INTERIM REPORT

Q1 2021

First Quarter 2021

Highlights

In March 2021 the company won a 20 + 6 month contract for provision of accommodation services on the Danish shelf. The contract commences during Q3 2021 and has a contract value of approximately 35 MUSD.

In March the company entered into a standstill agreement with the bondholders enabling the company to fund necessary upgrade and mobilisation cost in preparation for the contract commencement.

Operations

Haven is currently at the Semco yard at Hanøytangen on the west coast of Norway. In preparation for the commencement of a 20 + 6 month accommodation contract offshore Denmark, the footings previously used for most North Sea locations are being reinstalled. In addition, and in order to minimise future maintenance cost an SPS of the rig is being executed. As a result, no yard stay is required in 2023 and the next SPS is only due August 2026.

Haven was in lay-up in Q1 2021 and daily ordinary operating cost amounted to 12.8 KUSD.

Financial

The Interim Financial Statements are prepared in accordance with IAS 34

Quarterly figures, Q1 2021
(Figures in brackets refer to the corresponding period of 2020)

The operating income for Q1 amounts to 0 MUSD (5.4 MUSD).

Operating expenses equalled 2.0 MUSD (4.5 MUSD), of which 1.1 MUSD (1.7 MUSD) relates to vessel OPEX. Additional 0.9 MUSD (0.9 MUSD) relates to SG&A, of which 0.2 MUSD relates to legal fees and restructuring costs. This resulted in an EBITDA of -1.9 MUSD (0.8 MUSD) and an operating loss of 5.1 MUSD (112.9 MUSD).

Interest expense for the first quarter equalled 3.8 MUSD (3.8 MUSD).

Net loss for the first quarter amounts to 9.0 MUSD (117.7 MUSD).

Cash flow and liquidity Q1 2021
The company generated -0.4 MUSD in operational cash flow during the first quarter. Following -0.4 MUSD from investing activities, net cash flow in the first quarter totalled -0.8 MUSD.

Total cash at the end of the quarter equalled 9.1 MUSD.

Finance

Jacktel is financed through a USD 150 million Bond Loan which carries a 10% interest rate. Following the market turbulence, uncertainty about the effect of the Covid-19 pandemic and the expiry of the Johan Sverdrup contract in April 2020, the Company has continuously been in dialogue with the bondholders in the 150 MUSD senior secured bond.
In March 2021 a temporary stand-still agreement with the bondholders was entered into, including inter alia deferral of interest payments until December 2021 (added to the nominal amount) and a permanent waiver of the minimum liquidity covenant. In addition and following consent from the bondholders the company issued a super senior secured loan of 10 MUSD in April 2021 to finance required upgrade of Haven in preparation for the Tyra contract. The super senior bond loan holds a fixed interest of 10 % p.a payable quarterly. The bond loan is repayable in 5 quarterly instalments of 1 MUSD from September 2022 and remaining 5 MUSD is repayable at maturity date 4th December 2023.

For further discussions related to Going Concern, please see next paragraph.

Going concern

Jacktel's equity as of March 31, 2021 equaled 16 MUSD.

Jacktel has continuously been in dialogue with the bondholders in the 150 MUSD senior secured bond since Q1 2020. In March 2021 a temporary stand-still agreement with the bondholders was entered into, including inter alia deferral of interest payments until December 2021 (added to the nominal amount) and a permanent waiver of the minimum liquidity covenant.

The Company entered into a contract with Total in March 2021. The term of the contract is 20 months for use of Haven on the Danish continental shelf. Following an upgrade of Haven, the contract will commence in Q3 2021. The upgrade is financed through a super senior secured loan of 10 MUSD which has been approved through a written resolution.

Since September 2020, the Macro Offshore Group has qualified for the Norwegian COVID-19 compensation scheme. This has improved the group's liquidity situation. As the scheme aims to secure Norwegian work places, the scheme specifically excluded asset owning companies with no employees. The Norwegian holding company has however applied for the group, and parts of the funds have been allocated to Jacktel and has strengthened the company's financial position. The scheme is expected to be continued through 1H 2021.

With commencement of the Total contract in Q3 2021, the cash balance of the Company is in a good position to both serve its liabilities throughout 2021 as well as reaching a more permanent agreement with the bondholders prior to expiry of the standstill agreement in December 2021. However, the Company expects that the ongoing discussions with the bondholders will result in conversion (partly or full) of the bond loan to an equity or equity-like instrument.

Although uncertainties exist in relation to reaching a final agreement with the bondholders and the implied going concern assumption, the Company believes that the contract entered into with Total, the standstill agreement entered into with bondholders as well as the issuing of the super senior loan provides a solid basis for the going concern assumption. It is however probable that the current shareholder (Macro Offshore Management AS) will be substantially diluted through a likely conversion of debt to an equity like instrument.

Risk

The company 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 derivates to reduce the risk is considered regularly. Per end of the first quarter the company 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.

Future Prospects

Following the oil price recovery, oil companies' earnings and cash flow are substantially improved. Further, several projects are now likely to be materialised and oil companies are increasingly concerned that planned project activity may again lead to shortage of personnel and equipment. As the lead time for new projects is substantial, the company does not expect a quick recovery in the market. It is however an indication that demand for assets used in offshore projects will increase over time. Further, as players in the accommodation market exit their restructuring processes, the board expects increased focus on the supply / demand balance. This may again lead to attrition of older units. Further certain units are also likely to transition into adjacent industries e.g. wind / renewables. Over time this should lead to higher utilisation and increasing day rates.

Stavanger, 21st May 2021

Thomas Mejdell
Board member

David Zakutansky
Board member

Bjørn Eie Henriksen
Chairman/CEO

Condensed Income Statement

As of March 31st, 2021

In USD 1,000'	Note	Un-audited Q1-2021	Un-audited Q1-2020	Audited 2020
Operating income		-	5.348	8.894
Operating expenses		-2.046	-4.515	-11.655
EBITDA		**-2.046**	**833**	**-2.761**
Depreciation	6	-3.006	-4.616	-14.570
Impairment	6	-	-109.102	-132.649
OPERATING PROFIT/(LOSS) - EBIT		**-5.053**	**-112.886**	**-149.980**
Interest income		-	53	60
Interest expenses		-3.777	-3.750	-15.677
Other financial items		-201	-1.080	-363
NET FINANCIAL ITEMS		**-3.978**	**-4.777**	**-15.980**
PROFIT/(LOSS) BEFORE TAX		**-9.031**	**-117.663**	**-165.960**
NET PROFIT (LOSS)		**-9.031**	**-117.663**	**-165.960**

Statement of Comprehensive Income

In USD 1,000'	Un-audited Q1-2021	Un-audited Q1-2020	Audited 2020
Net profit this period	-9.031	-117.663	-165.960
COMPREHENSIVE INCOME	**-9.031**	**-117.663**	**-165.960**

Condensed Statement of Financial Position

In USD 1,000'	Note	Un-audited 31.03.2021	Un-audited 31.03.2020	Audited 31.12.2020
ASSETS				
Non-current assets:				
Property, plant and equipment	6	160.308	195.000	162.844
Total non-current assets		**160.308**	**195.000**	**162.844**
Current assets:				
Accounts receivable		0	3.880	893
Other current assets		769	968	3.141
Cash and cash equivalents		9.130	25.889	9.970
Total current assets		**9.899**	**30.737**	**14.004**
TOTAL ASSETS		**170.207**	**225.737**	**176.847**
EQUITY AND LIABILITIES				
Equity:				
Issued capital		19.740	19.740	19.740
Share premium		182.793	182.793	182.793
Retained losses		-186.416	-129.087	-177.385
Total equity		**16.117**	**73.446**	**25.148**
Non-current liabilities:				
Other interest-bearing debt	5	153.328	147.667	148.142
Total long-term liabilities		**153.328**	**147.667**	**148.142**
Current liabilities:				
Accounts payable		333	1.137	899
Short-term interest-bearing debt		0	1.250	1.250
Other current liabilities		429	2.236	1.408
Total current liabilities		**762**	**4.623**	**3.557**
Total liabilities		**154.090**	**152.291**	**151.699**
TOTAL EQUITY AND LIABILITIES		**170.207**	**225.737**	**176.847**

Condensed Statement of Changes in Equity

(In USD 1.000)	Share Capital	Share premium	Retained losses	Total equity
Equity as at December 31st, 2019	**19.740**	**182.793**	**-11.424**	**191.109**
Net income (loss) Q1 2020	-	-	-117.662	-117.662
Equity as at March 31st, 2020 (Un-audited)	**19.740**	**182.793**	**-129.086**	**73.447**
Net income (loss) Q2-Q4 2020	-	-	-48.299	-48.299
Equity as at December 31st 2020 (Audited)	**19.740**	**182.793**	**-177.385**	**25.149**
Net income (loss) Q1 2021	-	-	-9.031	-9.031
Equity as at March 31st, 2021 (Un-audited)	**19.740**	**182.793**	**-186.417**	**16.117**

Cash Flow Statement

In USD 1,000'	Un-audited Q1-2021	Un-audited Q1-2020	Audited 2020
Net profit(loss) before tax	-9.031	-117.662	-165.961
Depreciation and impairment	3.006	113.718	147.220
Financial income	-	-53	-60
Financial expenses	3.978	4.830	16.041
Changes in working capital	1.677	10.690	11.993
Net cash from operating activities	**-370**	**11.523**	**9.233**
Cash flow from investing activities			
Interest received	-	53	-
Acquisition of fixed assets	-470	-449	-1.794
Net cash from investing activities	**-470**	**-396**	**-1.794**
Cash flow from financing activities			
Interest paid	-	-3.750	-15.000
Net realized agio	-	-	-980
Net cash from financing activities	**-**	**-3.750**	**-15.980**
Net change in cash and cash equivalents	-840	7.377	-8.542
Cash and cash equivalents, opening balance	9.970	18.512	18.512
Cash and cash equivalents, closing balance	**9.130**	**25.889**	**9.970**

Notes to the interim report

1. General information

Jacktel AS is a 100% subsidiary of Macro Offshore Management AS, of which is a part of the Macro Offshore Group, located at Skogstrøstraen 37, 4029 Stavanger, Norway. The company, 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 financial statements for Q1 2021 have been prepared in accordance with International Financial Reporting Standards (IFRS) as approved by the European Union ("EU"), including IAS 34 Interim Financial Reporting.

Going concern
Jacktel's equity as of March 31, 2021 equaled 16 MUSD.

Jacktel has continuously been in dialogue with the bondholders in the 150 MUSD senior secured bond since Q1 2020. In March 2021 a temporary stand-still agreement with the bondholders was entered into, including inter alia deferral of interest payments until December 2021 (added to the nominal amount) and a permanent waiver of the minimum liquidity covenant.

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Since September 2020, the Macro Offshore Group has qualified for the Norwegian COVID-19 compensation scheme. This has improved the group's liquidity situation. As the scheme aims to secure Norwegian work places, the scheme specifically excluded asset owning companies with no employees. The Norwegian holding company has however applied for the group, and parts of the funds have been allocated to Jacktel and has strengthened the company's financial position. The scheme is expected to be continued through 1H 2021.

With commencement of the Total contract in Q3 2021, the cash balance of the Company is in a good position to both serve its liabilities throughout 2021 as well as reaching a more permanent agreement with the bondholders prior to expiry of the standstill agreement in December 2021. However, the Company expects that the ongoing discussions with the bondholders will result in conversion (partly or full) of the bond loan to an equity or equity-like instrument.

Although uncertainties exist in relation to reaching a final agreement with the bondholders and the implied going concern assumption, the Company believes that the contract entered into with Total, the standstill agreement entered into with bondholders as well as the issuing of the super senior loan provides a solid basis for the going concern assumption. It is however probable that the current shareholder (Macro Offshore Management AS) will be substantially diluted through a likely conversion of debt to an equity like instrument.

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 Company 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 Company'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 the company's annual financial statements and accompanying notes for the financial year ended 31st December 2020.

4. Related party transactions

Jacktel AS has a management agreement with its parent company, Macro Offshore Management AS, for which 0.7 MUSD (0.4 MUSD) has been paid per Q1 2021.

Macro Offshore Crew AS, a wholly owned subsidiary of Macro Offshore Management AS, has provided crew personnel to Haven, for which 412 KUSD has been paid per Q1 2021.

5. Debt overview

31.03.2021 Long-term interest-bearing debt

(In USD 1000') **Description**	**Lender/Trustee**	**Nominal amount EURO**	**Nominal amount USD**	**Interest rate**	**Book value USD**
150 MUSD Bond Loan including PIK Interest	Nordic Trustee ASA	N/A	153.750	10%	153.328
Long-term interest bearing debt - USD					**153.328**

31.03.2020 Long-term interest-bearing debt

(In USD 1000') **Description**	**Lender/Trustee**	**Nominal amount EURO**	**Nominal amount USD**	**Interest rate**	**Book value USD**
150 MUSD Bond Loan	Nordic Trustee ASA	N/A	150.000	10%	147.667
Long-term interest bearing debt - USD					**147.667**

In March 2021 a temporary stand-still agreement with the bondholders in the 150 MUSD bond loan were entered into, including a deferral of interest payments until December 2021 (added to the nominal amount). Interest for the period from 4 December 2020 to 4 March 2021 was settled by PIK and added to the nominal amount.
For further information about debt, please see the Finance part under section Financial.

*) Book value of the Bond loan is netted with transaction costs to be expensed over the loan's lifetime and also includes accrued interest that will be paid in kind.

6. Property Plant & Equipment

(In USD 1000')	**Un-audited** **31.03.21**	**Un-audited** **31.03.20**	**Audited** **31.12.20**
Opening balance	162,844	308,269	308,269
Additions	470	449	1,794
Depreciation	-3,006	-4,616	-14,570
Impairment	-	-109,102	-132,649
Closing balance	**160,308**	**195,000**	**162,844**

Capitalized amounts relate entirely to the Company's accommodation rig Haven.

The Company performed impairment assessments through 2020 which concluded that impairments totalling 133 MUSD were required. The impairment model is based on the awarded 20-month contract with Total. Long term utilization for Haven is expected to be 70% in 2023 and onwards. Charter hire is assumed to be gradually improving up to 2026 and beyond, where it is assumed a more normalised daily charter hire level. Discount rate applied is 8.9%. Management re-assessed the impairment test as of end of March, and there have been no significant changes in the underlying market assumptions, accordingly no additional impairment is recorded.

See also additional information related to going concern both in the MD&A and in the accounting principles. If the Company is unsuccessful in reaching a final agreement with its bondholders a potential distressed sale of Haven could result in significant lower realisation value in the current challenging market, versus the value in use model applied in the impairment model. If sold in a distressed situation, there are no guarantee that the proceeds from a distressed sale will be sufficient to cover the nominal amount of the bond.

7 Subsequent events

Jacktel issued a 10 MUSD super senior secured bond loan with interest rate of 10 per cent in April 2021. For further information, please see the Finance part under section Financial.