

# Jacktel AS

## Company Update

### August 2023



# Jacktel Investment Summary

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## Strong cash flow from existing backlog

- Jacktel AS is generating significant cash flow from \$183 firm backlog and \$67m in options with Total, Equinor and Aker BP<sup>1)</sup>
- Key focus is to maximize cash flow and return capital to shareholders through debt repayment and dividends
- Assuming options are exercised, company is estimated to have repaid all debt and built a cash position of \$34m at the end of 2027. This creates potential for dividend distribution and significant refinancing ahead of maturity

## Competitive advantage

- Haven has a unique market position within offshore accommodation. It is the only harsh environment, NCS capable Jack-up accommodation rig, offering multiple competitive advantages
  - I. Lower CO<sub>2</sub> footprint – reduction of >60t per day in CO<sub>2</sub> emissions compared to competing vessels
  - II. Higher operational uptime and cost savings – 100% gangway provides clients with increased productivity and substantial cost savings

## Strong drivers beyond 2027

- We see strong tailwinds for the accommodation market going forward for both offshore wind and traditional oil and gas
  - **Offshore Wind** – With offshore wind installations moving further from shore, we believe Haven to play a key role in satisfying the increasing demand for onsite accommodation
  - **Oil & Gas** – Ageing infrastructure in the NCS and significant growth in FPSO installations in Brazil will require more accommodation work

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1) Cash flow projections assumes options are exercised through Jan '28

# Agenda

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## Investment Case

### Refinancing Update

### Jacktel AS - Background

### Market Fundamentals



# Executing on goals – shifting focus towards creating shareholder value




2021 – July 2023 → August 2023 and onwards →



1) Assumes \$47,500/day in Opex for Equinor and AkerBP contract. From 31.03.2023

# Overview of current backlog: Firm backlog of USD 183m to strong counterparts

## Backlog overview and contract details

	2023	2024	2025	2026	2027
 TotalEnergies	Firm contract Tyra Field - 18 months				
 equinor		Firm contract Draupner - 10 months	Option 6 months		
 AkerBP				Firm contract Fenris Project - 15 months	Option 6 months <sup>2)</sup>

	Tyra Field Contract extension	Draupner Project New contract	Fenris Project New contract
Counterparty	Total Energies	Equinor	AkerBP
Location	Tyra Field, Denmark	Draupner, Norway	Valhall, Norway
Duration	18 months, option to extend	10 months, 6 months option period	15 months, 6 months option period
Contract value	Total fixed contract value is USD 53m including mob. and demob.	Total fixed contract value is USD 58m, including mob. and demob.	Total fixed contract value is USD 87m, including mob. and demob.
Other assumptions	Start date: 01.01.2023 OPEX: USD ~29,000 per day	Start date: Q4-24 OPEX: USD ~45,000-50,000 per day	Start date: Q2-26 OPEX: USD ~45,000-50,000 per day

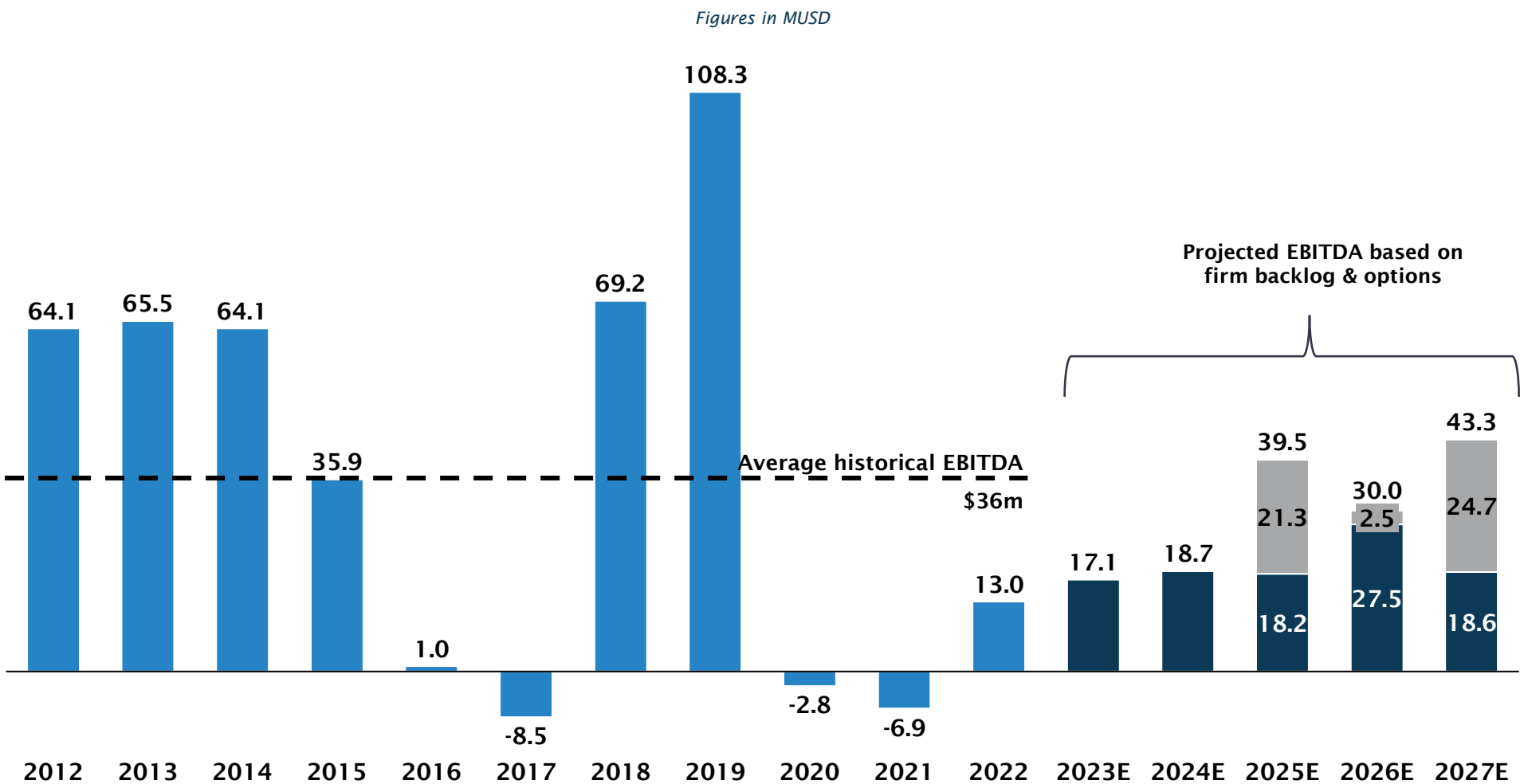
**Total Firm Contract Backlog<sup>1)</sup>**  
As of 30.06.2023  
**USD 183m**

*Current contract*

1) Includes Mob and Demob and excludes options  
2) Including Jan'28

# Jacktel AS have generated \$36m in average annual EBITDA through cycles

## Jacktel historical EBITDA and future projections



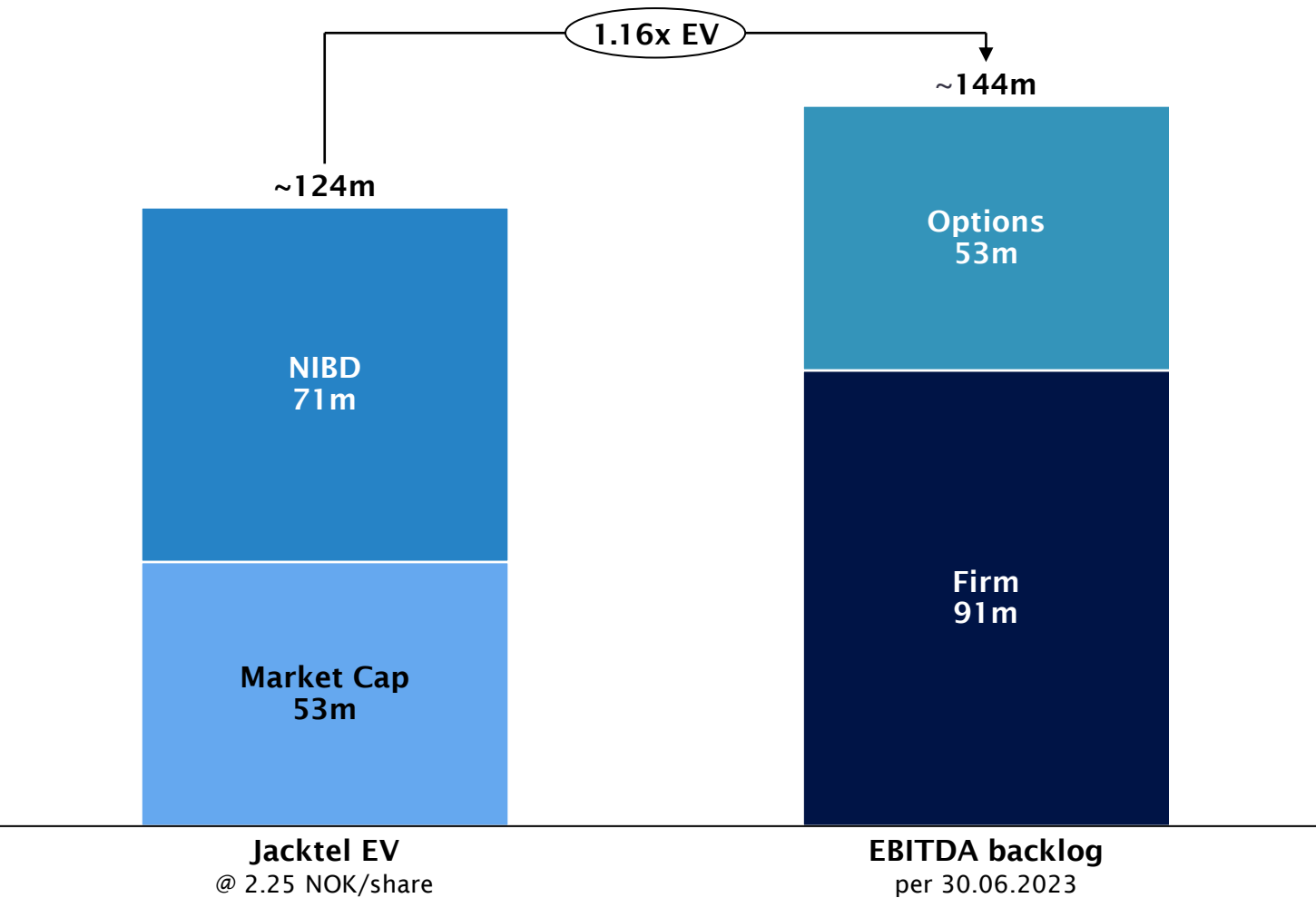
## Comments

- Haven has generated \$36m in average annual EBITDA from 2012-2022
- Jacktel's cost structure is transparent and competitive to peers
  - NOK 21m in G&A (adjusted for inflation), plus management incentive fee
- Opex varies between jurisdiction, from \$30k in Denmark to \$45-50k per day in Norway
- If options are not exercised the Company can adjust costs accordingly, and pursue short term employment
- Based on current backlog per 30.06.2023 the Company projects EBITDA ranging from \$91m to \$140m through 2027, depending on whether options are exercised or not

# EV is covered by EBITDA backlog with Tier 1 counterparties

## Jacktel EV vs. current EBITDA backlog

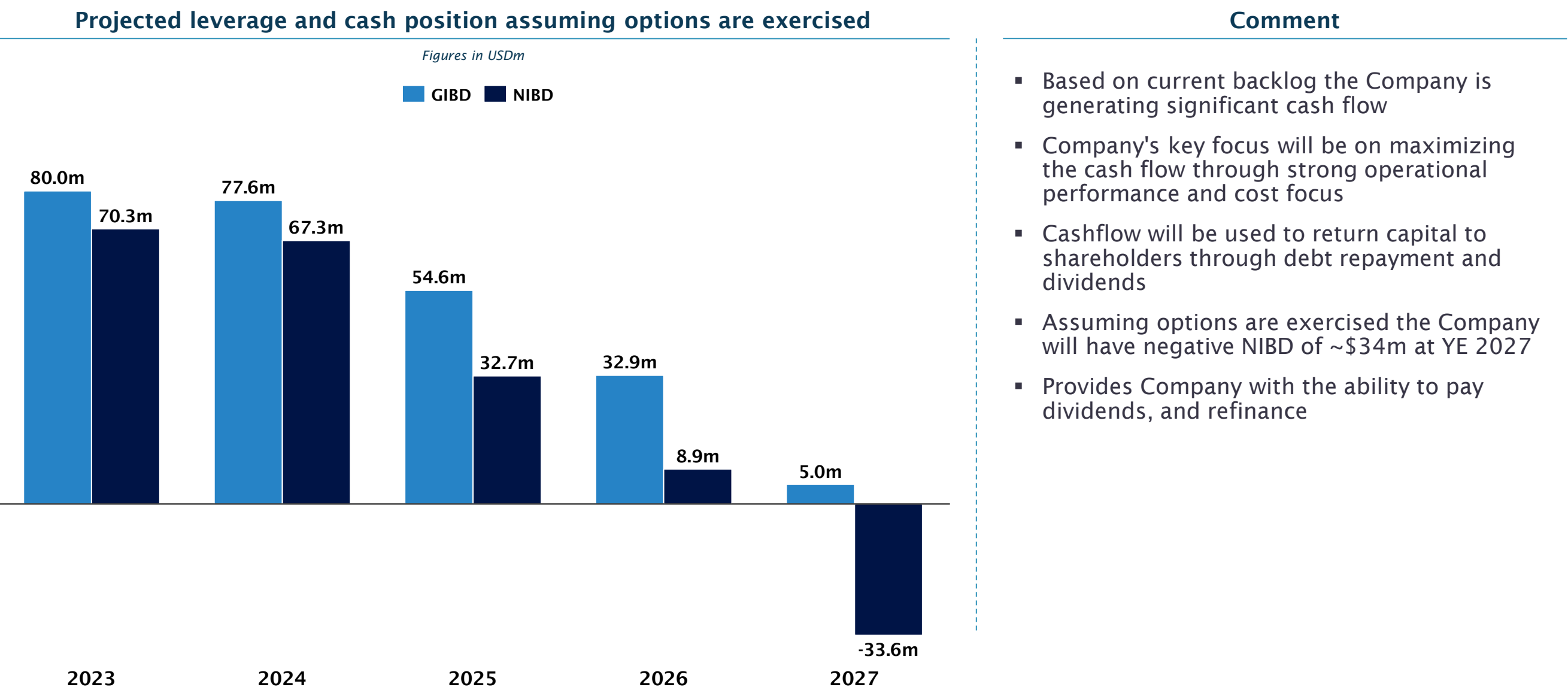
Figures in MUSD



## Comments

- Enterprise value of Jacktel AS is \$124m, based on last traded price on NOTC NOK 2.25 per share
- Assuming options are being exercised, the EBITDA backlog is 1.16x current EV
- Company expects to spend ~\$20m in capex and mob/demob costs through 2027. Mob/demob is included in total contract values
- 31/12/2022 Jacktel AS had NOK 3.2bn in tax loss carry forward

# Return of Capital – Rapid deleveraging and dividend capacity

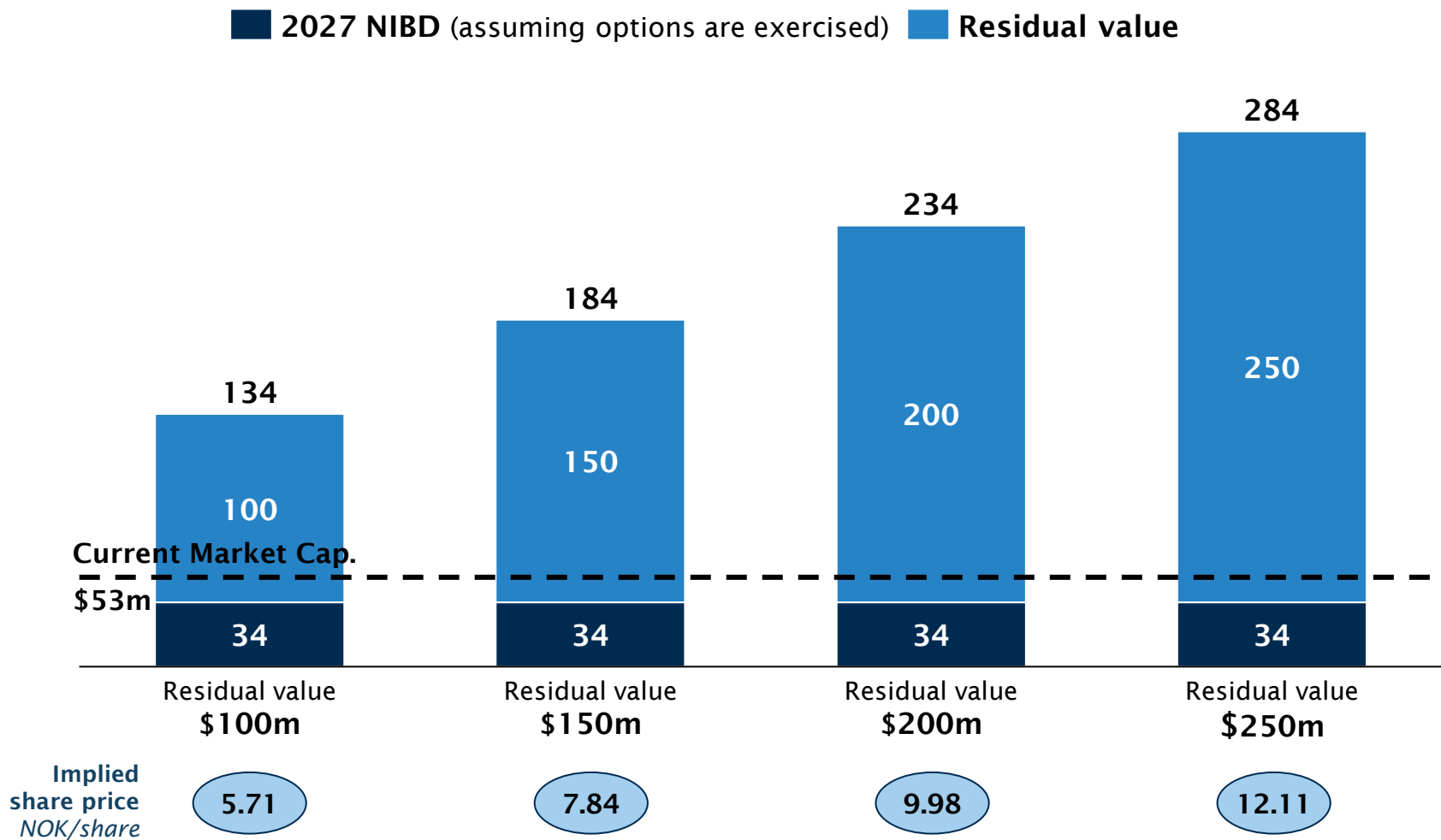




# Limited residual risk – de-risking through contracted cashflow

## Residual value sensitivity

Figures in USDm



## Comment

- Assuming options are exercised, the Company will have a negative NIBD of ~\$34m at completion of charter contracts
- Provides downside protection while retaining the upside exposure to residual values
- Combination of Havens unique market position, limited supply, growing demand for accommodation within oil & gas and offshore wind, provides strong tailwind for Haven post 2024
- In 2027 Haven will be 16 years and has an expected life of 30+ years
- Current broker quotes at \$150-170m
- Current market rates does not justify newbuild order

# Haven has a unique market position within offshore accommodation as the only harsh environment, NCS capable, jack-up accommodation rig

## Lower CO<sub>2</sub> footprint



- Oil companies have an increased focus on their CO<sub>2</sub> footprint across their supply chain
- Contributes to a reduction of >60t per day in CO<sub>2</sub> emissions compared to competing vessels with propulsion-based station keeping
- Haven is capable of running on onshore renewable energy

## Higher operational uptime and cost savings



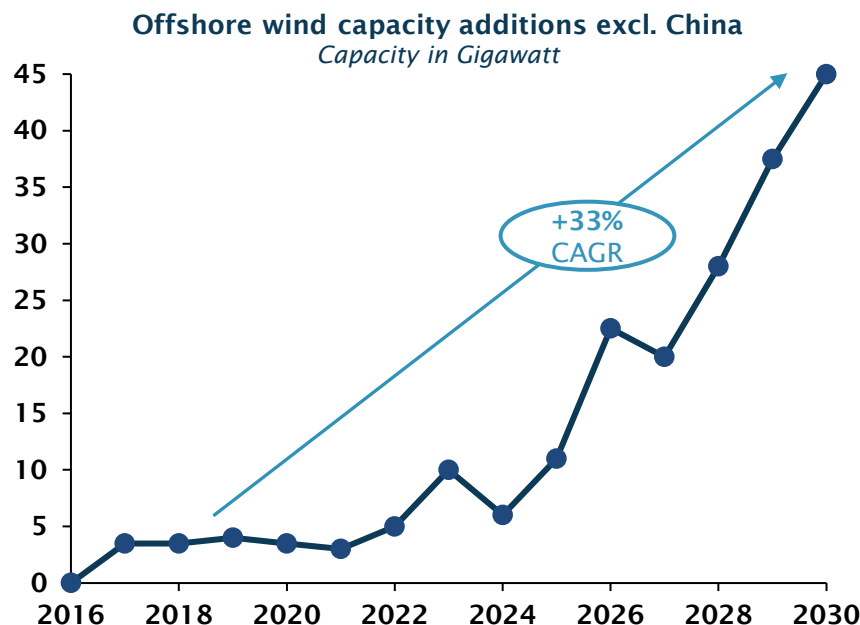
- 100% uptime vs. ~85% for semi submersibles, due to reliable gangway connection
- Significant reduction in manhours, more efficient project management, and usage of support services offshore/onshore, resulting in lower operational cost for client
- Acceleration of first oil



# Strong demand drivers post 2027

*Strong demand from both Offshore Wind and Oil & Gas post 2027*

## Offshore Wind



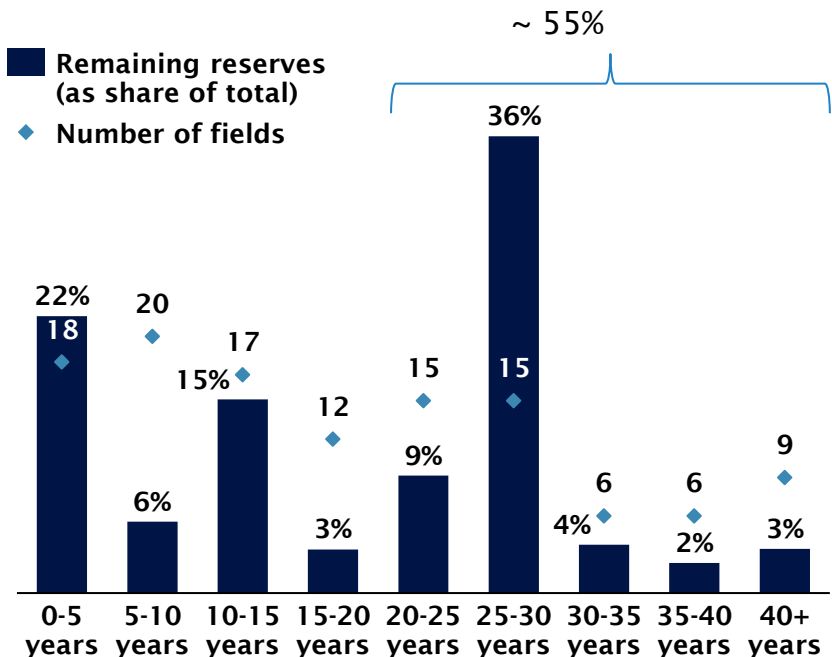
- Increased share of offshore wind installations are being installed further from shore, increasing the need for accommodation units during construction

## Brazil – FPSO growth



- Significant growth in FPSO installments, driving demand for floatels
- Most active market YTD

## NCS – Aging infrastructure



- A substantial portion of the remaining oil reserves are from fields that are 20 years old and more, driving demand for floatels to support maintenance work

# Steps towards unlocking value – strong toolbox

## *Key ways to unlock shareholder value*



### Commercial and operational execution

- Work diligently on day-to-day basis to deliver on existing contracts from an operational perspective
- Work towards maintaining a lean and transparent cost structure, both on-hire and off-hire, without impacting ability to deliver operationally
- Haven is a good fit, serving the growing demand for accommodation within offshore wind installation



### Return of capital

- Key to provide a clear pathway towards return of capital
- Goal is to return capital through repayment of debt and dividends
- Assuming options are exercised, company is estimated to have repaid all debt and built a cash position of \$34m at completion of charter contracts in 2027. This creates potential for dividend distribution and refinancing ahead of maturity



### Share Liquidity

- Explore publicly listing of shares in Jacktel AS
- Listing on Oslo Bors provides additional liquidity, targeting a larger investor base



### M&A

- Explore M&A opportunities that are accretive for Jacktel AS shareholders
- Jacktel AS has a strong cash generating platform which can pursue opportunistic acquisitions



# Agenda

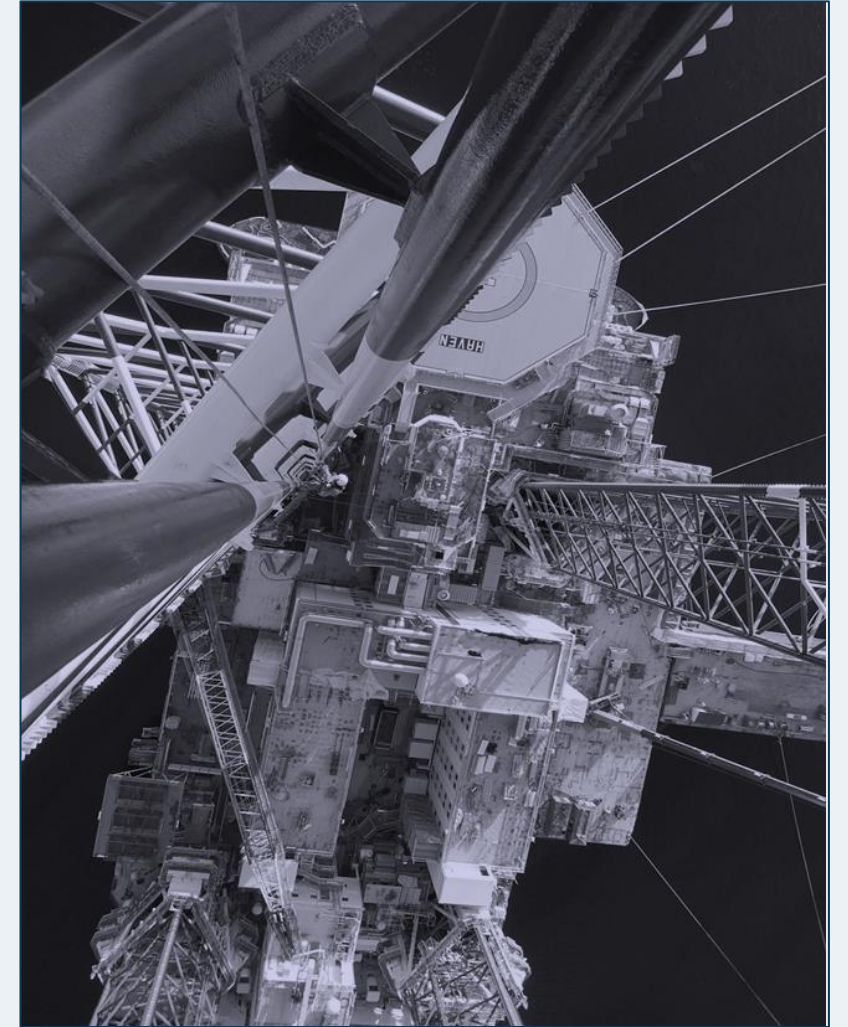
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Investment Case

Refinancing Update

Jacktel AS - Background

Market Fundamentals



# Summary of new debt financing

## Summary of debt

Deal Summary	
Amount	\$80m
Lender	Maritime Asset Partners “MAP”
Term	4.5 years
Coupon	10.1%
Amortization	No amortization until Nov 2024. Thereafter, tailored to firm contract backlog. Bullet at maturity
Prepayment	\$12m can be prepaid at Par
Dividends	Allowable once \$12m is prepaid

## Debt financing overview

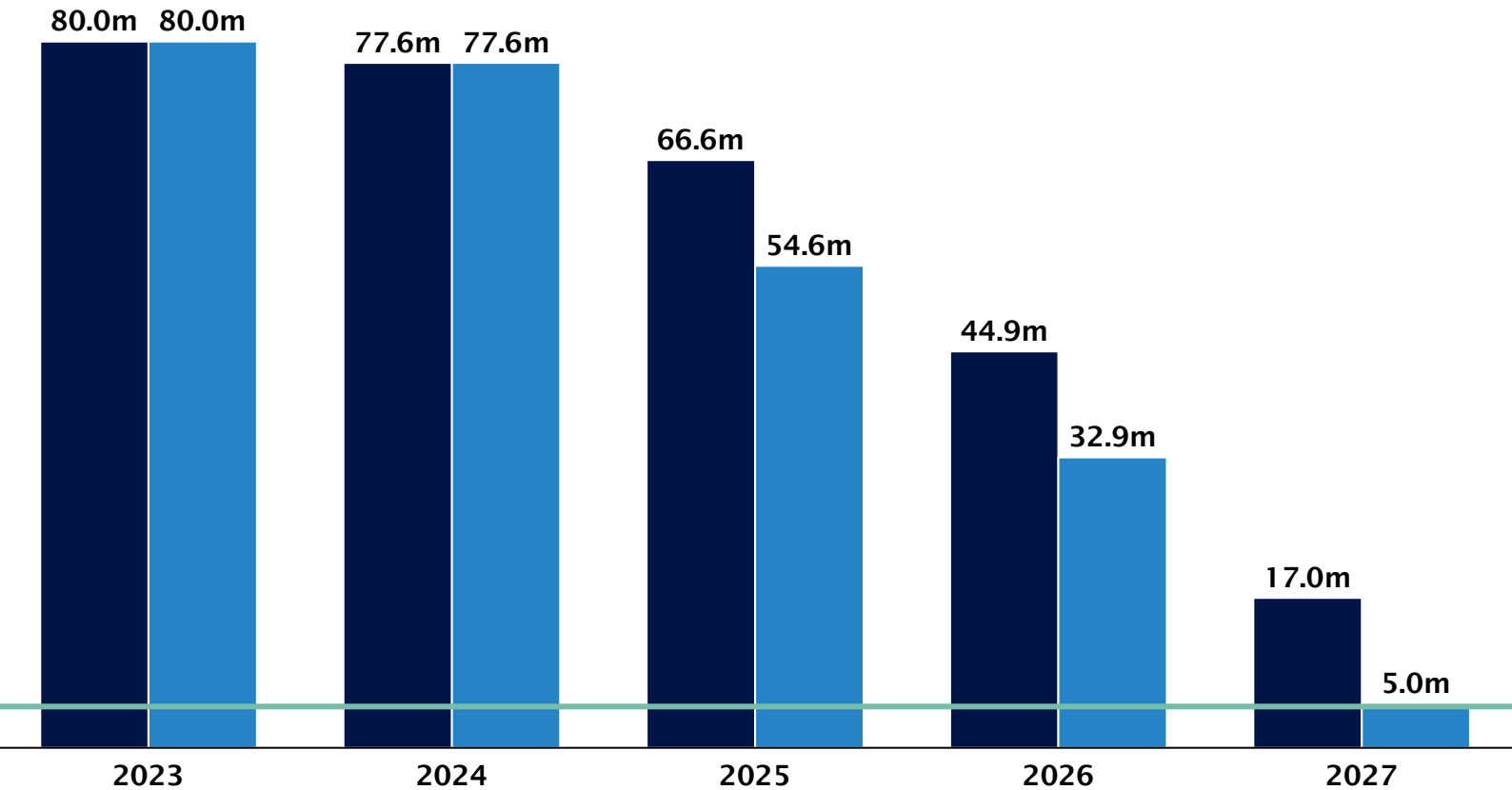
- Jacktel repaid outstanding debt under Senior Secured Facility 8<sup>th</sup> of August 2023 (ISIN: NO0010836778)
- Debt is replaced with \$80m Senior Secured loan provided by subsidiary of Maritime Asset Partners (“MAP”)
- Been successful in addressing key focus areas with new debt:
  - **Tailored amortization** – given contractual backlog, debt amortization has been tailored to firm cash flow. I.e. Only amortizing when on firm backlog
  - **Dividend capacity** – If options are been exercised, Company can prepay \$12m in debt and pay dividends, subject to certain covenants
  - **Competitive pricing** – We believe current pricing is competitive versus peers, a result of strong contract backlog with tier 1 clients

# Substantial deleveraging over contract period

## Debt profile

Outstanding debt in USDm

■ Debt profile ■ Debt profile with voluntary prepayment

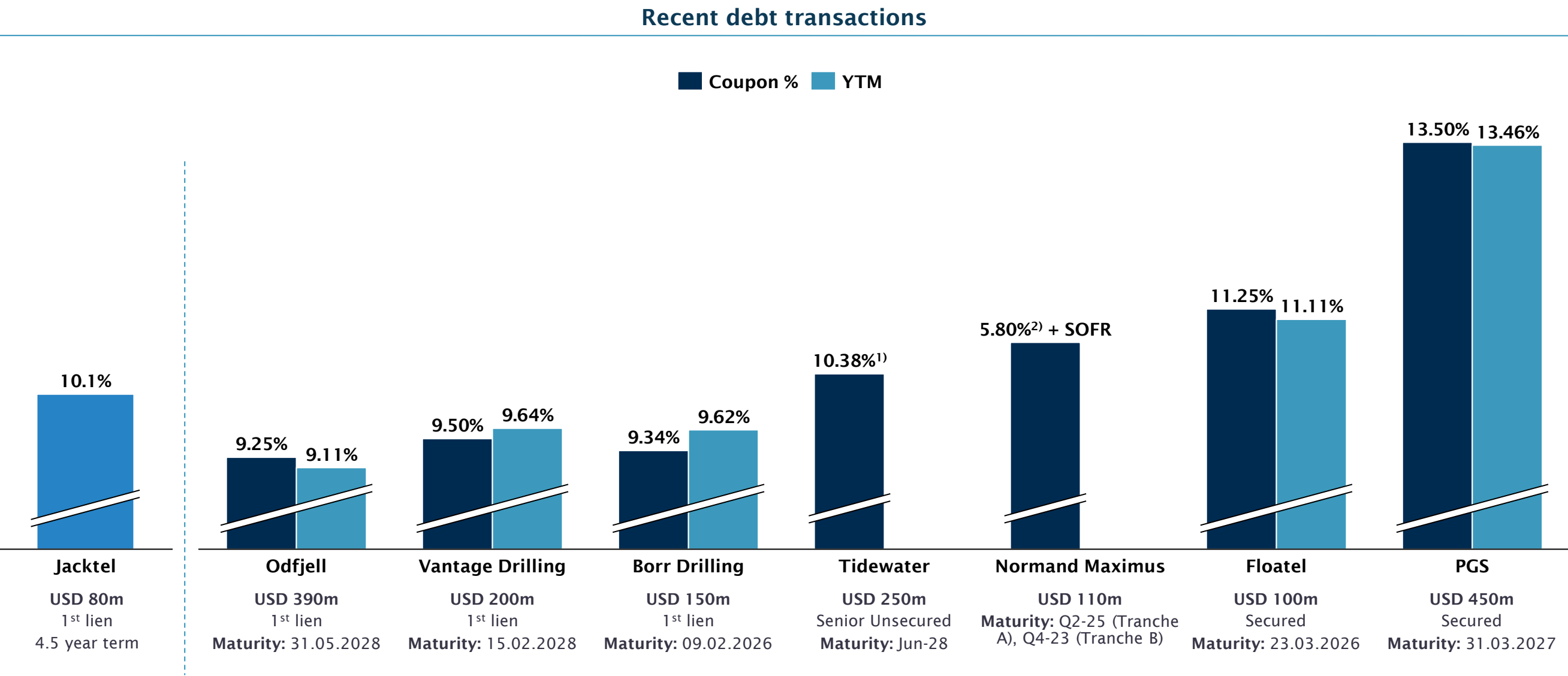


Restricted cash and  
debt service account  
\$5m

## Debt financing overview

- Company is able to substantially deleverage over contract period
- Amortization is tailored to the firm contract backlog
- Voluntary prepayment of \$12m in 2025 allows for dividend payout, subject to certain covenants

# Attractive financing – getting credit for strong backlog



1) 1% OID  
2) Blended cost based on Tranche A 75m at 4.50% + SOFR and Tranche B 35m at 8.50% + SOFR  
3) Pareto High Yield Indications – 25<sup>th</sup> of August



# Agenda

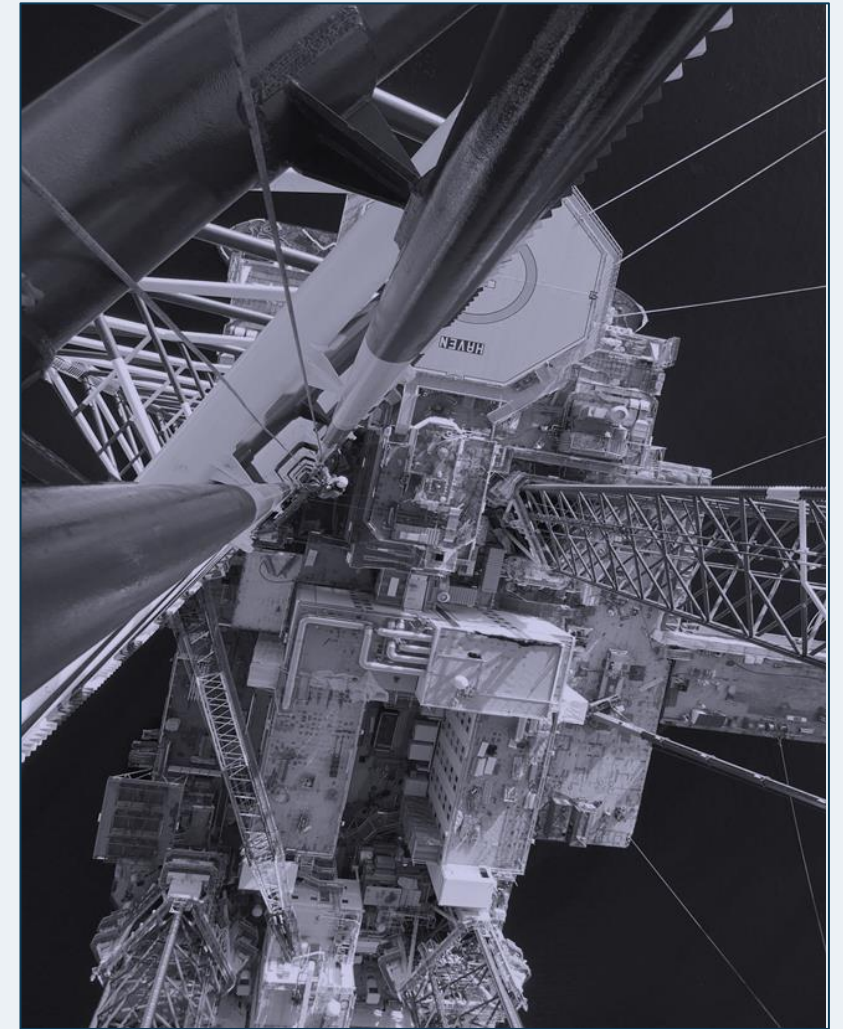
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**Investment Case**

**Refinancing Update**

**Jacktel AS - Background**

**Market Fundamentals**



## Jacktel AS – Summary of background

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### Jacktel AS owns the offshore accommodation unit, Haven

- Jacktel AS owns 100% of Haven, a harsh environment jack-up accommodation rig
- 5-year special survey and yard upgrade was concluded in 2021
- Haven is on contract with TotalEnergies Denmark until June 2024, with subsequent contracts with Equinor and AkerBP until January 2028, including options
- Macro Offshore Management have commercial and technical management of Haven

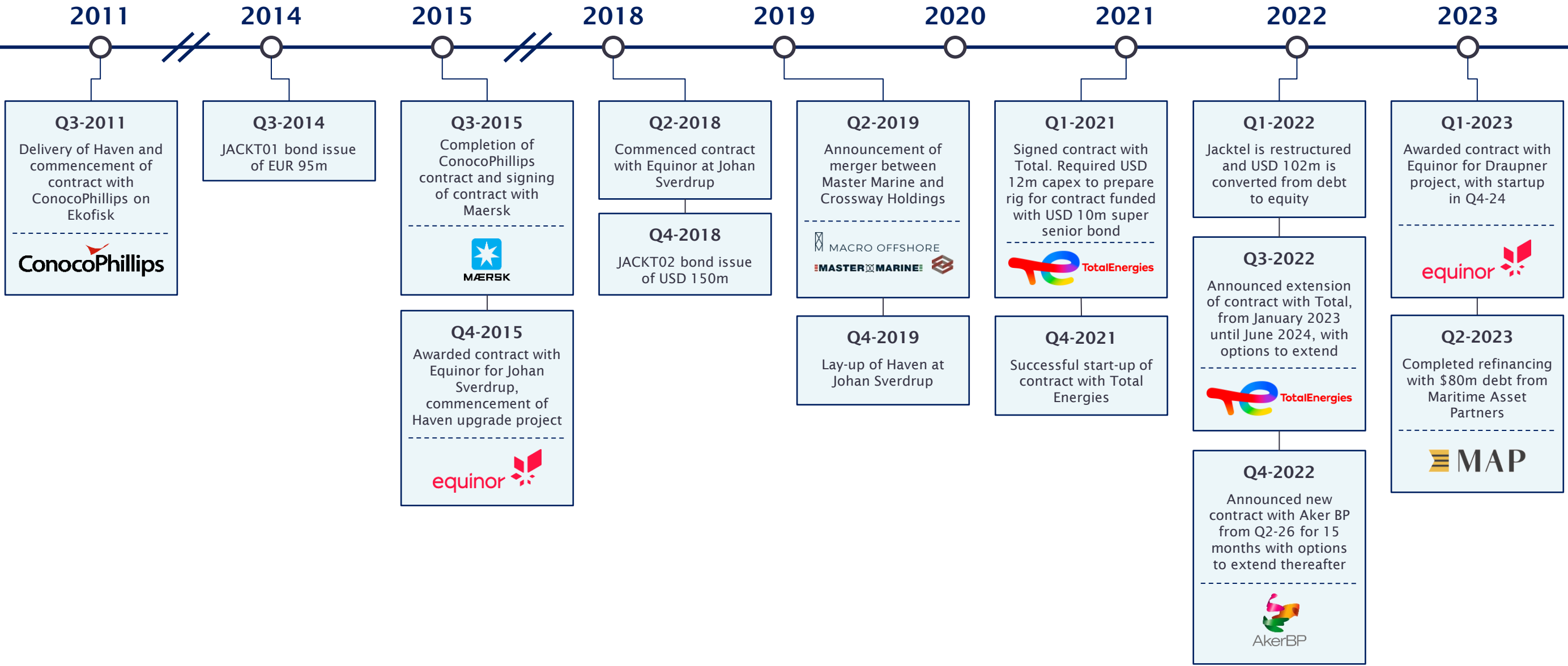
### Successfully secured strong backlog and refinanced outstanding debt

- Since the restructuring, the management has worked diligently on executing on existing contracts while working on new tenders
- Firm backlog of \$183m is secured through Q2-2027, plus \$67m in options
- Have managed to successfully optimize capital structure, by refinancing outstanding debt with new \$80m loan with Maritime Asset Partners (“MAP”) at a competitive interest rate

### Focus on unlocking shareholder value

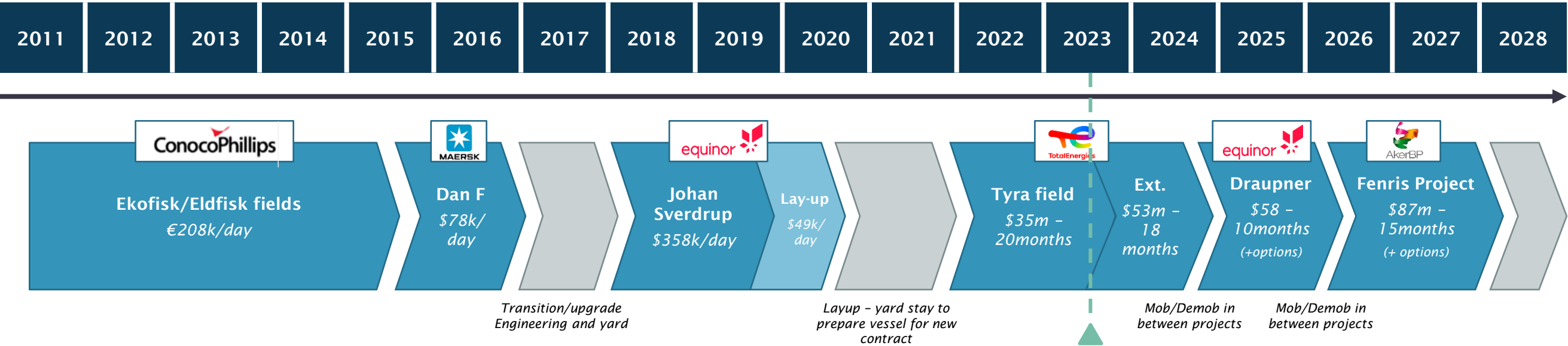
- Company will focus on unlocking and crystalizing shareholder value
- Oversee and push towards successful operational execution, while keeping a lean cost structure
- Use excess cash to repay debt and return capital to shareholders through dividends
- Additional potential opportunities include publicly listing of shares and/or M&A

# Company timeline



# Successful deployment of Haven since delivery

## Contract timeline



- Haven has had close to 100% uptime since delivery in 2011
- The rig is currently on an extended 18-month contract with Total Energies
- In Q4-24 Haven will commence a 10-month Equinor contract with options, for the Draupner project (\$58m value)
- In Q2-26 Haven will commence a 15-month AkerBP contract with options, to the Valhall PWP – Fenris Project (\$87m value)
- Haven was on Johan Sverdrup contract until Dec’ 2019 before entering “lay-up contract” until mid-April 2020 at \$49k/day. Adjusted for rig upgrade, paid for by Equinor through increased charter hire, the clean rate was \$220k/day
- In between the Equinor and Total Energies contract the rig was in drydock for 5-year classing and to remove suction caissons, purpose built for Johan Sverdrup



# Haven – Rig specifications

Rig Specifications	
Water depth capacity	Up to 106 meters
Year built	2011
Bed capacity	444
Overall length x width	118m x 50m
Free deck area	450 m <sup>2</sup>
Additional deck load capacity	4,500 tons
Crane capacity	75 tons @ 16m
Bridge length	30m+
Offices and meeting rooms	64 for client use
Recreational areas	Cinema, gym, catering, gallery, mess rooms, coffee and reading lounges accommodating 400 guests
Other facilities	Hospital facilities, self sufficient and potable water The unit provides clients with power, fuel and water across gangway



# Jacktel AS – New Board of Directors

## Experienced Board

- Inclusion of two new board members adding a combined 30+ years of capital market experience, with a focus on oil services and the Nordic market
- Strong board with background from capital markets and the industry

## Board of Directors



**Harald L. Thorstein**  
Chairman of the Board

- Founder of Arkwright London Ltd.
- 18 years of experience from finance, energy and shipping, incl. nine years in Seatankers Group
- Extensive M&A transaction experience within the energy sector
- Also on the board of Yara, B2 Holding, Odfjell Drilling, DOF, Altus Intervention and AquaShip



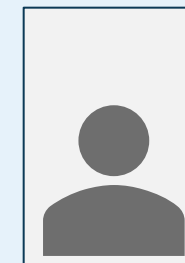
**Alf Ragnar Løvdal**  
Board Member

- Has 35 years of experience from the O&G industry
- Recently CEO of North Atlantic Management AS, a subsidiary of Seadrill Limited
- Has also held several other senior positions in the industry



**Morten E. Astrup**  
Board Member

- CIO and founder of Storm Capital Management
- 25 years of financial and asset management experience, with main focus on the Nordics
- Executive Chairman of Storm Bond Fund



**Lars Foss-Skiftesvik**  
Board Member

- Senior Analyst with QVT Financial
- 13 years of buy-side and industry experience within oil services
- MBA from Columbia Business School, Columbia University

# Macro Offshore Management – Commercial and technical Manager

## About Macro Offshore Management



- **Macro Offshore Management is a management company offering high-end offshore accommodation vessels and is headquartered in Stavanger, Norway**
- Long track record from operating assets in Denmark, UK and on the NCS
- High focus on cost efficient operations has resulted in substantially reduced operating cost since taking over as technical manager of Haven in 2020
- **Experienced management with deep understanding of market drivers secures high utilization of Haven at acceptable commercial terms**
  - Initial contract at Tyra was the only available contract in the market in 2020
    - Contract has been improved as a result of strong cooperation with client and understanding their needs
    - Extended term at improved day rates
    - Flexible conclusion of contract improves utilization
- **Contracts with Equinor and AkerBP safeguards utilization until end 2027 at acceptable terms**
  - Manager to work with customers to maximize utilization and improve earnings

## Management Team

### **Bjørn Henriksen** CEO

- 25 years of offshore industry experience
- Previously held the position as CEO of Prosafe Production, President of Prosafe's Accommodation Business and CFO and COO of Prosafe SE in addition to various managerial positions in Transocean and Arthur Andersen
- State Authorized Public Accountant

### **Daniel Samuelsen** CFO

- Several years of experience from various industries, including cost controller of the Haven at Johan Sverdrup Project, Team Leader and controller in Finero AS, as well as project financial controller in Aker Solutions
- MSc. in Finance from the University in Stavanger

### **Tom Friestad** COO

- 20 years of oil & gas experience
- Previously held position as Operations & Technical Manager of Macro Offshore Management AS, Completion Manager of the Haven @ Johan Sverdrup Project, CEO of Sandaband AS, Operations Manager at Prosafe Drilling Services AS as well as experience from offshore operation



# Agenda

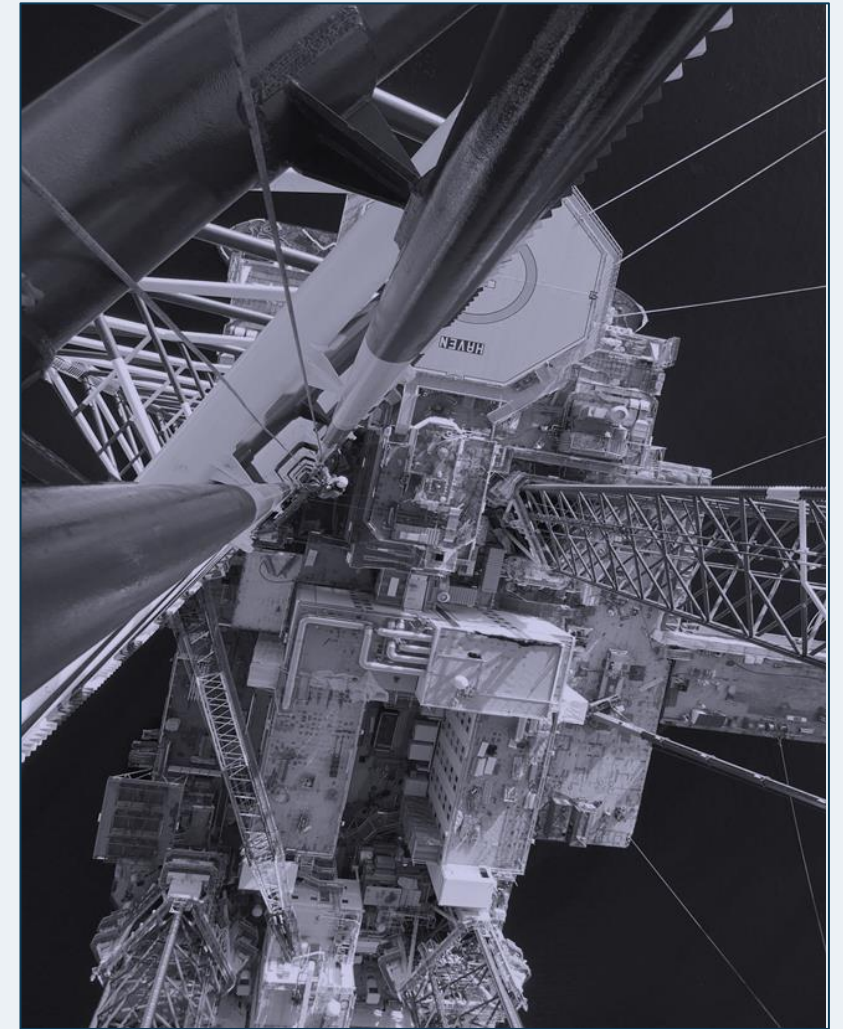
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Investment Case

Refinancing Update

Jacktel AS - Background

**Market Fundamentals**





# Providing accommodation capacity for engineering and construction services during offshore project work



# Jack-ups standing firmly on seabed has proven to be an attractive solution for operators, resulting in a reduced environmental footprint

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- Safe, comfortable and reliable accommodation services
- No disconnection of gangway during severe winter storms
- Haven with proven track record of running on power from shore causing a significant reduction in carbon footprint

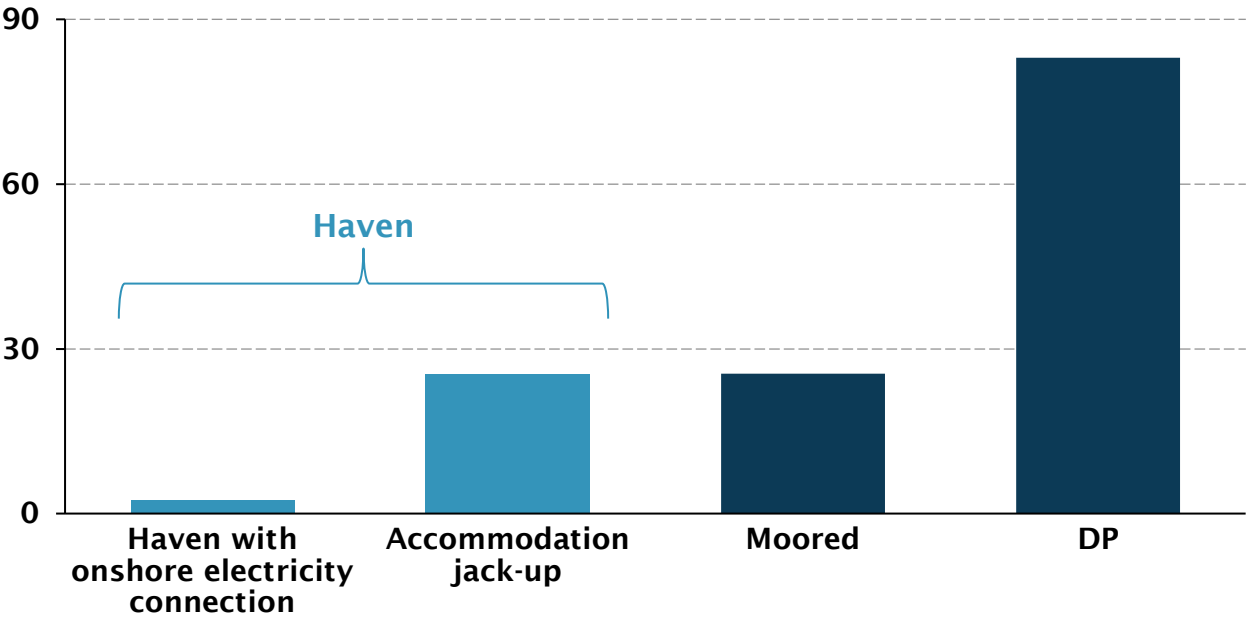
## Reliable gangway connection provides



# Accommodation Jack-ups have a superior emissions profile

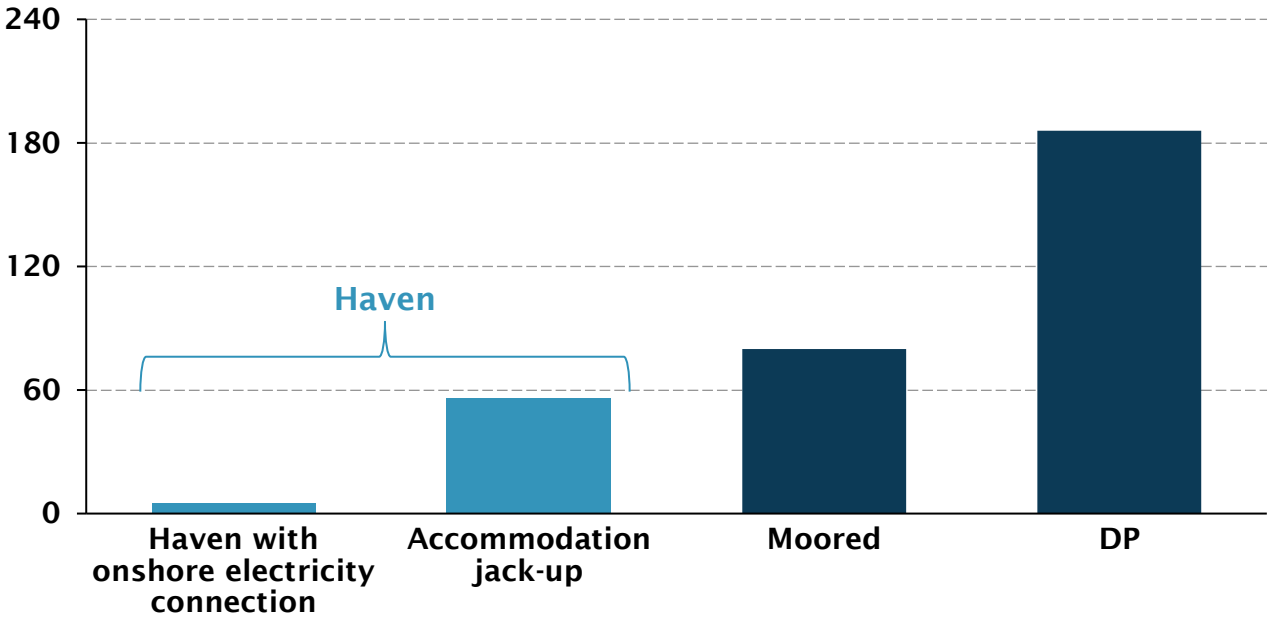
CO<sub>2</sub> emissions per day

Tonnes CO<sub>2</sub> emissions per day for various asset types



CO<sub>2</sub> emissions per bed

Kg CO<sub>2</sub> emissions per bed per day for various asset types

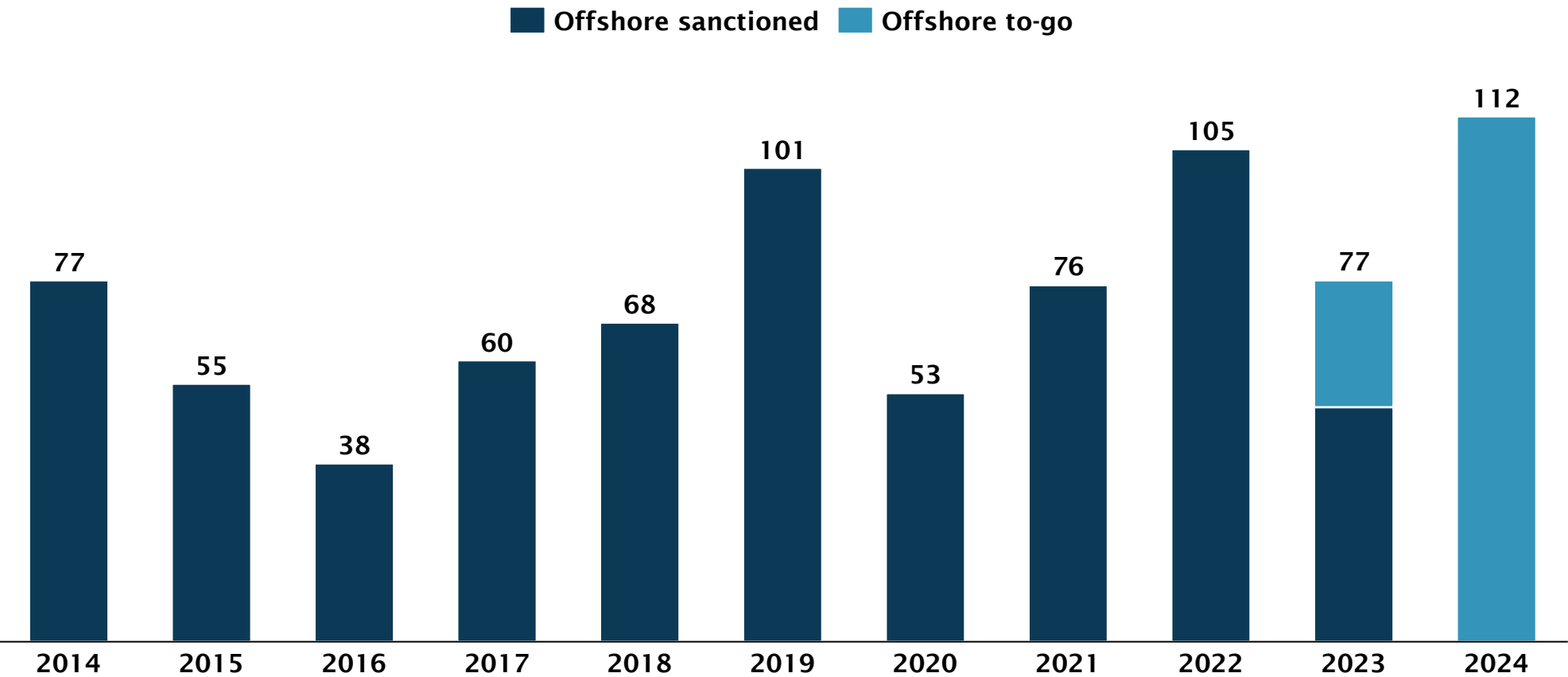


- Haven is currently the only accommodation jack-up rig capable of running on renewable electricity generated onshore
- While working for Equinor on Johan Sverdrup, Haven was connected to onshore electrical grid. This resulted in an emission reduction of 620k tons CO<sub>2</sub> on average per year during the field life
- As a jack-up is able to achieve higher uptime compared to semi-sub - operating at a rate of 80-85% utilization - Haven can achieve more efficient employment of resources and labor, further reducing carbon footprint relative to other solutions

# Growth in project sanctioning expected from 2020 lows

## Global offshore sanctioning status and outlook

Offshore project sanctioning status by commitment year in bUSD<sup>1)</sup>



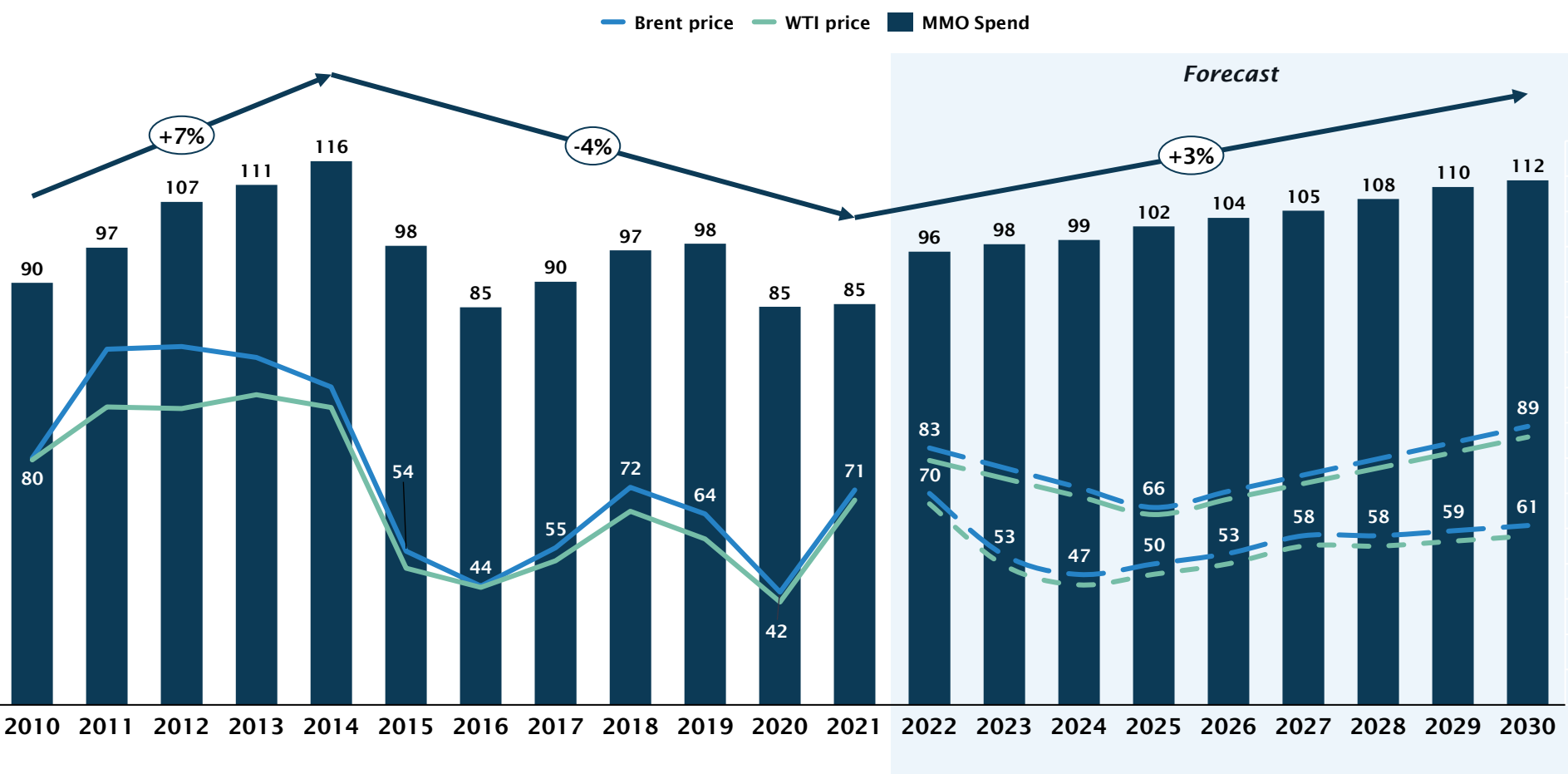
## Key observations

- So far in 2023 approx. \$50bn in offshore commitments have been sanctioned and an additional \$35bn are expected to be approved this year
- However, higher inflation has seen several operators delay project approvals, such as Equinor’s deep-water Wisting development in Norway
- Accommodation demand mainly for modifications on processing platforms

# Continued growth in MMO spend globally expected going forward

## Global MMO spending and oil price development

Figures in bUSD<sup>1)</sup> and USD/bbl

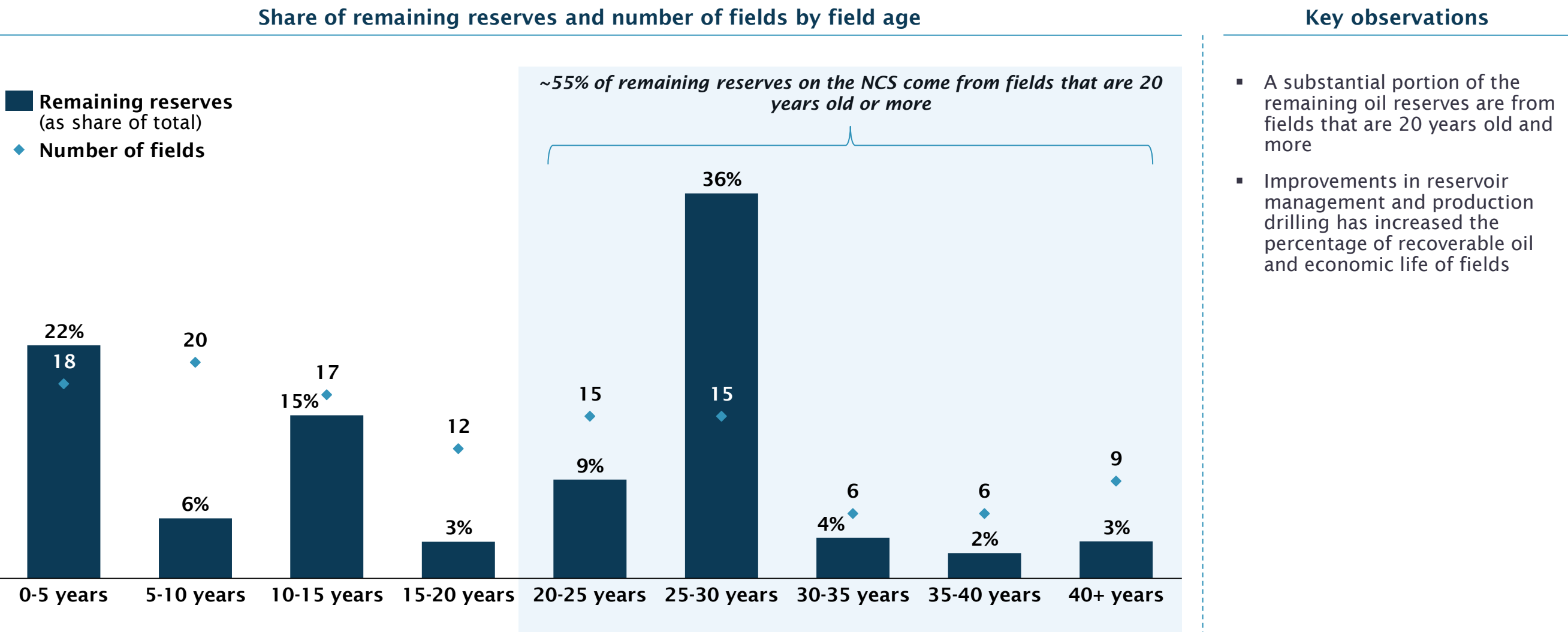


## Key observations

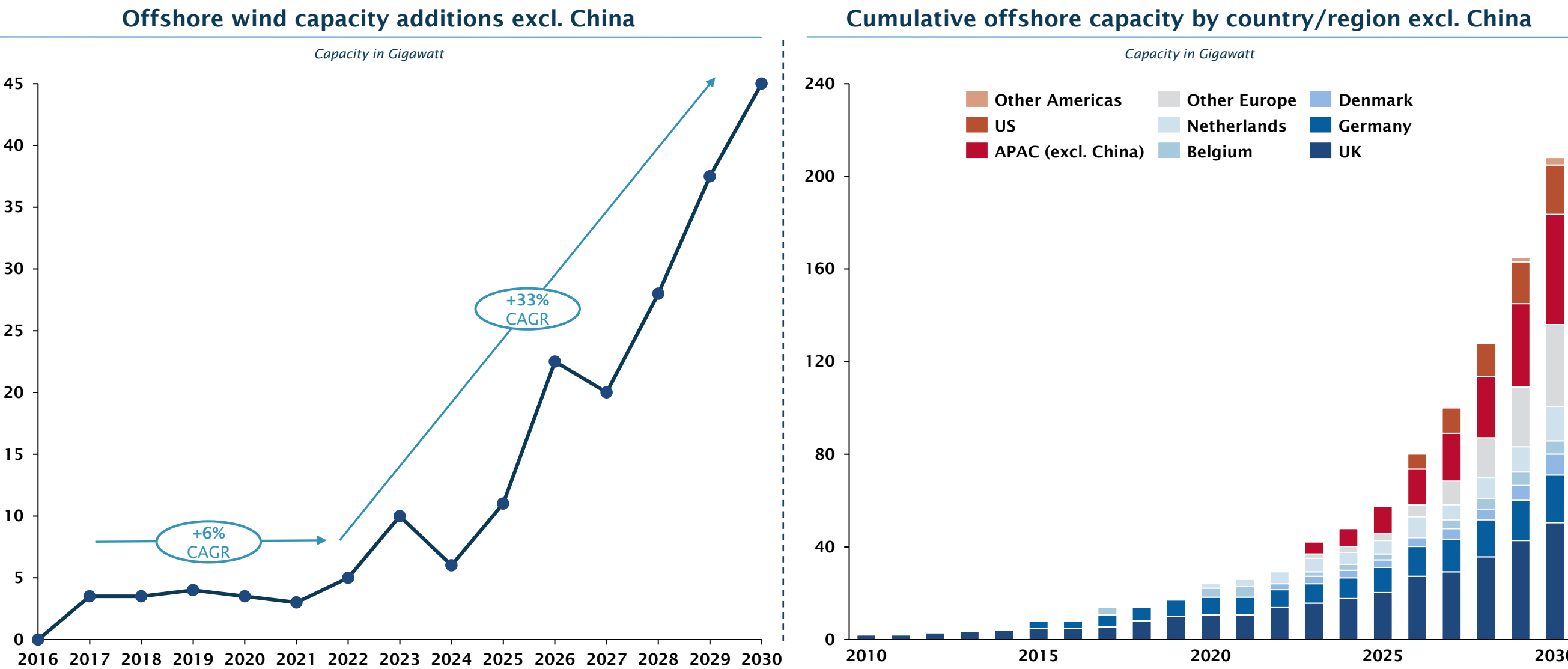
- Ageing assets and maintenance lag is expected to drive continued MMO spending growth
- Oil price improvements is expected to increase spending



# Ageing infrastructure on the NCS is a key demand driver



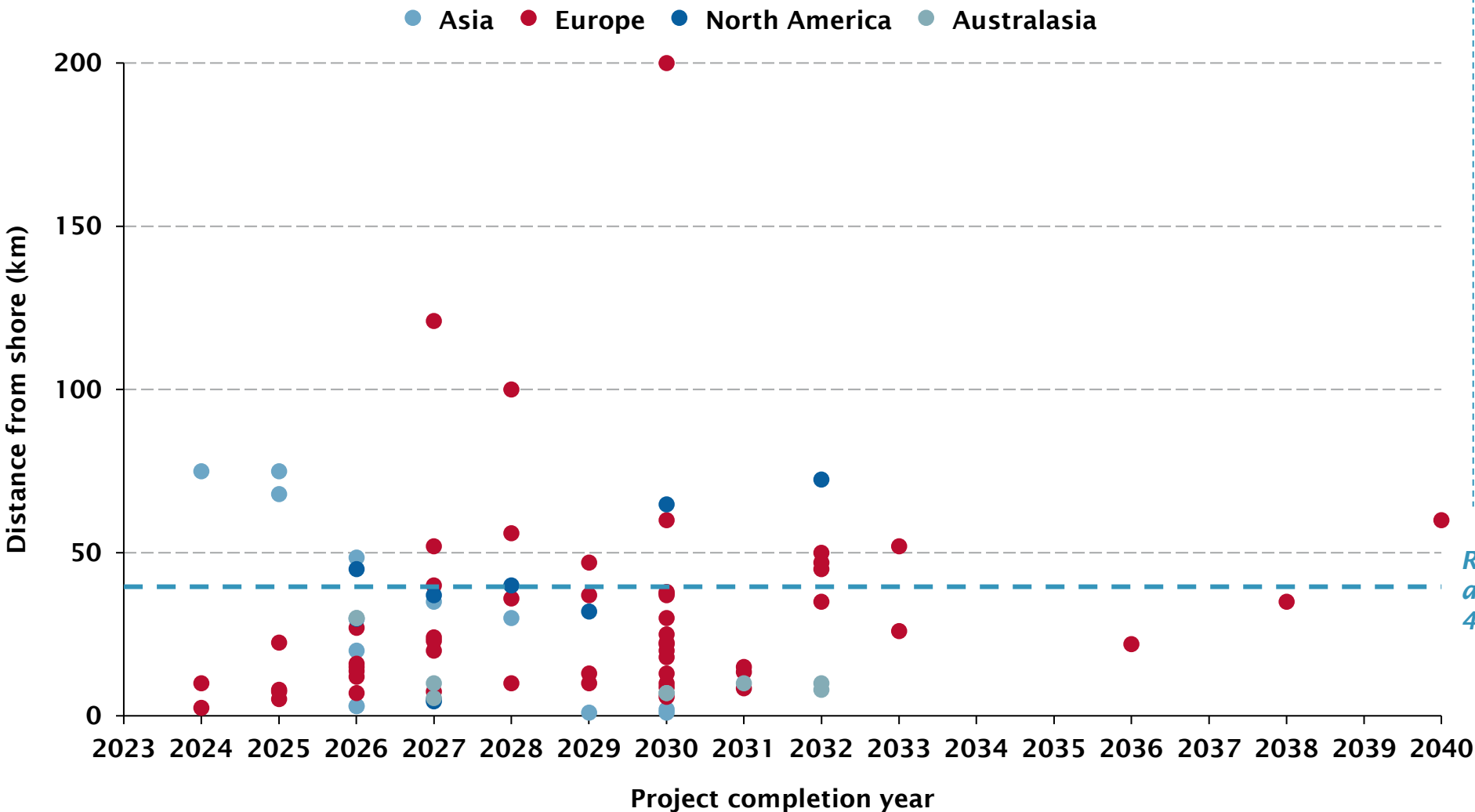
# Offshore wind additions to grow by 33% annually to 2030 – Europe continues to be the key region



# Demand for accommodation vessels for the offshore wind market could potentially become material

## Offshore wind projects by completion year and distance from shore

Offshore wind projects with water depth above 50 meters and below 100 meters<sup>1)</sup>, by completion year and distance from shore in km, per region



## Potential demand from offshore wind

- Increased share of offshore wind installations are being installed further from shore, increasing the need for accommodation units during construction
- Graph shows number of projects by year that are between 50m and 100m water depth
- We believe Haven will be a good candidate for projects with installations between 50m and 100m water depth, and further than 40km from shore
- There is a particular need for the hook up and commissioning of substations connected to the offshore wind parks

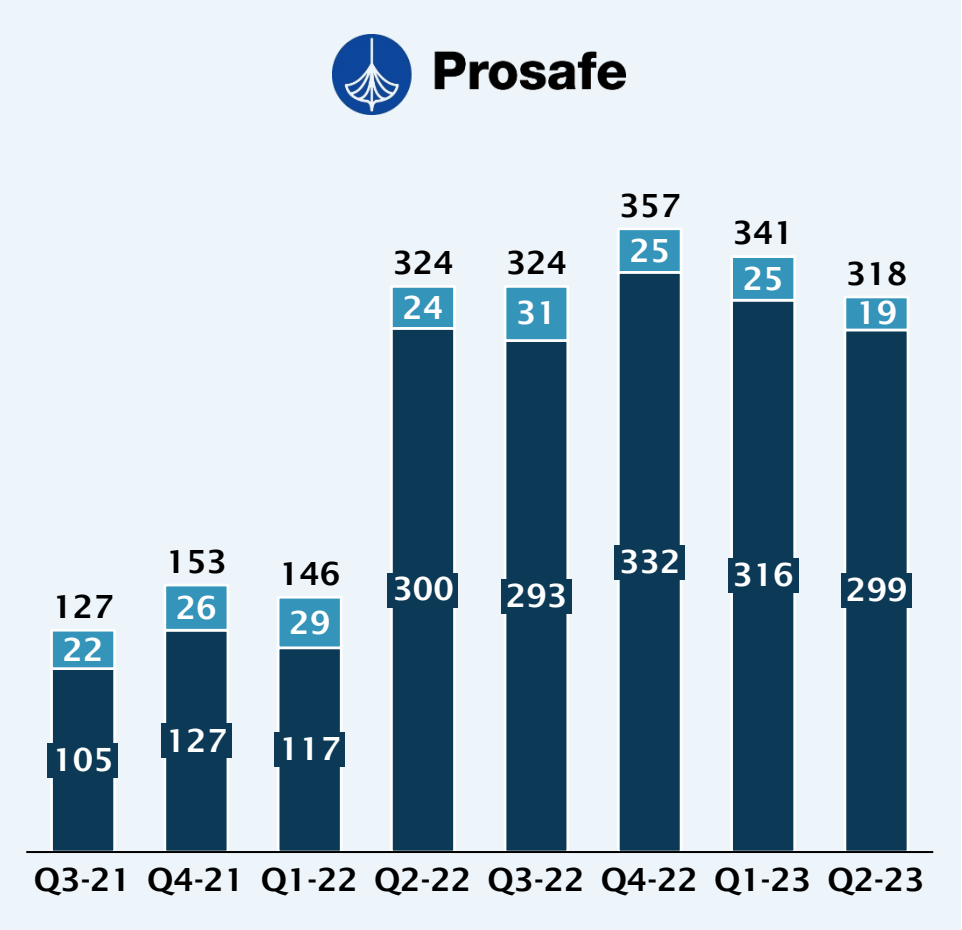
Source: 4C Offshore Wind Database  
1) Graph only shows offshore wind projects with water depth between 50m and 100m, Haven's maximum water depth  
2) Projects that are not disclosing water depth and distance from shore is excluded

# Current contract backlog for key competitors

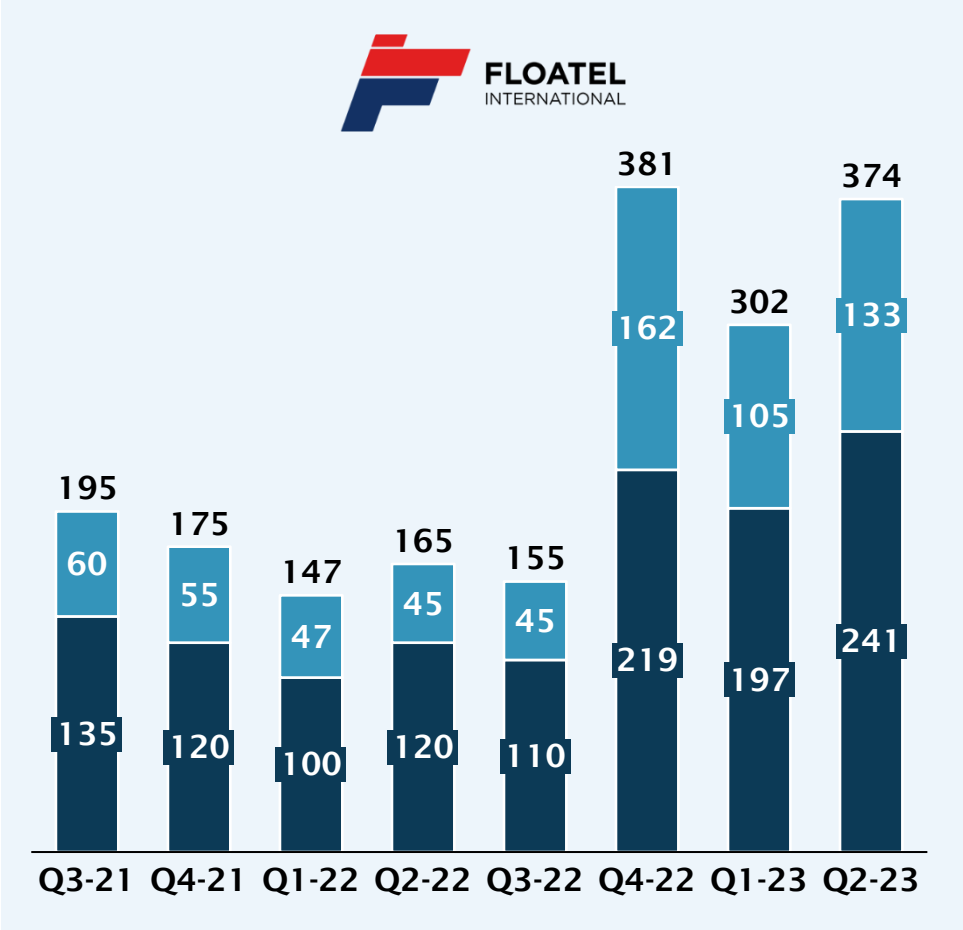
Contract backlog per Q2-23 for selected competitors

Figures in mUSD

Options Firm contracts



7x accommodation units



5x accommodation units

## Key observations

- Prosafe’s firm backlog per rig is \$42m, and \$48m including options
- Floatel’s firm backlog per rig is \$48m, and \$75m including options
- Jacktel’s firm backlog for Haven is \$183m, and \$250m including options

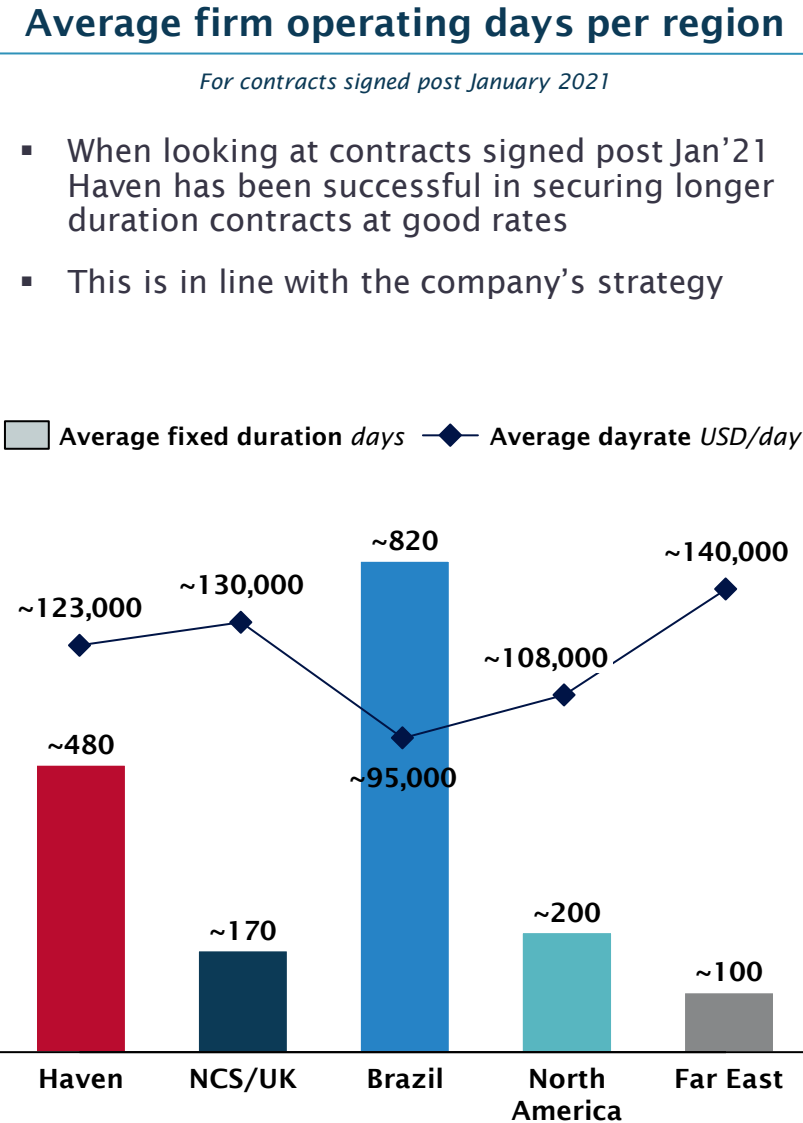
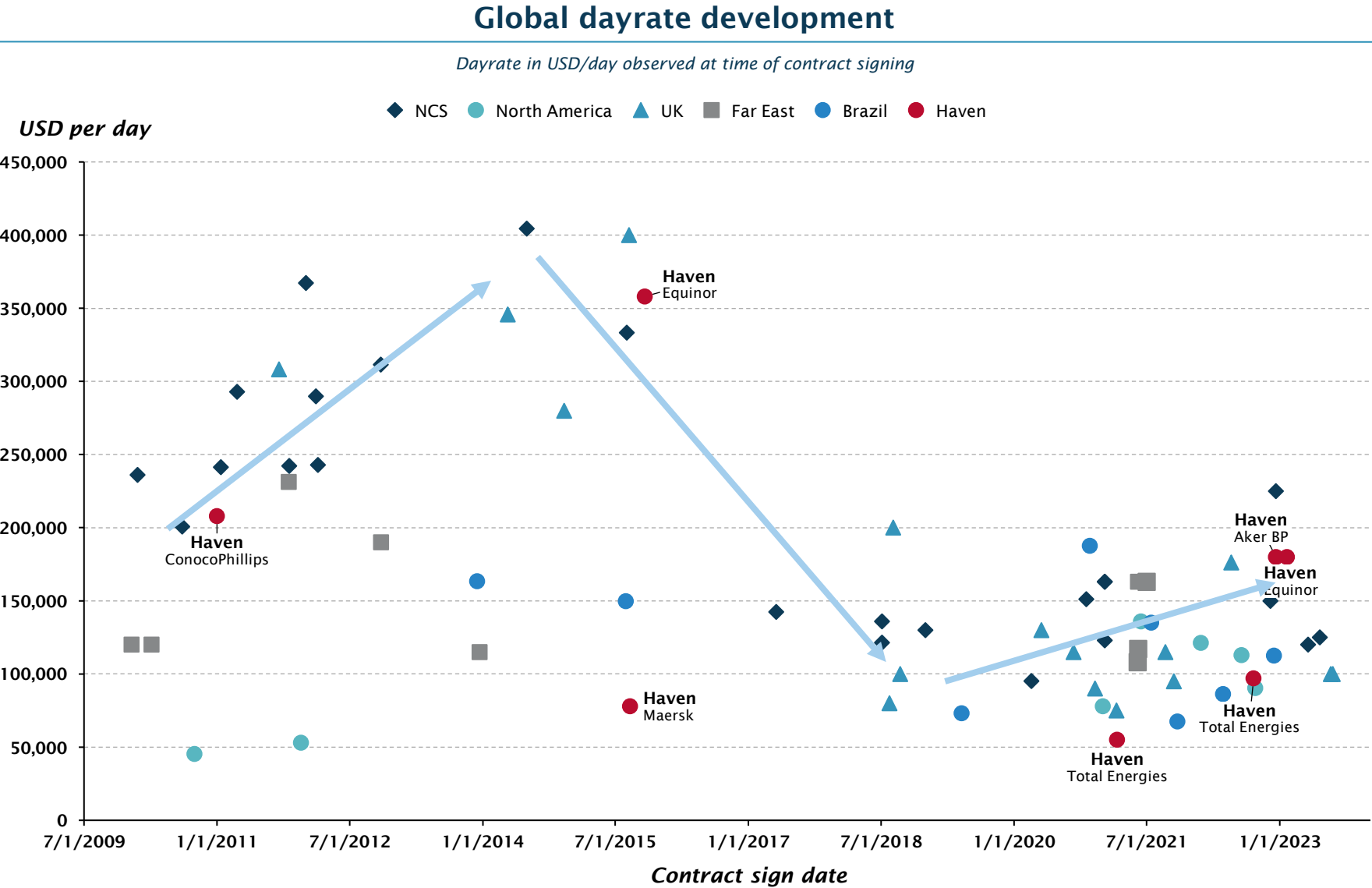
# Overview of harsh environment accommodation rigs

Vessel	Owner	NCS	UKCS/ Harsh	DP3	Bed capacity (max)	Current status	Built	Location	Type	Build yard
Haven	Jacktel	X	X		444	Contracted	2011	Denmark	Jack-up	Drydocks World/Numo/Lamprell
Crossway Eagle	Macro Offshore		X		354	Contracted	2016	Denmark	Jack-up	DSIC Offshore, China
Safe Boreas	Prosafe	X	X	X	450	Lay up	2015	NCS	Semi	Jurung, Singapore
Safe Notos	Prosafe		X	X	500	Contracted	2016	Brazil	Semi	COSCO Quidong, China
Safe Zephyrus	Prosafe	X	X	X	450	Contracted	2016	Brazil	Semi	Jurung, Singapore
Safe Eurus	Prosafe		X	X	500	Contracted	2019	Brazil	Semi	COSCO Quidong, China
Floatel Superior	Floatel Intl.	X	X	X	440	Contracted	2010	NCS	Semi	KeppelFELS Singapore
Floatel Victory	Floatel Intl.		X	X	560	Contracted	2013	US	Semi	KeppelFELS Singapore
Floatel Endurance	Floatel Intl.	X	X	X	440	Off hire	2015	NCS	Semi	KeppelFELS Singapore
Floatel Triumph	Floatel Intl.		X	X	500	Contracted	2016	Australia	Semi	KeppelFELS Singapore
POSH Xanadu	POSH		X	X	750	Contracted	2014	Brazil	Semi	PaxOcean Zhoushan
POSH Arcadia	POSH		X	X	750	Contracted	2016	Brazil	Semi	PaxOcean Zhoushan
Edda Fides	Østensjø		Summer only	X	600	Contracted	2011	Senegal	Monohull	Astilleros HJ Barreras, Spain

*Haven is the only NCS capable accommodation jack-up*



# Haven has achieved higher dayrates relative to duration compared to competitors for contracts signed post January 2021 – in line with the company’s strategy



# Disclaimer

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