ANNUAL REPORT 2021

JACK TEL

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REPORT OF THE BOARD OF DIRECTORS

JACKTEL AS

Jacktel AS is a 100% owned subsidiary of Macro Offshore Management AS (former Master Marine AS). The Group 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.

On February 28, 2022, the senior bondholders converted 102 MUSD of the debt to Equity and became the 100% owner of Jacktel AS and the shares became listed on NOTC.

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 **28th April 2022**.

Finance (2020 figures in brackets)

Financial results
Operating revenue for 2021 was 12.3 MUSD (8.9 MUSD). Haven commenced a new contract with Total E&P November 2021. Operating expenses were 31.0 MUSD (158.9 MUSD), of which 16.0 MUSD (9.1 MUSD) relates to vessel OPEX and 3.3 MUSD (2.6 MUSD) relates to external administrative services. This resulted in an EBITDA of -18.6 MUSD (-2.7 MUSD). After deducting depreciation of 11.7 MUSD (147.2 MUSD), operating loss for the year amounted to 18.6 MUSD (Loss of 150.0 MUSD).

Net financial items equaled 16.9 MUSD (16.0 MUSD) of which 16.3 MUSD (15.0 MUSD) relates to interest expenses.

The Statement of Financial position reflects the book value of the accommodation rig Haven amounting to 163.1 MUSD. Other current assets include accounts receivables of 2.8 MUSD. Non-current liabilities include a senior and super senior Bond loan net of transaction costs of 174 MUSD. In February 2022 102 MUSD of the senior bond debt was converted to equity. The Bond loans matures in full on 4 December 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 2021. The impairment test is based on estimated future charter rates and utilisation and is also supported by external broker valuations (charter free). 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 13.

The equity ratio at year-end 2021 is -6.10% (14.22%). For further comments, reference is made to the Going Concern section.

Net loss for 2021 equaled 35.5 MUSD (Loss of 166.0 MUSD). The Board of Directors proposes to transfer the loss to retained losses.

Cash flow and liquidity
Operational cash flow in 2021 was -3.6 MUSD (9.2 MUSD). Cash flow from investments was -12.2 MUSD, (-1.8 MUSD) and cash flow from financing was 8.9 MUSD (-16.0 MUSD) mainly relating to the additional 10 MUSD super senior

bond loan. This resulted in a net decrease in cash and cash equivalents in 2021 of -6.9 MUSD (-8.5 MUSD). As of year-end 2021, the Company had overall cash reserves of 3.1 MUSD (10 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 entered the Danish sector in November 2021, 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. From 2021 Macro Offshore Crew 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 Corona virus pandemic has affected the operations negatively. Logistics related to transportation of goods and crew have been more burdensome as a result of the various actions put in place to hinder further spreading of the virus.

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 an 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 0.9 % compared to 2.6 % in 2020.

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 has directors' and officers' liability insurance which covers the cost of compensation claims made against the Company's directors and key managers (officers) for alleged wrongful acts.

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

FUTURE PROSPECTS

The Corona virus pandemic continued to impact the oil and gas sector negatively into 2021, with increased cost related to logistics and crew to hinder further spreading of the virus. Most oil companies postponed operations in 2020 and early 2021. During the second half of 2021 the industry has experienced a growing optimism and activity on the back of increased demand for oil and gas and higher oil and gas prices. Disruptions in the European energy prices in the fall of 2021 and the recent war in Ukraine has shown that oil and gas will continue to play an important role in future energy scenarios. This is likely to result in an increased activity level through a substantial recovery in project and M&M activity.

Following the downturn in the industry we have seen an increase in scrapping of old units and a significant reduction of the supply side. As a result, the utilisation rate for the combined accommodation fleet has increased to level which historically has impacted day rates positively.

Haven commenced a 20-month firm contract with TotalEnergies in November 2021. TotalEnergies has an option to extend the contract by another 6 months. Based on the current contractual commitments Haven will be available for new contracts early 2024 and is well positioned to benefit from the expected improved market.

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 for other assets using engine powered station keeping systems.

During 2021 the Company has seen an increased interest for future needs from the wind turbine industry for use of Jack Ups, predominantly in the installation phase of large wind farm projects. Increasing number of projects, together with new wind farms moving to larger water depths could lead to increased demand for rigs in the wind industry from 2025 and beyond.

Going Concern

As of 31 December 2021, Jacktel AS has a negative equity of 10.4 MUSD (25.1 MUSD). The net loss for 2021 is 35.5 MUSD (loss of 166.0 MUSD). Following the debt conversion of 102 MUSD in February, the balance sheet of Jacktel has been substantially improved and the equity ratio is approximately 50% following the conversion.

Following the commencement of the TotalEnergies contract operational cash flow is expected to be sufficient to repay the super senior bond loan of USD 10 MUSD by end of 2023. The holders of the remaining senior bond loan have accepted that interest will only be Paid In Kind until the super senior bond has been repaid.

Based on the improved balance sheet, reduced debt level and the improved cash flow the Board of Directors confirms that the assumption of going concern is in place and forms the basis for the financial statements.

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 2021 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, 28th April 2022

Harald Thorstein
Chairman

Alf Ragnar Løvdal
Board member

Financial Statements 2021

Statement of profit and loss

1 January – 31 December

(USD 1.000)	Notes	**2021**	**2020**
Revenue	4	12 354	8 894
TOTAL OPERATING REVENUE		**12 354**	**8 894**
OPERATING EXPENSES			
Salary and personnel costs	6	0	0
Vessel operation cost	5	-16 000	-9 085
Other operating expenses	5	-3 286	-2 560
Depreciation and impairment	13	-11 669	-147 219
TOTAL OPERATING EXPENSES		**-30 954**	**-158 874**
OPERATING PROFIT / (LOSS)		**-18 600**	**-149 980**
FINANCIAL INCOME AND EXPENSES			
Interest income	8	208	60
Currency profit/loss	8	0	-363
Financial expenses	8	-17 140	-15 677
NET FINANCIAL ITEMS		**-16 932**	**-15 980**
PROFIT/(LOSS) BEFORE TAX		**-35 533**	**-165 961**
Income tax expense (benefit)	12	**0**	**0**
NET PROFIT (LOSS)		**-35 533**	**-165 961**

Statement of Comprehensive Income

(USD 1.000)		
Net profit/(loss) this period	-35 533	-165 961
Other comprehensive income	0	0
COMPREHENSIVE INCOME	**-35 533**	**-165 961**
Earnings per share:		
- Basic	-0,71	-3,32
- Diluted	-0,71	-3,32

STATEMENT OF FINANCIAL POSITION

(In USD 1.000)	Notes	**31.12.2021**	**31.12.2020**
ASSETS			
Non-current assets:			
Vessels, plant and equipment	13	163 132	162 844
Total non-current assets		**163 132**	**162 844**
Current assets:			
Trade receivables	9/14	2 827	893
Other receivables	9/14	1 114	3 141
Cash and cash equivalents	9/15	3 065	9 970
Total current assets		**7 006**	**14 004**
TOTAL ASSETS		**170 138**	**176 847**
EQUITY AND LIABILITIES			
Equity:			
Issued capital	17	19 740	19 740
Share premium	17	182 793	182 793
Retained earnings (losses)	17	-212 918	-177 385
Total capital		**-10 385**	**25 148**
Total equity		**-10 385**	**25 148**
Non-current liabilities:			
Long-term interest-bearing loan	9/10	173 940	148 142
Total non-current liabilities		**173 940**	**148 142**
Current liabilities:			
Accounts payable	18	583	899
Short-term interest-bearing debt	7/18	1 366	1 250
Other current liabilities	18	4 634	1 408
Total current liabilities		**6 583**	**3 557**
Total liabilities		**180 523**	**151 699**
TOTAL EQUITY AND LIABILITIES		**170 138**	**176 847**

Sandnes, 28th April 2022

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, 2020	**19 740**	**182 793**	**-11 424**	**0**	**191 109**
Net profit (loss)	0	0	-165 961	0	-165 961
Other comprehensive income	0	0	0	0	0
Share issue (Note 10)	0	0	0	0	0
Equity as at December 2020	**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 10)	0	0	0	0	0
Equity as at December 2021	**19 740**	**182 793**	**-212 918**	**0**	**-10 385**

Cash Flow Statement

(In USD 1.000)	*Note*	**Year ended December 31, 2021**	**Year ended December 31, 2020**
Cash flow from operating activities:			
Profit (loss) before tax		-35 533	-165 961
Adjustment to reconcile profit (loss) after tax to net cash flows:			
Non-cash items:			
Depreciation	13	11 669	14 570
Impairement	13	0	132 650
Financial income	8	-208	-60
Financial expenses	8 /10	17 140	16 041
Working capital adjustments:			
Increase (-)/decrease in trade and other receivables		341	12 473
Increase/decrease (-) in trade and other payables		3 023	480
Net cash flow from operating activities		**-3 568**	**9 232**
Cash flow from investing activities:			
Acquisition of fixed assets	13	-12 204	-1 794
Net cash flow from investing activities		**-12 204**	**-1 794**
Cash flow from financing activities:			
Interest paid	8/10	0	-15 000
Finance expense	8	-1 134	-980
Proceeds/(repayment) of interest-bearing debt	10	10 000	0
Net cash flow from financing activities		**8 866**	**-15 980**
Net increase/(decrease) in cash and cash equivalents		**-6 906**	**-8 542**
Cash at beginning of period		9 970	18 512
Cash at end of period		**3 065**	**9 970**

NOTES TO FINANCIAL STATEMENTS 2021

1. GENERAL INFORMATION

Jacktel AS ("Company") is a private limited company incorporated in Norway and 100% owned of Macro Offshore Management AS per year end 2021. In February 2022 bond holders in Jacktel's 150 MUSD senior secured bond loan acquired 100% of the shares in Jacktel AS. Jacktel AS is an offshore accommodation company.

The annual accounts were approved by the Board of Directors on 28th April 2022.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 STATEMENT OF COMPLIANCE

The financial statements of Jacktel for 2021 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

The financial statements have been prepared based on the going concern assumption. Although the equity is negative per year end 2021, the conversion of debt to equity of 102 MUSD in February 2022, together with the cash flow from the TotalEnergies contract provide a basis for the going concern assumption.

2.3 GOVERNANT 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. To be qualified for grants, the company or group must document a decrease of revenue in excess of 30%. The Macro Offshore group qualified for grants in the period January-October 2021.

Grants are recognised as revenue in the 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 Total contract can significantly impact the valuation of Haven. See note 13 for details. The prolonged outbreak of the Corona virus can have adverse effect on the Group's operations and financial result, but the extent and duration of these conditions over the longer term remain largely uncertain and dependent on future developments that cannot be accurately predicted at this time.

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 2.9.

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 2021 the tax losses carried forward for the Company amounts to 128 MUSD.

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

After commencing the charter contract in November 2021 Jacktel will have two ongoing contracts, one for use of the accommodation rig and one for catering services on the same rig. The contract 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 2021 and 2020 relates to the contracts with Total E&P and Equinor respectively.

Specification of revenue

(1.000 USD)	**2021**	**2020**
Leasing element of Charter hire (IFRS 16)	196	5 334
Service element of Charter hire (IFRS 15)	2 524	0
Other Income (IFRS 15)	9 634	3 560
Total revenue	**12 354**	**8 894**

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)	**2021**	**2020**
Insurance	502	538
Crew	4 344	3 895
Maintenace and spares	2 170	371
Other OPEX and project	3 871	2 251
Reimbursable cost	5 113	2 030
Vessel operation	**16 000**	**9 085**
Consultancy fees and external personnel	406	279
Administrative costs	20	20
Management agreement (see note 6 and 7)	2 804	2 261
Other operating costs	56	0
Total other operating expenses	**3 286**	**2 561**

Specification auditor's fee

(1.000 USD)	**2021**	**2020**
Statutory audit	52	36
Tax and other services	36	3
Total auditor's fee	**88**	**39**

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 and no remuneration was paid to the Board of Directors.

The management of the Company is performed through a management services agreement with the parent company 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. TRANSACTIONS WITH RELATED PARTIES

The Company defines related parties as anyone with control or joint control of the Company and subcontractors with direct influence in the company.

Jacktel AS has a management agreement with the parent company Macro Offshore Management AS for which they have paid 2.8 MUSD during 2021 (2.3 MUSD during 2020). Macro Offshore Crew AS and Macro Offshore Crew DK ApS has been providing the crew for Haven in 2021. In February 2022 bond holders in Jacktel's 150 MUSD senior secured bond loan acquired 100% of the shares in Jacktel AS, however the current management agreement between Jacktel and Macro Offshore Management will continue.

Transactions with related parties can be specified as follows.

(1000 USD)	**Year ended 31 December 2021**			
Parent Company	**Fee**	**Net interest**	**Shareholder loan**	**Net current receivables**
Macro Offshore Management AS	2 804	0	0	0
Macro Offshore Crew AS	4 344	0	0	0

(1000 USD)	**Year ended 31 December 2020**			
Parent Company	**Fee**	**Net interest**	**Shareholder loan**	**Net current receivables**
Macro Offshore Management AS	2 261	0	0	467
Macro Offshore Crew AS	884	0	0	0

8. FINANCIAL INCOME AND EXPENSES

(1.000 USD)	**2021**	**2020**
Financial income		
Other financial income	208	60
Currency profit	0	0
Total financial income	**208**	**60**
Financial expenses		
Interest expenses	-16 329	-15 000
Currency loss	-4	-363
Other financial expenses	-807	-677
Total financial expenses	**-17 140**	**-16 040**

Interest expenses relate to interest on bond loan 16.3 MUSD (15.0 MUSD). Other financial expenses mainly consist of amortized costs related to the bond loan.

Foreign exchange gains mainly relate to operational costs in NOK.

9. Investments and other financial instruments

Classification of financial assets and liabilities:

(1.000 USD)	2021 Loans and receivables	2021 Other financial liabilities	2020 Loans and receivables	2020 Other financial liabilities
Financial assets				
Trade and other receivables	3 941	0	4 034	0
Cash and cash equivalents	3 065	0	9 970	0
Total financial assets	**7 006**	**0**	**14 004**	**0**
Financial liabilities				
Other long-term liabilities	0	173 940	0	148 142
Other short-term liabilities	0	1 366	0	1 250
Accounts payable	0	583	0	899
Other current liabilities	0	4 632	0	1 408
Total financial liabilities	**0**	**180 520**	**0**	**151 699**

10. Non-current liabilities

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**

31.12.2020

(1.000 USD) **Description**	**Lender**	**Nominal amount USD**	**Interest rate**	**Book value**
150 MUSD Bond Loan	Nordic Trustee ASA	150 000	10 %	148 142
Total Long-term interest-bearing debt				**148 142**

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

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**

2020 *(1.000 USD)*	**Interest- bearing debt**
Balance as of 1 January 2020	147 507
Converted to equity	0
Changes from non-cash payments	0
Interest paid	-15 000
Repayment	0
Changes from cash payments	-15 000
Unrealized exchange gain	0
Accrued interest	15 000
Amortized borrowing costs	-635
Total other changes	14 365
Balance as of 31.12.2020	**148 142**

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. Jacktel has since 2020 discussed with stakeholders a solution where Jacktel strengthens the equity and creates a sustainable balance sheet with a reduced debt level. On 21 January

2022 a written resolution was resolved where the bond trustee was authorised to exercise a call option in respect of all the shares in Jacktel and implement and complete a debt conversion within 28 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 will be capitalized on each interest payment date until the Super Senior Bonds have been repaid in full, following which, cash interest payments shall resume.

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.

11. 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 AS and 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. In November 2021 certain amendments were made to the management agreement between the Company and Macro Offshore Management AS, including, inter alia an amendment of the annual fixed management fee, payment of a 1.3 MUSD amendment fee to Company from Macro Offshore Management AS and a termination fee of 1.3 MUSD payable to Macro Offshore Management AS if the management agreement is terminated by Jacktel for convenience prior to 31 December 2022. If terminated for convenience by Jacktel between 1 January and 31 December 2023, 650 KUSD shall be repaid to the Macro Offshore Management AS. Haven commenced a 20-month contract with TotalEnergies in November 2021, with options for extension.

It is a growing activity in the market after the oil price collapse due to Corona virus in 2020. During the second half of 2021 it has been a growing optimism and activity in the industry on the back of increased demand for oil and gas. This should lead to an increased activity level of new projects being sanctioned and in turn lead to substantial recovery in the M&M project activity. Further, increased focus on gas as an environmentally friendly energy source is likely to continue and positively impact project activity. The Board is of the impression the market will continue to improve and realise further projects in the future.

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 entered the Danish sector in Q4 2021 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 31.12.2021 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 31.12.2021 *(1.000 USD)*	**Less than 3 months****	**3 to 12 months****	**1 to 2 years**	**2 to 3 years**	**Thereafter***	**Total**
Bond loans	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**

At 31.12.2020 *(1.000 USD)*	**Less than 3 months**	**3 to 12 months**	**1 to 2 years**	**2 to 3 years**	**Thereafter***	**Total**
Bond loan	3 750	11 250	15 000	163 750	0	**193 750**
Trade and other payables	2 307	0	0	0	0	**2 307**
Sum	6 057	11 250	15 000	163 750	0	**196 057**

*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 to pay operating expenses. The Company has no swap or forward contracts as of 31.12.2021.

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.

	31.12.2021				31.12.2020			
	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	3 693	3 693	0	0	4 034	4 034
Cash and cash equivalents	3 065	0	0	3 065	9 970	0	0	9 970
Total financial assets	**3 065**	**0**	**3 693**	**6 758**	**9 970**	**0**	**4 034**	**14 004**
Long term liabilities	0	0	0	0	0	0	0	0
Short term liabilities	0	0	1 366	1 366	0	0	1 250	1250
Bond loans	173 940	0	0	173 940	148 142	0	0	148 142
Accounts payable	0	0	583	583	0	0	899	899
Prepayments customer	0	0	0	0	0	0	0	0
Other current liabilities	0	0	4 632	4 632	0	0	1 408	1 408
Total financial liabilities	**173 940**	**0**	**6 580**	**180 520**	**148 142**	**0**	**3 557**	**151 699**

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 20% of par value implying a value of 30 MUSD as of 31 December 2021. 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

12. INCOME TAX

(1.000 USD)	**2021**	**2020**
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)	**2021**	**2020**
Pre-tax profit/(loss)	**-35 533**	**-165 961**
Expected income taxes according to income tax rate of 22 %	-7 817	-36 511
Currency effect	0	0
Changes in deferred tax asset not recognized in the balance sheet	7 817	36 511
Income tax expense	**0**	**0**

Deferred tax and deferred tax assets:

(1.000 USD)	**2021**	**2020**
Deferred tax assets		
Long term liabilities at amortized cost	-359	-409
Vessels, plant and equipment	29 737	35 869
Tax losses carried forward (unlimited)	71 420	61 576
Non-deductible interest expenses carried forward*	27 558	24 865
Net unrecognized deferred tax asset	**128 356**	**121 901**

** 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 2021, Jacktel has an unrecognized tax asset of 27 .6 MUSD related to non-deductible interest which can be carried forward.*

13. 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.

	2021		2020	
(1.000 USD)	Vessel	Total	Vessel	Total
Accumulated cost 1 January	726 296	726 296	724 502	724 502
Disposals	0	0	0	0
Additions	11 957	11 957	1 794	1 794
Accumulated cost 31 December	**738 253**	**738 253**	**726 296**	**729 296**
Accumulated depreciation 1 January	-563 452	-563 452	-416 233	-416 233
Depreciation	-11 669	-11 669	-14 570	-14 570
Impairment	0	0	-132 649	-132 649
Accumulated depreciation and impairment 31 December	**-575 121**	**-575 121**	**-563 452**	**-563 452**
Currency translation				
Carrying value 31 December	**163 132**	**163 132**	**162 844**	**162 844**

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. Due to the current market outlook and the uncertainty regarding future contracts, management has carried out an impairment assessment for "Haven".

Climate consideration in impairment assessment

An energy transition is likely to impact future oil and gas prices which in turn may affect commencement of new producing oil & gas field, which reduces the needs for traditional accommodation rigs. 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 2021 the Company has seen an increased interest for future needs from the wind turbine industry. Increasing number of projects, together with new wind farms moving to larger water depths could lead to increased demand for rigs in the wind industry from 2025 which potentially will more than offset potential reduction in the number of producing oil & 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. In total this reduces the environmental footprint and may be a competitive advantage for use of Jack-ups.

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

Value of "Haven" accommodation unit

The assessment concluded that an impairment is required. The company also obtained external broker valuations which provided additional support for the impairment charges recorded.

The impairment assessment is based on the following:

Pre-tax discount rate:	9.86 %
Day rates:	55,000 USD for the first 3 years, years 4 to 6 are gradually increasing from 130,000 USD to 185,000 USD and,-from year 6 185,000 USD which is yearly adjusted for inflation to the end of the vessel's useful life.
Utilization:	70 %

Day rates for year 1 to 3 is based on the current contract. It is estimated a gradual increase in day rates in year 4 to 6. From year 6 it is estimated to come back to the average day rate levels historically seen on the NCS.

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:

Pre-tax discount rate (percentage points):	+1 %	Impairment of approximately 10 MUSD required
Change in contracted rates from maturity of the last fixed contract (2022 to 2024) to perpetuity of the cash flow forecast	-10 %	Impairment of approximately 14 MUSD required
Utilization (percentage points):	-3 %	Impairment of approximately 7 MUSD required

14. Other current assets

(1.000 USD)	**2021**	**2020**
Trade debtors	2 761	893
Pre-paid expenses	212	1 636
Other Receivables	968	1 505
Total other current assets	**3 941**	**4 034**

Other receivables relate to grants from Norwegian Tax authorities.

15. CASH

(1.000 USD)	**2021**	**2020**
Cash and bank deposits	3 065	9 970
Restricted cash	0	0
Cash and cash equivalents in the balance sheet	**3 065**	**9 970**

16. 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.

	2021	**2020**
Average number of shares outstanding	50 000 000	50 000 000
Diluted average number of shares outstanding	50 000 000	50 000 000
Profit/(loss) for the year	**-35 533**	**-165 961**

Earnings per share:	**2021**	**2020**
- Basic	-0.71	-3,32
- Diluted	-0.71	-3,32

17. SHARE CAPITAL AND SHAREHOLDER INFORMATION

Number of shares:

	2021	**2020**
Ordinary shares		
At 1 January	50 000 000	50 000 000
At 31 December	**50 000 000**	**50 000 000**

All shares are owned by Macro Offshore Management AS per year end 2021. On 21 January 2022 a written resolution was resolved where the bond trustee is authorized to exercise the call option in respect of all the shares in Jacktel and implement and complete a debt conversion within 28 February 2022.The nominal value per share is NOK 3.02. The company is included in the consolidated financial statements for Macro Offshore AS Group.

For calculation of earnings per share and diluted earnings per share reference is made to Note 16

18. OTHER CURRENT LIABILITIES

(1.000 USD)	**2021**	**2020**
Trade accounts payables	583	899
Other current liabilities	6 000	2 658
Total	**6 583**	**3 557**

Other current liabilities as of 31.12.21 consist of accrued interest of 1.4 MUSD and provision for cost incurred, but not paid. Cost incurred mainly consists of project related cost from preparations to contract.

19. LEGAL DISPUTES

Final payment related to documentation (10% of contract value) under the turn-key contract with Semco has still not been paid. Jacktel has disputed several variation order requests claimed by Semco and continues to discuss and review final documentation and commercial aspects under the upgrade contract. Jacktel has booked accruals in line with expected outcome of the discussions with Semco. The parties have continued its disagreements r and the parties are preparing for an arbitration process that will potentially take place in Norway.

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 2021 accounts.

20. EVENTS AFTER THE BALANCE SHEET DATE

Jacktel has since 2020 discussed with stakeholders a solution where Jacktel strengthens the equity and creates a sustainable balance sheet with a reduced debt level. On 21 January 2022 a written resolution was resolved where the bond trustee was authorised to exercise a call option in respect of all the shares in Jacktel and implement and complete a debt conversion within 28 February 2022, substantially improving Jacktel’s equity. 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 will be capitalized on each interest payment date until the Super Senior Bonds have been repaid in full, following which, cash interest payments shall resume.

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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 statement of financial position as at 31 December 2021, the statements of profit and loss, comprehensive income, cash flows and 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 2021 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.

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.

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

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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, 28 April 2022
ERNST & YOUNG AS

The auditor's report is signed electronically

Jon-Michael Grefsrød
State Authorised Public Accountant (Norway)

Jon-Michael Grefsrød
Statsautorisert revisor
På vegne av: Ernst & Young AS
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