

JACK  **TEL**



INTERIM REPORT

Q4 2023

Fourth Quarter 2023

Highlights

During the quarter Haven has provided 100% gangway connection to client and no serious incidents.

Jacktel's substantial and robust order backlog, secured at improved rates, lays a solid foundation for stable operations and predictable cash flow through to the end of 2027. Moreover, the potential exercise of existing options could further enhance this outlook and enable the company to both distribute dividends and accelerate debt repayments. As of today, the Company has secured the following order backlog and options (including mob and demob fee):

MUSD	2024	2025	2026	2027	2028
Fixed	37.2	40.5	46.2	40.5	
Options		25.8	5.3	29.8	6.0

Operations

Haven has delivered 100% gangway connection to the Tyra redevelopment project since commencement of operations in 2021. She will be located at the Tyra field until mid-2024 when she will return to Norway to be prepared for the Draupner contract commencing in Q4, 2024 and Valhall contract in May 2026. The intention is for Haven to be able to mobilise directly to Valhall without further preparatory work being required.

Financial

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

Quarterly figures, Q4 2023

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

Operating income for the fourth quarter amounted to 8.4 MUSD (7 MUSD adjusted for 4.1 MUSD IFRS 16 income accrual in Q4 2022) which relates to charter hire and services reimbursed by the client.

Operating expenses equalled 3.8 MUSD (3.9 MUSD), of which 2.3 MUSD (2.5 MUSD) related to vessel OPEX, and 0.5 MUSD (0.4 MUSD) related to reimbursable and project cost. Additional 1.0 MUSD (1.0 MUSD) is related to SG&A. This resulted in an EBITDA of 4.6 MUSD (3.1 MUSD adjusted for IFRS 16 income accrual) and an operating profit of 1.6 MUSD (0.8 MUSD adjusted for IFRS 16 income accrual).

Net financial cost for the fourth quarter equalled 2.3 MUSD (2.0 MUSD) of which 2.1 MUSD (2.0 MUSD) related to interest expenses.

Net loss for the fourth quarter amounted to 0.7 MUSD (Net loss of 1.2 MUSD adjusted for IFRS 16 income accrual).

YTD figures 2023

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

Operating income amounted to 32.6 MUSD (23.9 MUSD adjusted for 4.1 MUSD IFRS 16 income accrual in 2022). Operating expenses equalled 15.2 MUSD (15.0 MUSD), of which 10.4 MUSD (10.1 MUSD) related to vessel OPEX. 2.1 MUSD (2.4 MUSD) related to reimbursable and project cost. Additional 2.6 MUSD (2.5 MUSD) related to SG&A. This resulted in an EBITDA of 17.4 MUSD (8.9 MUSD adjusted for IFRS 16 income accrual) and an operating profit of 5.3 MUSD (Net -1.9 MUSD adjusted for IFRS 16 income accrual).

Accumulated financial expenses for 2023 equalled 9.6 MUSD (10.9 MUSD). Net loss for 2023 equalled 4.3 MUSD (Net 12.8 MUSD adjusted for IFRS 16 income accrual).

Cash flow and liquidity Q4 2023

The Company generated 2.9 MUSD in operational cash flow during the fourth quarter. Following -0.5 MUSD from investing activities and -2,3 MUSD from financing activities, net cash flow in the fourth quarter totalled 0.1 MUSD.

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

Finance

In Q3 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 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.

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

Outlook

Over the preceding eighteen months, Jacktel has proven its capacity to maintain 100% utilisation at gradually increased day rates. Rates will improve further as Haven mobilize to Norway for the Equinor and Aker BP contracts.

Given the escalating demand observed in Brazil and the North Sea regions, Jacktel anticipates a further tightening of the supply/demand dynamics. Based on Haven's low CO2 footprint, exceptional operational uptime, and cost-efficient practices, Jacktel stands well positioned to for new contracts across both the Oil & Gas and renewable energy sectors after the expiry of the Valhall contract early 2028. An increased number of "Solicitation of Interest" notices from wind farm developers for accommodation services to commence in 2028 and beyond affirm this potential.

The Jacktel board is confident in the company's ability to unlock shareholder value and reaffirms its target to distribute dividends in 2025.

In a bid to enhance share liquidity and further visualise shareholder value, the board plans to pursue a listing on Euronext Growth once Haven has commenced her contract at Draupner in second half 2024.

Sandnes, 22 February 2024

Harald Thorstein
Chairman

Alf Ragnar Løvdal
Board member

Morten E Astrup
Board member

Lars Foss-Skiftesvik
Board member

Condensed Income Statement

As of December 31st, 2023

In USD 1,000'	Note	Un-audited Q4-2023	Un-audited Q4-2022	Audited 2022	Un-audited 12M- 2023
Operating income		8,444	11,101	28,030	32,570
Operating expenses		-3,805	-3,896	-14,989	-15,158
EBITDA		4,639	7,205	13,041	17,412
Depreciation	5	-3,050	-2,338	-10,849	-12,109
OPERATING PROFIT/(LOSS) - EBIT		1,589	4,867	2,192	5,303
Interest income		59	43	66	182
Interest expenses		-2,065	-1,953	-9,365	-7,903
Other financial items		-260	-97	-1,554	-1,881
NET FINANCIAL ITEMS		-2,266	-2,008	-10,853	-9,602
PROFIT/(LOSS) BEFORE TAX		-677	2,860	-8,661	-4,299
NET PROFIT (LOSS)		-677	2,860	-8,661	-4,299

Statement of Comprehensive Income

In USD 1,000'	Un-audited Q4-2023	Un-audited Q4-2022	Audited 2022	Un-audited 12M- 2023
Net profit this period	-677	2,860	-8,661	-4,299
COMPREHENSIVE INCOME	-677	2,860	-8,661	-4,299

Statement of Financial Position

In USD 1,000'	Note	Un-audited 31.12.2023	Audited 31.12.2022
ASSETS			
Non-current assets:			
Property, plant and equipment	5	143,773	153,520
Restricted cash	4	5,000	0
Total non-current assets		148,773	153,520
Current assets:			
Accounts receivable		221	3,998
Other current assets		4,299	5,513
Cash and cash equivalents	6	6,142	2,299
Total current assets		10,662	11,810
TOTAL ASSETS		159,435	165,330
EQUITY AND LIABILITIES			
Equity:			
Issued capital		30,984	30,984
Share premium		273,883	273,883
Retained losses		-225,875	-221,579
Total equity		78,992	83,288
Non-current liabilities:			
Other interest-bearing debt	4	74,941	0
Total long-term liabilities		74,941	0
Current liabilities:			
Accounts payable		1,265	1,189
Current interest-bearing debt	4	2,440	76,426
Other current liabilities		1,796	4,427
Total current liabilities		5,501	82,042
Total liabilities		80,443	82,042
TOTAL EQUITY AND LIABILITIES		159,435	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	-212,916	-10,383
Net income (loss) 2022	-	-	-8,661	-8,661
Debt conversion	11,244	91,090	-	102,334
Equity as at December 31st, 2022 (Audited)	30,984	273,883	-221,579	83,288
Net income (loss) YTD 2023	-	-	-4,299	-4,299
Equity as at December 31st, 2023 (Un-audited)	30,984	273,884	-225,876	78,992

Cash Flow Statement

	Un-audited Q4-2023	Un-audited Q4-2022	Audited 2022	Un-audited 12M- 2023
In USD 1,000'				
Net profit(loss) before tax	-677	2,858	-8,661	-4,299
Depreciation and impairment	3,050	2,338	10,849	12,109
Financial income	-59	-43	-127	-182
Financial expenses	2,325	2,052	10,980	9,784
Changes in working capital	-1,759	-5,237	-5,171	1,134
Net cash from operating activities	2,880	1,968	7,870	18,546
Cash flow from investing activities				
Interest received	59	43	65	182
Acquisition of fixed assets	-587	-98	-1,237	-2,358
Net cash from investing activities	-528	-55	-1,172	-2,176
Cash flow from financing activities				
Instalment super senior loan	0	-4,907	-6,116	-3,884
Repayment of Senior Secured Bonds	0	0	0	-74,189
Interest paid	-2,065	-250	-971	-6,104
Financial expenses	0	0	-377	-983
Refinancing cost	-136	0	0	-2,757
Proceeds - MAP loan	0	0	0	75,000
Net realized agio	-49	0	0	390
Net cash from financing activities	-2,250	-5,157	-7,464	-12,527
Net change in cash and cash equivalents	102	-3,244	-766	3,843
Cash and cash equivalents, opening balance	6,040	5,543	3,065	2,299
Cash and cash equivalents, closing balance	6,142	2,299	2,299	6,142

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 Q4 2023 have been prepared in accordance with IFRS accounting standards (IFRS) as adopted 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

31.12.2023 Long-term interest-bearing debt

<i>(In USD 1000')</i>				
Description	Lender/Trustee	Nominal amount USD	Interest rate	Book value USD
80 MUSD Loan	MAP	80,000	10.1%	77,381
Current portion				2,440
Long-term interest bearing debt - USD		80,000		74,941

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 loans is netted with transaction costs to be amortized over the loan's lifetime.

As a part of the financing of the 80 MUSD loan with MAP, 5 MUSD in cash was retained by the lender as restricted cash. The 5 MUSD restricted cash is booked as a non-current asset.

5. Property Plant & Equipment

<i>(In USD 1000')</i>	Un-audited
1st January 2023	153,520
Additions	2,363
Depreciation	-12,109
31st December 2023	143,773

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

The Company did not identify any impairment indicators per Q4 2023.

6. Cash

<i>(1.000 USD)</i>	2023	2022
Cash and bank deposits	6 135	2 299
Restricted cash	7	0
Cash and cash equivalents in the balance sheet	6 142	2 299

* Restricted cash relates to tax withholding account

7. Claims and contingencies

Reference is made to note 18 in the annual report for 2022. Throughout 2023 no development nor communication from the tax authorities have occurred.