



INTERIM REPORT

Q2 2023

Second Quarter 2023

Highlights

Haven has been on contract with TotalEnergies DK during the entire quarter and provided 100% uptime.

On July 25th, subsequent to the second quarter, Jacktel announced the successful refinancing of its Senior Secured Bonds maturing in December 2023. The Senior Secured Bonds were fully repaid on August 8th. The Company has entered into an 80 MUSD senior secured loan with a subsidiary of Maritime Asset Partners Ltd providing a tailored amortization profile reflecting Haven`s contracted backlog.

The conclusion of the refinancing marks an important milestone for the Company and was the final part of securing stable operations and cash flows until year end 2027. As of today, the Company has secured the following order backlog (including mob and demob fee):

MUSD	2H 2023	2024	2025	2026	2027	2028
Fixed	16.5	39.3	40.5	46.2	40.5	
Options			25.8	5.3	29.8	6.0

The board sees a strong order backlog as a result of the Company offering high quality services and superior gangway connection compared to its competitors. Further, Haven has a competitive advantage in relation to energy companies' goal and focus of minimizing their carbon footprint and emissions. Haven has the ability to run on power from shore and is installed firmly on the seabed not requiring propulsion-based station keeping. As a result, Haven contributes to a reduction in CO2 emissions of at least 60 tons per day compared to competing vessels with propulsion-based station keeping.

Operations

Haven has been on a contract with TotalEnergies DK since November 2021. The rig will continue to serve the Tyra field until mid-2024 when she returns to Norway to commence operations at Draupner in Q3 2024.

Financial

The Interim Financial Statements are prepared in accordance with IAS 34.

Quarterly figures, Q2 2023

(Figures in brackets refer to the corresponding period of 2022)

Operating income for the second quarter amounted to 8.0 MUSD (5.3 MUSD) of which 8.0 MUSD (5.3 MUSD) relates to charter hire and services reimbursed by the client.

Operating expenses equalled 4.3 MUSD (3.6 MUSD), of which 3.0 MUSD (2.8 MUSD) related to vessel OPEX, and 0.4 MUSD (0.2 MUSD) related to reimbursable and project cost. SG&A amounted to 0.9 MUSD (0.6 MUSD). This resulted in an EBITDA of 3.7 MUSD (1.7 MUSD) and an operating profit of 0.7 MUSD (-1.2 MUSD).

Net financial cost for the second quarter equalled 2.0 MUSD (2.1 MUSD) of which 1.9 MUSD (2.0 MUSD) related to payable interest on the Senior Bond loan.

Net loss for the second quarter amounted to 1.3 MUSD (3.3 MUSD).

YTD figures 2023

(Figures in brackets refer to the corresponding period of 2022)

Operating income for the first half of 2023 amounted to 16.0 MUSD (10.2 MUSD). Operating expenses equalled 7.1 MUSD (6.8 MUSD), of which 5.5 MUSD (5.7 MUSD) related to vessel OPEX, 0.8 MUSD (0.5 MUSD) to reimbursable and project cost and Additional 0.8 MUSD (0.6 MUSD) related to SG&A. This resulted in an EBITDA of 8.9 MUSD (3.4 MUSD) and an operating profit of 2.9 MUSD (loss of 2.3 MUSD).

Accumulated financial expenses for the first half equalled 3.8 MUSD (6.8 MUSD). Net loss for the first half of 2023 equalled 0.9 MUSD (9.1 MUSD)

Cash flow and liquidity Q2 2023

The Company generated 3.5 MUSD in operational cash flow during the second quarter. Following -8 KUSD from investing activities and -1,8 MUSD from financing activities, net cash flow in the second quarter totalled 1.7 MUSD.

Total cash at the end of the quarter equalled 6.1 MUSD.

Finance

The Senior Secured Bond loan matures in December 2023 and has been classified as a current liability in the balance sheet. Subsequent to the second quarter, Jacktel announced the successful refinancing of its Senior Secured Bonds in which the Senior Secured Bonds were fully repaid on August 8th. The Company has entered into an 80 MUSD senior secured loan with a subsidiary of Maritime Asset Partners Ltd. The new senior secured loan has a fixed interest rate of 10.1% payable monthly in advance, an amortization profile tailored to Haven's contracted backlog and finally matures December 31st, 2027.

Other

The final 10% of the contract price relating to the reinstatement of the original spud cans was paid to contractor during Q3 2022 together with agreed variation orders. The contractor has disputed Jacktel's interpretation of the contract and final settlement amount. Following an arbitration process executed during Q2, a final ruling on the dispute is expected during Q3, 2023.

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 derivatives 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. Based on this, the going concern assumption is considered to be met.

Future Prospects

In the past year Jacktel has been able to extend the current contract in Denmark as well as securing two new contracts in Norway which provides a contract backlog with options through 2027. On the back of the contract awards, and subsequent to the second quarter, Jacktel was able to refinance its senior secured bond loan with an 80 MUSD senior secured loan with a subsidiary of Maritime Asset Partners Ltd. The 80 MUSD loan has a tailored amortization profile reflecting Haven's contracted backlog and finally matures December 31st, 2027.

Despite the growing push towards renewable energy, oil and gas will, most likely, continue to constitute a major part of the energy mix for the foreseeable future. This has been further underlined by the recent increasing focus on energy security and stability. Based on this, the board expects that new oil & gas projects will continue to be sanctioned. Further, the board also expects high M&M activity which will be required to ensure older oil and gas fields remain operational.

Leading up to 2030 and beyond the Company expects that the wind market will become increasingly important as new developments move further offshore and into harsher environments. It is therefore likely that the wind industry will demand "high quality" accommodation vessels which can serve as hubs for commissioning personnel and provide 100% gangway connection year around.

Both oil companies and governments' remain focused on reducing the industry's carbon footprint. As Jack Ups do not use propulsion for station keeping and can be powered by clean energy produced onshore, the fuel consumption and carbon footprint is significantly lower than what is the case for assets using engine powered

station keeping systems. Based on this, Jack ups have a competitive advantage in particular on the Norwegian Continental Shelf (NCS) where substantial parts of the shelf have been “electrified”.

Sandnes, 29th August 2023

Harald Thorstein
Chairman

Alf Ragnar Løvdal
Board member

Morten E Astrup
Board member

Lars Foss-Skiftesvik
Board member

Condensed Income Statement

As of June 30th, 2023

In USD 1,000'	Note	Un-audited Q2-2023	Un-audited Q2-2022	Audited 2022	Un-audited 6M- 2023	Un-audited 6M- 2022
Operating income		8,015	5,255	28,030	15,964	10,200
Operating expenses		-4,313	-3,594	-14,989	-7,066	-6,800
EBITDA		3,702	1,660	13,041	8,898	3,400
Depreciation	5	-3,016	-2,841	-10,849	-6,032	-5,663
OPERATING PROFIT/(LOSS) - EBIT		686	-1,180	2,192	2,866	-2,263
Interest income		39	-	66	80	-
Interest expenses		-1,854	-1,962	-9,365	-3,751	-5,435
Other financial items		-142	-155	-1,554	-140	-1,361
NET FINANCIAL ITEMS		-1,957	-2,117	-10,853	-3,811	-6,796
PROFIT/(LOSS) BEFORE TAX		-1,271	-3,297	-8,661	-945	-9,059
NET PROFIT (LOSS)		-1,271	-3,297	-8,661	-945	-9,059

Statement of Comprehensive Income

In USD 1,000'	Un-audited Q2-2023	Un-audited Q2-2022	Audited 2022	Un-audited 6M- 2023	Un-audited 6M- 2022
Net profit this period	-1,271	-3,297	-8,661	-945	-9,059
COMPREHENSIVE INCOME	-1,271	-3,297	-8,661	-945	-9,059

Statement of Financial Position

In USD 1,000'	Note	Un-audited 30.06.2023	Un-audited 30.06.2022	Audited 31.12.2022
ASSETS				
Non-current assets:				
Property, plant and equipment	5	147,537	157,838	153,520
Total non-current assets		147,537	157,838	153,520
Current assets:				
Accounts receivable		2,711	3,355	3,998
Other current assets		5,213	1,914	5,513
Cash and cash equivalents		6,100	3,476	2,299
Total current assets		14,024	8,745	11,810
TOTAL ASSETS		161,562	166,583	165,330
EQUITY AND LIABILITIES				
Equity:				
Issued capital		30,984	30,984	30,984
Share premium		273,883	273,883	273,883
Retained losses		-222,524	-221,974	-221,579
Total equity		82,342	82,893	83,288
Non-current liabilities:				
Other interest-bearing debt	4	0	74,259	0
Total long-term liabilities		0	74,259	0
Current liabilities:				
Accounts payable		1,762	1,581	1,189
Current interest-bearing debt	4	74,015	4,594	76,426
Other current liabilities		3,443	3,256	4,427
Total current liabilities		79,220	9,431	82,042
Total liabilities		79,220	83,690	82,042
TOTAL EQUITY AND LIABILITIES		161,562	166,583	165,330

Condensed Statement of Changes in Equity

	Share Capital	Share premium	Retained losses	Total equity
<i>(In USD 1,000)</i>				
Equity as at December 31st, 2021 (Audited)	19,740	182,793	-212,914	-10,381
Net income (loss) Q1-Q2 2022	-	-	-9,059	-9,059
Debt conversion	11,244	91,090	-	102,333
Equity as at June 30th, 2022 (Un-audited)	30,984	273,883	-221,974	82,893
Net income (loss) Q3-Q4 2022	-	-	396	396
Equity as at December 31st, 2022 (Audited)	30,984	273,883	-221,579	83,288
Net income (loss) YTD 2023	-	-	-945	-945
Equity as at June 30th, 2023 (Un-audited)	30,984	273,883	-222,524	82,342

Cash Flow Statement

	Un-audited Q2-2023	Un-audited Q2-2022	Audited 2022	Un-audited 6M- 2023	Un-audited 6M- 2022
In USD 1,000'					
Net profit(loss) before tax	-1,271	-3,297	-8,661	-945	-9,059
Depreciation and impairment	3,016	2,841	10,849	6,032	5,663
Financial income	-39	0	-127	-80	-
Financial expenses	1,996	1,962	10,980	3,891	6,796
Changes in working capital	-238	-604	-5,171	500	-1,976
Net cash from operating activities	3,464	902	7,870	9,398	1,424
Cash flow from investing activities					
Interest received	39	0	65	80	-
Acquisition of fixed assets	-47	-241	-1,237	-50	-371
Net cash from investing activities	-8	-241	-1,172	30	-371
Cash flow from financing activities					
Instalment super senior loan	0	0	-6,116	-3,884	-
Interest paid	-1,855	-250	-971	-1,952	-642
Financial expenses	-150	0	-377	-150	-
Net realized agio	226	0	0	359	-
Net cash from financing activities	-1,779	-250	-7,464	-5,627	-642
Net change in cash and cash equivalents	1,677	411	-766	3,801	411
Cash and cash equivalents, opening balance	4,423	3,065	3,065	2,299	3,065
Cash and cash equivalents, closing balance	6,100	3,476	2,299	6,100	3,476

Notes to the interim report

1. General information

Jacktel AS is a company 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 Q2 2023 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 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, inter alia, 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 Jacktel's annual financial statements and accompanying notes for the financial year ended 31st December 2022.

Lease income from operating leases is recognized as income on a straight-line basis over the lease term, and other receivable for preparation to meet and fulfil the requirements of the specific contract, unless another systematic basis is more representative.

4. Debt overview

30.06.2023 Long-term interest-bearing debt

<i>(In USD 1000')</i>				
Description	Lender/Trustee	Nominal amount USD	Interest rate	Book value USD
150 MUSD Bond Loan including PIK Interest	Nordic Trustee ASA	74,189	10%	74,015
Current portion				74,015
Long-term interest bearing debt - USD		74,189		0

31.12.2022 Long-term interest-bearing debt

<i>(In USD 1000')</i>				
Description	Lender/Trustee	Nominal amount USD	Interest rate	Book value USD
150 MUSD Bond Loan including PIK Interest	Nordic Trustee ASA	72,379	10%	72,519
10 MUSD Super Senior Bond Loan	Nordic Trustee ASA	3,884	10%	3,907
Current portion				76,426
Long-term interest bearing debt - USD		76,263		0

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

The Super Senior Bond Loan was fully repaid in March 2023. The 150 MUSD Bond Loan was fully repaid with interest in August 2023, for further details see note 7 Subsequent Events.

5. Property Plant & Equipment

<i>(In USD 1000')</i>	Un-audited
1st January 2023	153,520
Additions	50
Depreciation	-6,032
30th June 2023	147,537

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

The Company has performed impairment assessments per June which has concluded that no impairment is required.

6. Potential claims and contingencies

The final 10% of the contract price relating to the reinstatement of the original spud cans was paid to contractor during Q3 2022 together with agreed variation orders. The contractor has disputed Jacktel's interpretation of the contract and final settlement amount. Following an arbitration process executed during Q2, a final ruling on the dispute is expected during Q3, 2023.

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 advice 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 Q2 accounts.

7. Subsequent Events

On July 25th, subsequent to the second quarter, Jacktel announced the successful refinancing of its Senior Secured Bonds maturing in December 2023. The Senior Secured Bonds were fully repaid on August 8th. The Company has entered into an 80 MUSD senior secured loan with a subsidiary of Maritime Asset Partners Ltd providing a tailored amortization profile reflecting Haven's contracted backlog.