to non-deductible interest which can be carried forward.*

The Company has received two letters related to the 2019 tax return where Jacktel claimed an exemption under the limitation of tax deduction of interests. Unless Jacktel wins forward in its discussions with the tax authorities, the payable tax exposure is limited to approximately 10 MNOK. Based on advises from tax lawyers and the fact that no claim from the tax authorities have been received, Jacktel is of the opinion it should qualify for the exemption rule. Consequently, no provision for such a claim has been made in the 2022 accounts.

12. NON-CURRENT ASSETS

Vessels, plant and equipment

Depreciation is based on the economic life of the asset using a straight-line depreciation method. The Company has performed quarterly impairment test resulting in no impairment on Haven. As of the balance sheet date, the Company's main asset was the accommodation vessel Haven.

	2022		2021	
(1.000 USD)	Vessel	Total	Vessel	Total
Accumulated cost 1 January	738 253	738 253	726 296	726 296
Disposals	0	0	0	0
Additions	1 237	1 237	11 957	11 957
Accumulated cost 31 December	**739 490**	**739 490**	**738 253**	**738 253**
Accumulated depreciation 1 January	-575 121	-575 121	-563 452	-563 452
Depreciation	-10 849	-10 849	-11 669	-11 669
Impairment	0	0	0	0
Accumulated depreciation and impairment 31 December	**-585 950**	**585 950**	**-575 121**	**-575 121**
Currency translation				
Carrying value 31 December	**153 520**	**153 520**	**163 132**	**163 132**

Impairment

At each reporting date, an assessment in accordance with IAS 36.9 is carried out whether internal or external information indicates a potential fall in the value of non-current assets.

Value of "Haven" accommodation unit

The assessment concluded that an impairment is not required.

The impairment assessment is based on the following:

Discount rate:	10.31%
Day rates:	Based on the current and future committed contracts and thereafter a yearly adjustment for inflation to the end of the vessels's useful life is applied.
Utilization:	70% after completion of current and future commited contracts

The recoverable amount is sensitive to the assumptions listed above. Given changes in the above stated assumptions, the impact on the financial statement would be:

Discount rate (percentage points):	+1%	Impairment of approximately 9 MUSD required
Change in contracted rates from maturity of the last fixed contract (2023 to 2027) to perpetuity of the cash flow forecast	-10%	Impairment of approximately 14 MUSD required
Utilization (percentage points):	-5%	Impairment of approximately 5 MUSD required
Scrap value, related to uncertainty of the scrap value in the future.	-100%	No impairment is necessary.

Climate consideration in impairment assessment

The EU commission expects to reduce the CO2 emission by 55% within 2030, which will impact the future oil and gas prices, which in turn may affect commencement of new oil and gas fields. The Company believe oil and gas will have a pivotal part in the transition, before the activity will decrease after 2030. As part of the impairment assessment management have considered impact on the recoverable amount of Haven. The recoverable amount of Haven is based on the assumption that the vessel will continue to operate with charter hire rates in line with historically observed rates for the remaining useful life of the vessel. Accommodation Jack-ups have historically been used in the oil and gas market, however during 2022 the Company has continued to see an increased interest for future needs from the wind turbine industry. The Wind market has sanctioned new and larger areas offshore, whereas several areas are on deeper locations where a premium oil and gas accommodation jack-up rig will have a competitive advantage compared to traditional jack ups used in the wind market at more benign, short depth waters. The Accommodation Jack-ups will be able to provide 100% uptime and provide a service required for the commissioning phase of larger wind parks remote from the shoreline. It is expected that the wind market could certain at least offset some of the potential reduction in demand from the traditional oil and gas fields.

Further, Jack-ups is also benefitting from being 100% connected to a host platform enabling the unit to be powered by host platforms, which again can be connected to the onshore power grid. Standing firm on the legs the jack-up vessel does not need to use any fuel to stabilize in day-to-day operation. Compared to a semi-DP unit, this will make the jack-ups able to produce a lower environmental footprint.

Based on this, management has assessed that a potential energy transition will not significantly impact the recoverable amount of the remaining rig.

13. OTHER CURRENT ASSETS

(1.000 USD)	**2022**	**2021**
Trade debtors	3 998	2 761
Pre-paid expenses	296	212
Other Receivables	5 217	968
Total other current assets	**9 511**	**3 941**

Other receivables mainly relates to IFRS 16 accruals for booking the income on a straight line basis.

14. CASH

(1.000 USD)	**2022**	**2021**
Cash and bank deposits	2 298	3 065
Restricted cash	1	0
Cash and cash equivalents in the balance sheet	**2 299**	**3 065**

15. EARNINGS PER SHARE

The basic earnings per share are calculated as the ratio of the profit (loss) for the year attributable to shareholders divided by the weighted average number of ordinary shares outstanding during the financial year.

	2022	**2021**
Average number of shares outstanding	251 000 000	50 000 000
Profit/(loss) for the year	**-8 661**	**-35 533**

Earnings per share:	**2022**	**2021**
- Basic	-0.04	-0.71
- Diluted	-0.04	-0.71

16. SHARE CAPITAL AND SHAREHOLDER INFORMATION

Number of shares:

	2022	**2021**
Ordinary shares		
At 1 January	50 000 000	50 000 000
At 31 December	**196 114 666**	**50 000 000**

	2022	**2021**
Preference		
At 1 January	0	0
At 31 December	**54 885 334**	**0**

The company’s share capital is NOK 251 000 000 divided into 251 000 000 shares each with a nominal value of NOK 1. The company has 196 114 666 ordinary shares and 54 885 334 preference shares. The preference shares and the ordinary shares have equal rights with the following exemption: one or several shareholders who solely or jointly own more than 90% of all outstanding preference shares may at any time, limited to once per calendar year, require that an extraordinary general meeting is summoned to deal with specific matter. The Board shall upon receipt of a written demand for such procure that the General Meetings is held within one month from the time the demand is submitted.

For calculation of earnings per share and diluted earnings per share reference is made to Note 15.

Shareholder	Ordinary Shares	Preference Share	Percentage
Nominee accounts	178 231 069	50 768 934	91.24
Arkwright London Ltd	14 708 600	4 116 400	7.50
Minor shareholders (1%>)	3 174 997	0	1.26
Sum	**196 114 666**	**54 885 334**	**100.00**

The majority (91.24%) of the shares in Jacktel AS are owned through nominee accounts. Harald Thorstein, chairman of the Board in Jacktel AS, is a majority shareholder in Arkwright London Ltd.

17. OTHER CURRENT LIABILITIES

(1.000 USD)	**2022**	**2021**
Trade accounts payables	1 189	583
Senior Bond Loan	72 542	0
Super Senior Bond Loan	3 884	0
Other current liabilities	4 427	6 000
Total	**82 042**	**6 583**

Other current liabilities as of 31.12.22 mainly consist of accrued cost for periodical purposes.

18. LEGAL DISPUTES

The final 10% of the contract price relating to the reinstatement of the original spud cans was paid to contractor during Q3 2022 together with agreed variation orders. The contractor has disputed Jacktel's interpretation of the contract and the final settlement amount.

The Company has received two letters related to the 2019 tax return where Jacktel claimed an exemption under the limitation of tax deduction of interests. Unless Jacktel wins forward in its discussions with the tax authorities, the payable tax exposure is limited to approximately 10 MNOK. Based on advises from tax lawyers and the fact that no claim from the tax authorities have been received, Jacktel is of the opinion it should qualify for the exemption rule. Consequently, no provision for such a claim has been made in the 2022 accounts.

19. EVENTS AFTER THE BALANCE SHEET DATE

Jacktel AS has in March 2023 been awarded a contract by Equinor for the provision of accommodation services to Draupner. The contract will commence October 2024 and has a firm duration of 10 months. As part of the contract, Jacktel AS has granted Equinor options to extend the contract by up to 6 months. Estimated contract value for the firm period is approximately USD 58 million including mobilization and demobilization.

On February 21st, subsequent to the balance sheet date, Jacktel announced that it would fully repay the Super Senior bond on the Interest Payment Date in March 2023.

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Statsautoriserte revisorer
Ernst & Young AS

Dronning Eufemias gate 6a, 0191 Oslo
Postboks 1156 Sentrum, 0107 Oslo

Foretaksregisteret: NO 976 389 387 MVA
Tlf: +47 24 00 24 00

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INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Jacktel AS

Opinion

We have audited the financial statements of Jacktel AS (the Company), which comprise the balance sheet as at 31 December 2022, the income statement, statement of comprehensive income, statement of cash flows and statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the financial statements comply with applicable legal requirements and give a true and fair view of the financial position of the Company as at 31 December 2022 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting 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 in accordance with the requirements of the 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.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

Other information

Other information consists of the information included in the annual report other than the financial statements and our auditor's report thereon. Management (the board of directors) is responsible for the other information. Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the board of directors' report contains the information required by legal requirements and whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information or that the information required by legal requirements is not included, we are required to report that fact.

We have nothing to report in this regard, and in our opinion, the board of directors' report is consistent with the financial statements and contains the information required by applicable legal requirements.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the EU, and 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.

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In preparing the financial statements, management is responsible for assessing the Company'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 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 the 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, 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 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 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 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 fair presentation.

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, 27 April 2023
ERNST & YOUNG AS

The auditor's report is signed electronically

Jon-Michael Grefsrød
State Authorised Public Accountant (Norway)

PENNEO

Signaturene i dette dokumentet er juridisk bindende. Dokument signert med "Penneo™ - sikker digital signatur".
De signerende parter sin identitet er registrert, og er listet nedenfor.

"Med min signatur bekrefter jeg alle datoer og innholdet i dette dokument."

Jon-Michael Grefsrød
Oppdragsansvarlig partner
På vegne av: Ernst & Young AS
Serienummer: 9578-5992-4-3016511
IP: 84.208.xxx.xxx
2023-04-27 13:47:34 UTC

bank ID

Penneo Dokumentnøkkel: UC0KI-EINE2-C4OHK-XN42G-GMFU0-NE5NQ

JACK TEL

Vestre Svanholmen 6, 4313 Sandnes, NORWAY
Tel: +47 67 430 430
Email: mail@macro-offshore.com