INTERIM REPORT

Q1 2022

First Quarter 2022

Highlights

Haven has been on contract with TotalEnergies DK during the entire quarter and provided 100% uptime.
In February 2022, MUSD 102.3 of the outstanding senior bond was converted to equity. Following the conversion, Jacktel has a strong balance sheet with an equity ratio of around 50 %.

Operations

Haven is on a 20 + 6 month contract with TotalEnergies DK which commenced in November 2021. The rig has provided 100% uptime since commencement. Following a period of logistical challenges in relation to crew and consumables as a result of Covid-19 related restrictions, the Company expects operational activities to normalise following easing of such restrictions as from 2Q 2022.

Financial

The Interim Financial Statements are prepared in accordance with IAS 34

Quarterly figures, Q1 2022
(Figures in brackets refer to the corresponding period of 2021)

The operating income for Q1 amounts to 4.9 MUSD (0 MUSD) and is mainly a result of the rig being on hire for the entire quarter.

Operating expenses equalled 3.2 MUSD (2.0 MUSD), of which 2.4 MUSD (1.1 MUSD) relates to vessel OPEX and 0.3 MUSD is related to reimbursable and project cost. Additional 0.5 MUSD (0.9 MUSD) relates to SG&A. This resulted in an EBITDA of 1.7 MUSD (-2.0 MUSD) and an operating loss of 1.1 MUSD (5.1 MUSD).

Financial expenses for the first quarter equalled 4.7 MUSD (4.0 MUSD) of which 3.5 MUSD (3.8 MUSD) is related to interest expenses. The remaining amount of 1.2 MUSD is mainly related to acceleration of amortized cost of the partly converted bond loan.

Net loss for the first quarter amounts to 5.8 MUSD (9.0 MUSD).

Cash flow and liquidity Q1 2022
The Company generated 1.9 MUSD in operational cash flow during the first quarter. Following -130 KUSD from investing activities and -250 KUSD from financing activities, net cash flow in the first quarter totalled 1.5 MUSD.

Total cash at the end of the quarter equalled 4.6 MUSD.

Finance
Following consent from the bondholders the Company issued a super senior secured bond loan of 10 MUSD in April 2021 to finance the 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 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. On 21 January 2022 a written resolution was resolved where the bond trustee was authorised to exercise the call option in respect of all the shares in Jacktel and implement and complete a debt conversion within 28 February 2022. An amount of 102.3 MUSD of the Senior Bonds (150 MUSD Bond Loan) was converted into 100% of the outstanding equity of Jacktel, leaving Jacktel with USD 65,571,927 of outstanding Senior Bonds (plus accrued interest) 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.

Going concern
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.

The Company believes that the recent agreement with the Bond holders resulting in a substantial strengthening of the Balance Sheet, the contract entered into with TotalEnergies and the issuing of the super senior bond loan provides a basis for the going concern assumption.

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 and DKK. 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

The industry is experiencing growing optimism and activity as the global economy is recovering from the pandemic. Disruptions in the European energy market, driven by the war in Ukraine, has put energy security on forefront of the political agenda. Oil and gas are likely to continue to play an important role in future energy scenarios, improving demand for new projects and M&M activity.

Attrition of old rigs has continued in 2021 reducing the overall supply in the market. Some demand has however been covered by modern and harsh environment drilling units. These units have limited bed capacity and is likely to migrate back to the drilling market as recovery continues.

Oil companies and governments' focus on reducing the industry's carbon footprint is expected to have a positive impact on the use of Jack Ups standing firmly on the seabed. As Jack Ups do not use propulsion for station keeping and can run on electrical power from shore, the fuel consumption and carbon footprint is significantly lower than what is the case for assets using engine powered station keeping systems.

Further the Company expects that the activity level on the NCS will again increase, and the company is pursuing several projects on the NCS which is commencing in 2024 / 2025.

Jacktel has also 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.

Sandnes, 2nd May 2022

Harald Thorstein	Alf Ragnar Løvdal
Chairman	Board member

Condensed Income Statement

As of March 31st, 2022

In USD 1,000'	Note	Un-audited Q1-2022	Un-audited Q1-2021	Audited 2021
Operating income		4,945	-	12,354
Operating expenses		-3,206	-2,046	-19,286
EBITDA		**1,740**	**-2,046**	**-6,932**
Depreciation	6	-2,822	-3,006	-11,669
Impairment	6	-	-	-
OPERATING PROFIT/(LOSS) - EBIT		**-1,083**	**-5,052**	**-18,600**
Interest income		-	-	208
Interest expenses		-3,473	-3,777	-16,329
Other financial items		-1,206	-201	-811
NET FINANCIAL ITEMS		**-4,679**	**-3,978**	**-16,932**
PROFIT/(LOSS) BEFORE TAX		**-5,762**	**-9,031**	**-35,532**
NET PROFIT (LOSS)		**-5,762**	**-9,031**	**-35,532**

Statement of Comprehensive Income

In USD 1,000'	Un-audited Q1-2022	Un-audited Q1-2021	Audited 2021
Net profit this period	-5,762	-9,031	-35,532
COMPREHENSIVE INCOME	**-5,762**	**-9,031**	**-35,532**

JACKTEL

Statement of Financial Position

In USD 1,000'	Note	Un-audited 31.03.2022	Audited 31.12.2021
ASSETS			
Non-current assets:			
Property, plant and equipment	6	160,439	163,132
Total non-current assets		**160,439**	**163,132**
Current assets:			
Accounts receivable		1,705	2,828
Other current assets		1,530	1,114
Cash and cash equivalents		4,570	3,065
Total current assets		**7,805**	**7,007**
TOTAL ASSETS		**168,244**	**170,138**
EQUITY AND LIABILITIES			
Equity:			
Issued capital		30,984	19,740
Share premium		273,883	182,793
Retained losses		-218,677	-212,918
Total equity		**86,189**	**-10,385**
Non-current liabilities:			
Other interest-bearing debt	5	73,533	173,940
Total long-term liabilities		**73,533**	**173,940**
Current liabilities:			
Accounts payable		206	583
Short-term interest-bearing debt	5	3,563	1,366
Other current liabilities		4,753	4,634
Total current liabilities		**8,522**	**6,583**
Total liabilities		**82,055**	**180,523**
TOTAL EQUITY AND LIABILITIES		**168,244**	**170,138**

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**	**-11,423**	**191,110**
Net income (loss) 2020	-	-	-165,961	-165,961
Equity as at December 31st 2020 (Audited)	**19,740**	**182,793**	**-177,384**	**25,149**
Net income (loss) 2021	-	-	-35,532	-35,532
Equity as at December 31st 2021 (Audited)	**19,740**	**182,793**	**-212,916**	**-10,383**
Net income (loss) Q1 2022	-	-	-5,762	-5,762
Debt conversion	11,244	91,090	-	102,334
Equity as at March 31st, 2022 (Un-audited)	**30,984**	**273,883**	**-218,678**	**86,189**

Cash Flow Statement

In USD 1,000'	**Un-audited Q1-2022**	**Un-audited Q1-2021**	**Audited 2021**
Net profit(loss) before tax	-5,762	-9,031	-35,532
Depreciation and impairment	2,822	3,006	11,669
Financial income	-	-	-208
Financial expenses	3,473	3,978	17,140
Changes in working capital	1,352	1,677	3,364
Net cash from operating activities	**1,885**	**-370**	**-3,567**
Cash flow from investing activities			
Acquisition of fixed assets	-130	-470	-12,204
Net cash from investing activities	**-130**	**-470**	**-12,204**
Cash flow from financing activities			
Interest paid	-250	-	
Financial expenses	-	-	-1,134
Net proceeds from bond issue	-	-	10,000
Net cash from financing activities	**-250**	**-**	**8,866**
Net change in cash and cash equivalents	1,505	-840	-6,905
Cash and cash equivalents, opening balance	3,065	9,970	9,970
Cash and cash equivalents, closing balance	**4,570**	**9,130**	**3,065**

Notes to the interim report

1. General information

Jacktel AS is per 31 March 2022 a private company which is listed on NOTC. The Company is located at Vestre Svanholmen 6, 4313 Sandnes, 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 interim financial statements for Q1 2022 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
Following the debt conversion of 102 MUSD in February 2022, the balance sheet of Jacktel has been substantially improved and the equity ratio is approximately 50%. As of 31 March 2022, Jacktel AS has an equity of 86.2 MUSD (16.1 MUSD). The current contract with TotalEnergies most likely enables the Company to repay the super senior bond loan of 10 MUSD by end of 2023. Further, 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 cash flow from the current contract the Board of Directors confirms that the assumption of going concern is in place and forms the basis for the financial statements.

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 2021.

4. Related party transactions

Jacktel AS has a management agreement with Macro Offshore Management AS (Jacktel's parent company until February 2022), for which 0.6 MUSD (0.7 MUSD) has been paid per March 2022.

Macro Offshore Crew DK ApS, a wholly owned subsidiaries of Macro Offshore Management AS, have provided crew personnel to Haven, for which 1.6 MUSD has been paid as cost coverage per March 2022.

5. Debt overview

31.03.2022 Long-term interest-bearing debt

(In USD 1000') Description	Lender/Trustee	Nominal amount USD	Interest rate	Book value USD
150 MUSD Bond Loan including PIK Interest	Nordic Trustee ASA	67,211	10%	66,533
10 MUSD Super Senior Bond Loan	Nordic Trustee ASA	10,000	10%	10,000
Current portion				-3,000
Long-term interest bearing debt - USD		**77,211**		**73,533**

31.03.2021 Long-term interest-bearing debt

(In USD 1000') Description	Lender/Trustee	Nominal amount USD	Interest rate	Book value USD
150 MUSD Bond Loan	Nordic Trustee ASA	153,750	10%	153,328
Long-term interest bearing debt - USD				**153,328**

In February 2022 102.3 MUSD of the senior Bond loan (initially 150 MUSD) was converted to equity.

*) Book value of the Bond loans 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 31.03.22**	**Audited 31.12.21**
Opening balance	163,132	162,844
Additions	130	11,957
Depreciation	-2,823	-11,669
Closing balance	**160,439**	**163,132**

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

The Company performed impairment assessments through 2021 which concluded that impairment was not required. Management has performed an impairment test as of end of March 2022. The impairment model is based on the terms in the awarded 20 + 6-month contract with TotalEnergies. Long term utilization for Haven is expected to be 70% in 2025 and onwards. Charter hire is assumed to be gradually improving up to 2027 and beyond, where it is assumed a more normalised daily charter hire level. Discount rate applied is 10%. Following attrition of accommodation rigs and an increased oil price, governmental tax stimulation and global recovery from Covid-19 the Company expects increasing investments by the oil and gas industry. In addition, an increasing number of projects in the renewable energy sector where offshore accommodation facilities may be used can create upwards pressure on day rates. Based on the improved underlying market assumptions no additional impairment is recorded.

7. Potential claims and contingencies

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. The parties have continued its disagreements and the parties have started the arbitration process that will potentially take place in Norway. Through the process the parties have agreed to pay the claims agreed upon. Agreed claims are expected to be paid in 2Q 2022.

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 Q1 accounts.