INTERIM REPORT

Q4 2019

Fourth Quarter 2019

Operations

Haven has been working at the Johan Sverdrup field during the entire fourth quarter. In December the client gradually reduced the number of guests onboard Haven to zero. Consequently, the day rate was reduced in line with the terms of the lay up contract. As a result of the low utilization of beds after December 7th, the marine crew has been reduced to around 18. Haven will remain at the Johan Sverdrup field through April 15th, 2020. Jacktel has the option to terminate the contract at any time in the contract period, in order to take on a new contract.

Daily ordinary operating cost equalled 39.1 KUSD during Q4, 2019.

Financial

The Interim Financial Statements are prepared in accordance with IAS 34

Quarterly figures, Q4 2019
(Figures in brackets refer to the corresponding period of 2018)

The operating income for Q4 amounts to 27.1 MUSD (37.9 MUSD), of which Charter hire amounts to 25.5 MUSD. Other income of 1.6 MUSD relates to additional services provided to Equinor.

Operating expenses equalled 5.9 MUSD (8.5 MUSD), of which 3.6 MUSD relate to vessel OPEX and 1.1 MUSD to cost reimbursed by client. Additional 1.2 MUSD relate to technical management fee and SG&A costs. This resulted in an EBITDA of 21.2 MUSD (29.5 MUSD) and an operating profit of 8.2 MUSD (10.9 MUSD).

Interest expenses related to the bank and bond loans equalled 3.9 MUSD (11.7 MUSD) for the fourth quarter.

Net profit for the fourth quarter amounts to 4.1 MUSD (0.8 MUSD).

YTD Figures 2019
(Figures in brackets refer to the corresponding period of 2018)

Operating income amounted to 141.6 MUSD (90.2 MUSD). Operating expenses equalled 33.3 MUSD (21.0 MUSD), of which 16.0 MUSD relate to vessel OPEX and 12.1 MUSD relate to cost reimbursable by Equinor as well as other services provided. In addition, 4.5 MUSD relate to technical management fee and SG&A, and 0.7 MUSD is non-recurring costs. This resulted in an EBITDA of 108.3 MUSD (69.2 MUSD) and an operating profit of 43.9 MUSD (23.2 MUSD).

Accumulated interest expenses per December equalled 26.4 MUSD (46.5 MUSD), of which 17.4 MUSD relate to interest payable on the bank and bond loans, and 9.0 MUSD relate to interest accrued on shareholder loans. All accrued interest on shareholder loans was converted to Equity in Q2 2019.

Net profit for the year 2019 equalled 19.3 MUSD (loss of 16.4 MUSD).

Cash flow and liquidity Q4 2019
The company generated 27.7 MUSD in operational cash flow during the fourth quarter. Following repayment of bank debt and interest payments of 29.2 MUSD, net cash flow in the fourth quarter equalled -1.8 MUSD.

Total cash at the end of the quarter equalled 18.5 MUSD. The cash balance is expected to increase to around 30 MUSD over the next 2-3 months as a result of the planned reduction in the company's working capital.

Finance
Jacktel is financed through a Bond Loan of MUSD 150, of which carry an interest of 10%.
Following a repayment of a Bank Loan of MUSD 25 during the fourth quarter, outstanding bank loan was fully repaid per December 2019.

The merger between Master Marine AS and Crossway Holdings was completed in December following receipt of all customary approvals from authorities and lenders.

Going concern
In 2019 the company converted a 188.0 MUSD loan from its parent Master Marine AS into equity. As a result, the solidity of the company was significantly improved, and future interest expenses reduced accordingly. Further, the Bank loan (see finance section) was repaid, in full, during the 4th quarter in line with the original installment structure, while the Bond loan expire in 2023. Based on the current operational cash flow, the lay up contract at Johan Sverdrup and a net equity of 191.1 MUSD, the Board of Directors confirm that the assumption of going concern is in place and forms the basis for the quarterly report. The current cash flow makes Jacktel able to meet its obligations including payment of interest on the 3rd party debt over the next 12 months.

Risk
The company is exposed to general business market risk, credit risk, currency risk and revenue risk. Credit risk related to the Equinor contract is considered low. The currency risk exposure is mainly due to the fact that charter income is denominated in USD while 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 fourth 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. The company has performed an impairment test of the value of Haven based on the following assumptions:
WACC at 8.8%, long term utilization of 88% and day rate levels reflecting the weaker outlook in the North Sea for the shorter term. From 2024 it is assumed a stronger market and improved day rates. The impairment test did not result in a need for impairment.

Future Prospects

In general, the market for modern and comfortable accommodation vessels remains quiet with few concrete opportunities for long term contracts. Most competitors have limited order back log, resulting in fierce competition and day rates coming under pressure.
Over the last quarter, Floatel International secured a contract for Ineos where Floatel Victory shall serve as a support vessel at the Unity platform. Only semi-submersible vessels were able to serve this opportunity. The award is the first high end accommodation contract award in the North Sea for several months. Some other contract opportunities may arise in connection with the temporary closure of the Forties Pipeline system summer 2020.

The activity level in the Southern part of the North Sea, as well as in more benign waters, continues to remain at a fair level. Day rates are however not sufficient to pay for the cost of operating a high-end accommodation vessel built to NCS standards in these markets.

In the longer term, Havens successful track record of running on power from shore is expected to be a competitive advantage. As a result of oil companies' increasing focus on reducing the CO2 footprint, several installations are planned to be electrified and powered from shore. The electrification of parts of the NCS is expected to result in increased modification activity during the transition period.
The environmental focus should also benefit the use of J/U's over DP semi's due to the J/U's significantly lower fuel consumption and associated carbon footprint.

Stavanger, 13th February 2020

Bjørn Henriksen	**Roy Hallås**
Chairman of Board	**CEO**
sign	**sign**

Condensed Income Statement

In USD 1,000'	Note	Un-audited Q4-2019	Un-audited Q4-2018	Audited 12M-2018	Un-audited 12M- 2019
Operating income		27,142	37,938	90,240	141,609
Operating expenses		-5,927	-8,472	-21,019	-33,338
EBITDA		**21,215**	**29,465**	**69,220**	**108,271**
Depreciation	6	-13,014	-18,606	-46,070	-64,355
OPERATING PROFIT/(LOSS) - EBIT		**8,201**	**10,859**	**23,151**	**43,916**
Interest income		82	136	334	338
Interest expenses		-3,943	-11,718	-46,501	-26,404
Other financial items		-206	-57	6,616	1,489
NET FINANCIAL ITEMS		**-4,067**	**-11,639**	**-39,552**	**-24,577**
PROFIT/(LOSS) BEFORE TAX		**4,134**	**-780**	**-16,401**	**19,339**
NET PROFIT (LOSS)		**4,134**	**-780**	**-16,401**	**19,339**

Statement of Comprehensive Income

In USD 1,000'	Un-audited Q4-2019	Un-audited Q4-2018	Audited 2018	Un-audited 12M- 2019
Net profit this period	4,134	-780	-16,401	19,339
COMPREHENSIVE INCOME	**4,134**	**-780**	**-16,401**	**19,339**

Condensed Statement of Financial Position

In USD 1,000'	Note	Un-audited 31.12.2019	Audited 31.12.2018
ASSETS			
Non-current assets:			
Property, plant and equipment	6	308,381	371,638
Total non-current assets		**308,381**	**371,638**
Current assets:			
Accounts receivable		15,807	25,772
Other current assets		1,554	2,299
Cash and cash equivalents		18,512	25,944
Total current assets		**35,873**	**54,014**
TOTAL ASSETS		**344,254**	**425,652**
EQUITY AND LIABILITIES			
Equity:			
Issued capital		19,740	19,630
Share premium		182,793	0
Retained losses		-11,425	-35,956
Total equity		**191,108**	**-16,326**
Non-current liabilities:			
Other interest-bearing debt	5	147,507	146,880
Total long-term liabilities		**147,507**	**146,880**
Current liabilities:			
Accounts payable		2,157	3,403
Prepayments customers		0	6,175
Short-term interest-bearing debt		0	282,061
Other current liabilities		3,483	3,459
Total current liabilities		**5,640**	**295,098**
Total liabilities		**153,147**	**441,978**
TOTAL EQUITY AND LIABILITIES		**344,254**	**425,652**

Condensed Statement of Changes in Equity

(In USD 1.000)	Share Capital	Share premium	Retained losses	Total equity
Equity as at January 1st, 2018	**19,630**	**-**	**-19,554**	**75**
Net income (loss) 2018	-	-	-16,401	-16,401
Equity as at December 31st, 2018 (Audited)	**19,630**	**-**	**-35,955**	**-16,326**
Capital contribution by debt conversion	110	182,793	5,191	188,095
Net income (loss) 2019	-	-	19,339	19,339
Equity as at December 31th, 2019 (Un-audited)	**19,740**	**182,793**	**-11,425**	**191,108**

Cash Flow Statement

In USD 1,000'	Un-audited Q4-2019	Un-audited Q4-2018	Audited 12M-2018	Un-audited 12M-2019
Net profit(loss) before tax	4,134	-780	-16,401	19,339
Recognized deferred revenue	-567	-2,084	-3,409	-6,175
Depreciation	13,014	18,606	46,070	64,355
Financial income	-82	-136	-334	-685
Financial expenses	4,149	11,775	40,356	24,915
Changes in working capital	7,017	-5,747	-25,180	9,045
Net cash from operating activities	**27,665**	**21,634**	**41,102**	**110,794**
Cash flow from investing activities				
Interest received	82	136	334	338
Acquisition of fixed assets	-350	-3,550	-66,989	-1,098
Net cash from investing activities	**-268**	**-3,414**	**-66,655**	**-760**
Cash flow from financing activities				
Interest paid	-4,170	-11,718	-46,500	-17,466
Prepayment from customer	-	-	3,374	-
Refinancing and hedging cost paid	-	-	-12,588	-
Proceeds from/repayment of (-) debt	-25,000	-17,159	27,795	-100,000
Net cash from financing activities	**-29,170**	**-28,877**	**-27,919**	**-117,466**
Net change in cash and cash equivalents	-1,773	-10,657	-53,472	-7,432
Cash and cash equivalents, opening balance	20,285	36,601	79,416	25,944
Cash and cash equivalents, closing balance	**18,512**	**25,944**	**25,944**	**18,512**

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 Q4 2019 have been prepared in accordance with International Financial Reporting Standards (IFRS) as approved by the European Union ("EU"), including IAS 34 Interim Financial Reporting. The financial statements are prepared on a going concern basis and should be read in conjunction with the Company's financial statements as at 31 December 2018. Reference is also made to section "Going Concern" in the Board of Directors Report.

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 its 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 2018. IFRS 16 was implemented from January 1, 2019 without any significant impact for Jacktel AS.

4. Related party transactions

Jacktel AS has a management agreement with its parent company, Macro Offshore Management AS(former Master Marine AS), for which 3.7 MUSD (3.2 MUSD) has been paid in 2019.

5. Debt overview

31.12.2019 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	150,000	10%	147,507
Long-term interest bearing debt - USD				**147,507**

During the fourth quarter the short-term Bank Loan to DNB was fully repaid.
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.

6. Property Plant & Equipment

(In USD 1000')	**Un-audited 31.12.19**	**Un-audited 30.09.19**	**Un-audited 30.06.19**	**Un-audited 31.03.19**	**Audited 31.12.18**
Opening balance	321,045	338,038	354,768	371,638	297,988
Additions	350	107	370	271	119,719
Depreciation	-13,014	-17,100	-17,100	-17,141	-46,069
Closing balance	**308,381**	**321,045**	**338,038**	**354,768**	**371,638**

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