

JACK  **TEL**



INTERIM REPORT

Q3 2024

Third Quarter 2024

Highlights

All work required to commence both the Equinor and AkerBP contracts was successfully completed on budget by end September 2024. Following a month of “waiting on weather”, Haven was successfully installed at the Draupner field on the Norwegian continental shelf early November where she commenced the 10 months firm contract with Equinor. The preparatory work included an early execution of the Special Periodic Survey (SPS) enabling Haven to remain offshore for the next 5 years.

Harald Thorstein, Chairman of Jacktel AS, commented:

“Commencement of the Draupner contract, following successful completion of the required yard work and SPS, is a significant milestone for Jacktel. Safe, reliable and cost-efficient operations of our contracts with Equinor and Aker BP will be a key focus going forward. We will actively work to secure further backlog by minimising the gap between our contracts as well as adding new contracts from 2028 and onwards. With our current backlog and strong execution, we are in a good position to initiate dividend payments in 2025. In order to improve the share trading liquidity, we intend to secure a listing on Euronext growth in Q1 2025.”

Jacktel's substantial and robust order backlog establishes a solid foundation for stable operations and reliable cash flow through the end of 2027. Furthermore, the potential exercise of existing options, as well as minimising the gap between the Draupner and Valhall contracts, may improve earnings further.

Presently, the group has secured the following order backlog and options:

MUSD	2024	2025	2026	2027	2028
Fixed	16.8	44	47.9	40.5	-
Options	-	19.5	11.3	29.8	6.0

Operations

Following the completion of the Tyra contract in Denmark, Haven was towed to Skåneviksfjorden, on the west coast of Norway, where the top sections of the legs were successfully removed. Following the removal of the leg sections, Haven was relocated to the Westcon yard in Ølen. During the yard stay, all preparatory work for both the Draupner and Valhall contracts were carried out. In addition, a full SPS was done to enable Haven to remain offshore for the next 5 years. The early completion of the SPS will enable Haven to mobilise directly from Draupner to Valhall and may potentially facilitate minimising the gap between contracts. Haven has also been issued an AOC from Havtil, ensuring that we can operate in Norway.

Financial

The financial reports for the Jacktel group includes Jacktel AS and its 100% owned subsidiary Haven Rigco AS (owner of Haven). The Interim Financial Statements are prepared in accordance with IAS 34.

Quarterly figures, Q3 2024

(Figures in brackets refer to the corresponding period of 2023)

Operating income for the third quarter amounted to 11.6 MUSD (8.2 MUSD) which relates to the demobilization fee and services reimbursed by clients.

Operating expenses equalled 14.7 MUSD (4.3 MUSD), of which 5.2 MUSD (2.3 MUSD) related to vessel OPEX, and 8.9 MUSD (1.2 MUSD) relates to reimbursable and project cost. Additional 0.6 MUSD (0.8 MUSD) is related to SG&A. This resulted in a negative EBITDA of 3.1 MUSD (+ 3.9 MUSD) and an operating loss of 6.2 MUSD (profit of 0.8 MUSD).

Net financial items for the third quarter equalled 2.0 MUSD (3.5 MUSD) of which 2.0 MUSD (2.1 MUSD) related to interest expenses and Other financial items of 58 KUSD (-1.3 MUSD) mainly related to amortization of loan origination cost and agio.

Net loss for the third quarter amounted to 8.2 MUSD (2.7 MUSD).

YTD figures 2024

(Figures in brackets refer to the corresponding period of 2023)

Operating income amounted to 28.6 MUSD (24.1 MUSD).

Operating expenses equalled 23.2 MUSD (11.4 MUSD), of which 11.0 MUSD (8.2 MUSD) related to vessel OPEX, 10.5 MUSD (1.7 MUSD) to reimbursable and project cost. Additional 1.7 MUSD (1.5 MUSD) related to SG&A. This resulted in an EBITDA of 5.4 MUSD (12.8 MUSD) and an operating loss of 3.8 MUSD (profit of 3.7 MUSD).

Accumulated financial expenses per Q3 equalled 6.3 MUSD (7.3 MUSD).

Net loss per September 2024 equalled 10.1 MUSD (3.6 MUSD)

Cash flow and liquidity Q3 2024

The group generated 4.7 MUSD in operational cash flow during the third quarter. Following spending of 7.8 MUSD from investing activities and 1.9 MUSD from financing activities, net cash flow in the third quarter totalled -4.9 MUSD.

Total current cash at the end of the quarter equalled 3.9 MUSD.

Finance

The group is financed through an 80 MUSD senior secured loan with a subsidiary of Maritime Asset Partners Ltd. The senior secured loan has a fixed interest rate of 10.1% payable monthly in advance, an amortization profile tailored to Haven's contracted backlog and finally matures December 31st, 2027. Jacktel will start to pay monthly installments of 1.2 MUSD in November 2024.

Risk

The group is exposed to general business market risk, credit risk, currency risk and revenue risk. The currency risk exposure is mainly due to the fact that operating expenses are mainly incurred in NOK. The currency risk is monitored on a continuous basis and use of derivatives to reduce the risk is considered regularly. Per end of the Third quarter the group does not have any derivatives. Operational issues, as well as future changes in day rates and utilization of the unit may impact the valuation of the asset further. Based on this, the going concern assumption is considered to be met.

Outlook

Jacktel's strong contract backlog extends through 2027. The long-term outlook for the offshore jack-up accommodation market is driven by the anticipated growth in global energy demand. This demand will necessitate ongoing investment in both oil and gas exploration, as well as the expansion of offshore wind energy projects. As energy consumption rises, sustained activity in these sectors will heighten the need for high-quality offshore accommodation solutions. Haven's low CO2 footprint in combination with the Jack Up's superior operational uptime through the winter season positions Jacktel favorably for contracts commencing after the completion of the Valhall contract early 2028.

The board of Jacktel remains confident in the group's ability to continue to generate shareholder value, and reaffirms the commitment to commence dividend distributions in 2025.

To improve share liquidity and enhance shareholder values, the board intends to pursue a listing on Euronext Growth in Q1 2025.

Sandnes, 21 November 2024

Harald Thorstein
Chairman

Alf Ragnar Løvdal
Board member

Morten E Astrup
Board member

Lars Foss-Skiftesvik
Board member

Condensed Consolidated Income Statement

As of September 30th, 2024

In USD 1,000'	Note	Un-audited Q3-2024	Un-audited Q3-2023	Audited 2023	Un-audited 9M- 2024	Un-audited 9M- 2023
Operating income		11 588	8 162	32 570	28 588	24 126
Operating expenses		-14 695	-4 287	-15 158	-23 203	-11 353
EBITDA		-3 107	3 875	17 412	5 385	12 773
Depreciation	5	-3 052	-3 027	-12 109	-9 155	-9 059
OPERATING PROFIT/(LOSS) - EBIT		-6 159	848	5 303	-3 770	3 714
Interest income		22	43	182	99	123
Interest expenses		-2 065	-2 087	-7 905	-6 150	-5 838
Other financial items		36	-1 481	-1 879	-254	-1 621
NET FINANCIAL ITEMS		-2 007	-3 525	-9 602	-6 305	-7 336
PROFIT/(LOSS) BEFORE TAX		-8 166	-2 677	-4 299	-10 075	-3 622
NET PROFIT (LOSS)		-8 166	-2 677	-4 299	-10 075	-3 622

Statement of Comprehensive Income

In USD 1,000'	Un-audited Q3-2024	Un-audited Q3-2023	Audited 2023	Un-audited 9M- 2024	Un-audited 9M- 2023
Net profit this period	-8 166	-2 677	-4 299	-10 075	-3 622
COMPREHENSIVE INCOME	-8 166	-2 677	-4 299	-10 075	-3 622

Condensed Consolidated Statement of Financial Position

In USD 1,000'	Note	Un-audited 30.09.2024	Un-audited 30.09.2023	Audited 31.12.2023
ASSETS				
Non-current assets:				
Property, plant and equipment	5	145 593	146 231	143 773
Restricted cash	4	5 000	5 000	5 000
Total non-current assets		150 593	151 231	148 773
Current assets:				
Accounts receivable		2 827	2 832	221
Other current assets		1 574	4 507	4 299
Cash and cash equivalents	6	3 891	6 040	6 142
Total current assets		8 293	13 379	10 662
TOTAL ASSETS		158 886	164 611	159 435
EQUITY AND LIABILITIES				
Equity:				
Issued capital		30 984	30 984	30 984
Share premium		273 883	273 883	273 883
Retained losses		-235 950	-225 198	-225 875
Total equity		68 917	79 669	78 992
Non-current liabilities:				
Other interest-bearing debt	4	66 923	77 283	74 941
Total long-term liabilities		66 923	77 283	74 941
Current liabilities:				
Accounts payable		9 083	5 912	1 265
Current interest-bearing debt	4	10 980	0	2 440
Other current liabilities		2 983	1 747	1 797
Total current liabilities		23 046	7 659	5 502
Total liabilities		89 969	84 942	80 443
TOTAL EQUITY AND LIABILITIES		158 886	164 611	159 435

Consolidated Statement of Changes in Equity

	Share Capital	Share premium	Retained losses	Total equity
<i>(In USD 1,000)</i>				
Equity as at December 31st, 2022 (Audited)	30 984	273 883	-221 579	83 288
Net income (loss) 2023	-	-	-4 299	-4 299
Equity as at December 31st, 2023 (Audited)	30 984	273 883	-225 875	78 992
Net income (loss) YTD 2024	-	-	-10 075	-10 075
Equity as at September 30th, 2024 (Un-audited)	30 984	273 883	-235 950	68 917

Consolidated Cash Flow Statement

	Un-audited Q3-2024	Un-audited Q3-2023	Audited 2023	Un-audited 9M- 2024	Un-audited 9M- 2023
In USD 1,000'					
Net profit(loss) before tax	-8 166	-2 677	-4 299	-10 075	-3 622
Depreciation and impairment	3 052	3 027	12 109	9 155	9 059
Financial income	-22	-43	-182	-99	-123
Financial expenses	2 029	3 568	9 784	6 404	7 459
Changes in working capital	7 833	2 393	1 138	9 109	2 893
Net cash from operating activities	4 726	6 268	18 550	14 494	15 666
Cash flow from investing activities					
Interest received	22	43	182	99	123
Acquisition of fixed assets	-7 802	-1 721	-2 362	-10 977	-1 771
Investment in Haven RigcoAS	0	0	0	-3	0
Net cash from investing activities	-7 780	-1 678	-2 180	-10 881	-1 648
Cash flow from financing activities					
Instalment super senior loan	0	0	-3 884	0	-3 884
Repayment of Senior Secured Bonds	0	-74 189	-74 189	0	-74 189
Interest paid	-2 065	-2 087	-6 104	-6 150	-4 039
Financial expenses	-13	-833	-983	-22	-983
Refinancing cost	0	-2 621	-2 757	0	-2 621
Proceeds - MAP loan	0	75 000	75 000	0	75 000
Net realized agio	212	80	390	308	439
Net cash from financing activities	-1 866	-4 650	-12 527	-5 864	-10 277
Net change in cash and cash equivalents	-4 920	-60	3 843	-2 251	3 741
Cash and cash equivalents, opening balance	8 811	6 100	2 299	6 142	2 299
Cash and cash equivalents, closing balance	3 891	6 040	6 142	3 891	6 040

Notes to the interim report

1. General information

The Jacktel group consist of Jacktel AS and Haven Rigco AS (owner of Haven). Jacktel AS is a company listed on NOTC. Jacktel AS and the 100% owned subsidiary Haven Rigco AS, are located at Vestre Svanholmen 6, 4313 Sandnes, Norway. The group, which was established in 2009, specializes in offshore accommodation and is the owner of the Haven Jack Up accommodation unit.

2. Basis of presentation

The interim financial statements for Q3 2024 have been prepared in accordance with IFRS accounting standards (IFRS) as adopted by the European Union ("EU"), including IAS 34 Interim Financial Reporting. The financial statements have been prepared based on the going concern assumption.

The European Securities and Markets Authority (ESMA) issued guidelines on Alternative Performance Measures (APM's) that came into force 3 July 2016. Peers comparable to the group vary with regards to, interalia, capital structure and mix of leased and owned rigs. Non-IFRS financial measures can assist the stakeholders in comparing performance on a more consistent basis without regard to factors such as depreciation and amortization. Jacktel has defined and explained the purpose of the following APM's:

- *EBITDA* means earnings before financial items and tax, excluding impairment losses, depreciation and amortization.
- *EBIT* means earnings before financial items and tax.
- *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 group's ability to meet it current liabilities.

3. Significant accounting policies

The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the preparation of Jacktel's annual financial statements and accompanying notes for the financial year ended 31st December 2023.

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.

4. Debt overview

30.09.2024 Long-term interest-bearing debt

<i>(In USD 1000')</i>				
Description	Lender/Trustee	Nominal amount USD	Interest rate	Book value USD
80 MUSD Loan	MAP	80 000	10,1%	77 903
Current portion				10 980
Long-term interest bearing debt - USD		80 000		66 923

31.12.2023 Long-term interest-bearing debt

<i>(In USD 1000')</i>				
Description	Lender/Trustee	Nominal amount USD	Interest rate	Book value USD
80 MUSD Loan	MAP	80 000	10,1 %	77 381
Current portion				2 440
Long-term interest bearing debt - USD		80 000		74 941

*) Book value of the loans is netted with transaction costs to be amortized over the loan's lifetime.

As a part of the financing of the 80 MUSD loan with MAP, 5 MUSD in cash was retained by the lender as restricted cash. The 5 MUSD restricted cash is booked as a non-current asset.

5. Property Plant & Equipment

<i>(In USD 1000')</i>	Un-audited
1st January 2024	143 773
Additions	10 976
Depreciation	-9 156
30th September 2024	145 593

Capitalized amounts relate entirely to the group's accommodation rig Haven. Additions per September in 2024 mainly relates to upgrades required prior to commencement of the contracts on the Norwegian continental shelf and will be depreciated over the current contracts.

The group did not identify any impairment indicators per Q3 2024.

6. Cash

<i>(1.000 USD)</i>	Q3 2024	Q3 2023
Cash and bank deposits	3 891	5 924
Restricted cash*	0	116
Cash and cash equivalents in the balance sheet	3 891	6 040

* Restricted cash relates to tax withholding account

7. Subsequent Events

Following a month of “waiting on weather”, Haven was successfully installed on the Draupner field early November 2024.