

Pareto Securities' Energy Conference  
Introduction to Akastor

September 2021



# Akastor at a glance



Listed investment company established in 2014 with a portfolio of industrial and financial holdings



Flexible mandate for active ownership and long-term value creation in the oilfield services sector





Current portfolio consists of 8 companies with a total Net Capital Employed of NOK 5.2 billion as of 2Q 2021







Conducted 15 transactions which of 7 was divestments with a total transaction value of ~USD 630 million

# Akastor portfolio composition

## Industrial investments

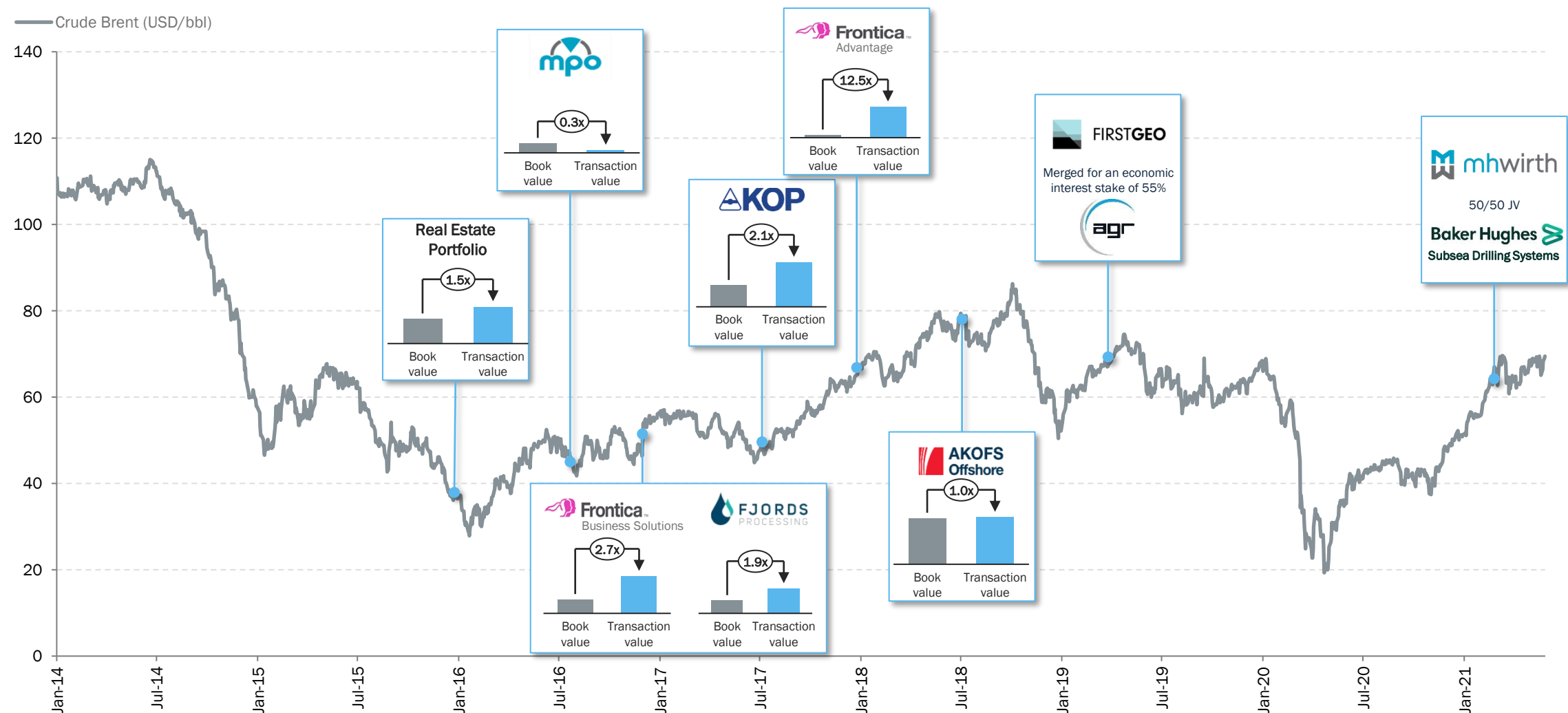
	Leading global provider of first-class drilling systems, products and services	100% <sup>1)</sup>
	Global provider of subsea well construction and intervention services	50%
	Global provider of well design and drilling project management, HSEQ, reservoir and field management services	64% <sup>2)</sup>
	Supplier of vapour recovery technology, systems and services to O&G installations	100%

## Financial investments

	Global manpower specialist within Oil & Gas, ICT, Renewables, Chemicals, Mining, Life Sciences, Automotive and Construction sectors	~ 15% <sup>3)</sup>
	International drilling, well service and engineering company	USD 75m preferred equity
	Company owning 5 mid-sized AHTS vessels	100%
	North Sea Drilling Contractor	5.6%

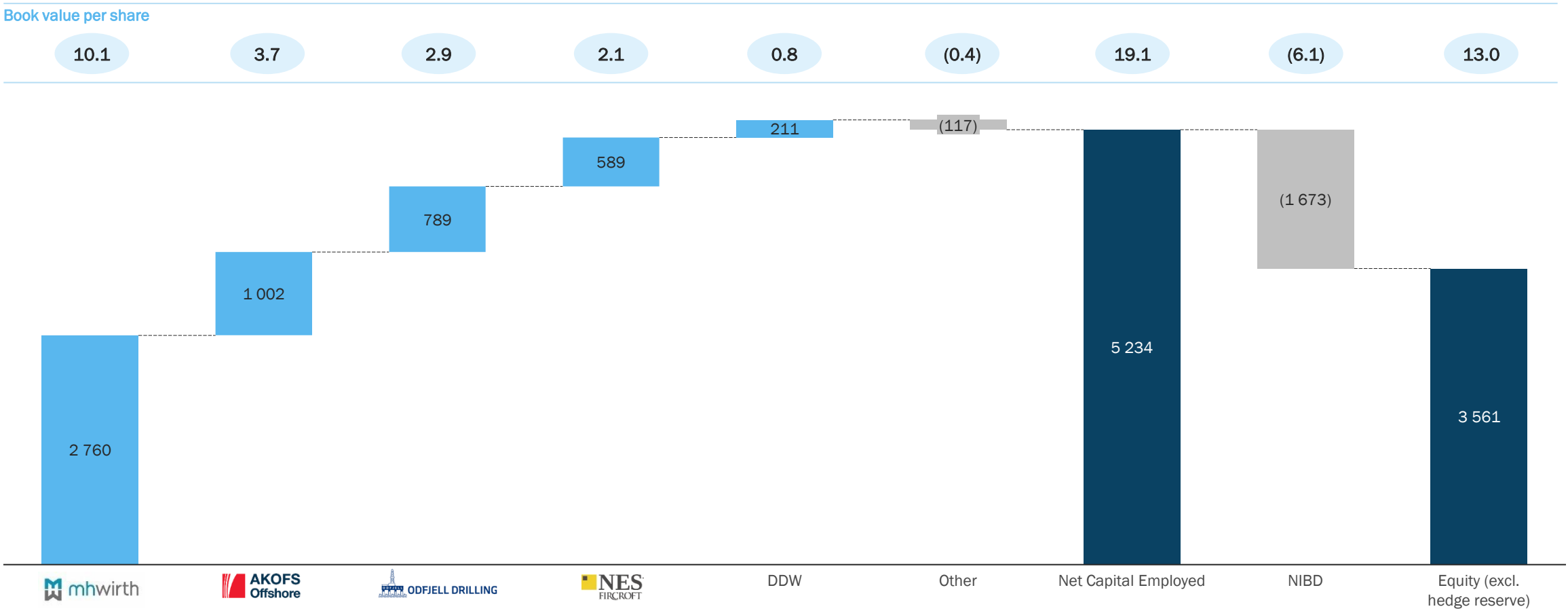
1) Pending on closing the 50/50 JV with Baker Hughes' Subsea Drilling Systems division  
 2) Economic interest | 100% legal ownership  
 3) Economic interest

# Akastor has a track-record of divesting most companies above book value in a volatile O&G market



# Our capital employed consist of mainly four investments

Net Capital Employed as per 2Q 2021 (NOK million)



# Ownership agenda and key value drivers for our main portfolio assets



## Ownership agenda:

- Successful integration of NewCo – combining Baker Hughes' SDS division with MHWirth
- Execute combined strategy
- IPO

## Key value drivers:

- Reactivation of stacked rigs driving service and product revenue
- Increased focus on digital and automation solutions driving sale of new products and services including reducing CO2 footprint
- Value enhancing M&A transactions



## Ownership agenda:

- Secure order backlog and explore strategic initiatives

## Key value drivers:

- Secure high revenue utilization on all vessels
- Increased Light Well Intervention activity (P&A, XT installations, and intervention operations)
- Opportunistically pursue growth and structural opportunities



## Ownership agenda:

- Maximize return on instrument (preferred equity + warrants)

## Key value drivers:

- *Preferred payments*: continued strong order backlog and modest leverage
- *Warrants*: improved rig fundamentals



## Ownership agenda:

- Continue to grow the company organically and through M&A to maximize value at exit

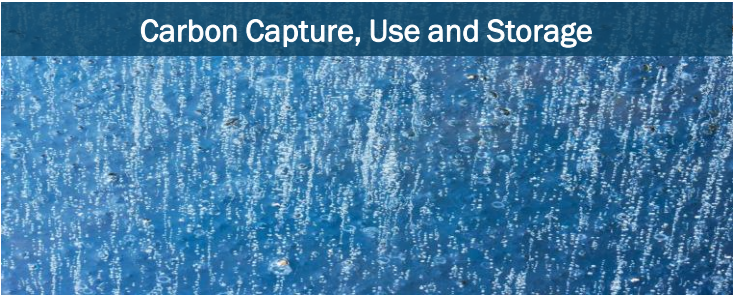
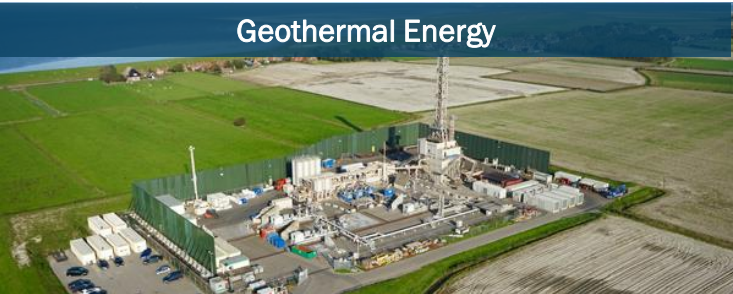
## Key value drivers:

- Demand for specialized contractors in industries such as Renewables, Oil & Gas, Life Sciences

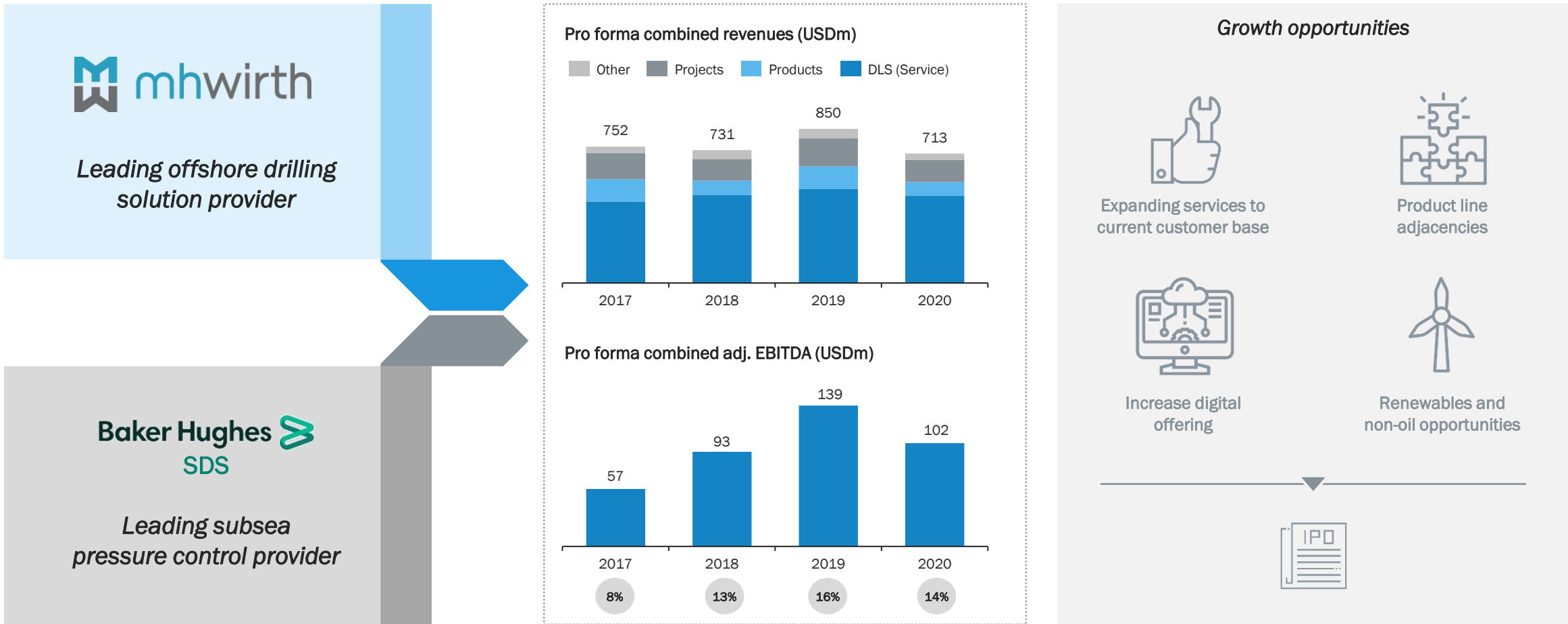


# We will use our role as an active responsible owner, to ensure our portfolio companies develops new technology and capabilities for the energy transition

Selected energy transition & non-oil capabilities/opportunities:



# Creating a premier drilling solutions providers through our new JV



Leading drilling solution company with integrated delivery capabilities, financial strength, and flexibility to address full range of customer priorities



# Illustrative roadmap for realizing our investments and capital allocation priorities

## FINANCIAL INVESTMENTS



ODFJELL DRILLING



## STRUCTURAL SOLUTIONS / M&A



## SEPARATE LISTING



DEBT REPAYMENT

DISTRIBUTION TO SHAREHOLDERS (CASH OR SHARES)

# Key investment highlights



1

Portfolio companies with leading positions, well positioned for recovery of the oil service market and new opportunities in renewables

2

Value creation through active ownership and solid industrial know-how, combined with strategic, operational and financial measures

3

Proven track record of unlocking value potential

4







Capital discipline securing financial strength and flexibility



# Appendix


# Global leader of integrated drilling solutions and services

## MHWirth at a glance

 HQ in Kristiansand (Norway)	 ~1,600 employees	 Strong engineering capabilities with >40 yrs. experience
 Facilities in 19 countries and 37 locations	 500+ installations with MHW equipment	 In-house developed software for digital drilling solutions

- Global provider of integrated drilling solutions and services with world class technology, leading engineering and project management capabilities
- Delivered ~25% of all offshore drilling packages for floaters between years 2000 and 2018 (86 full package offshore rigs)
- ~1,600 professionals covering five continents in 19 countries and 37 locations, HQ in Kristiansand (Norway)
- MHWirth is 100% owned by Akastor ASA, a publicly listed oil service investment company and part of the Aker Group of companies

## Key offering

MHWirth				Frontica ENGINEERING	STEP OILTOOLS
					
<b>Drilling Rig Packages</b>	<b>Drilling Equipment</b>	<b>DLS</b>	<b>Digital Technology</b>	<b>Engineering services</b>	<b>Drilling Waste Mgmt.</b>
Complete drilling rig packages; Design & Project Execution	Product deliveries to offshore, onshore and non-oil (e.g. mining & civil)	Aftermarket service, spare parts, overhaul and training to global rig fleet	Digital solutions/software for enhanced drilling efficiency	Feasibility, concept, FEED and detailed engineering for the offshore industry	Drilling Waste Management products and services

Oilcos						
Rigcos						
Yards						












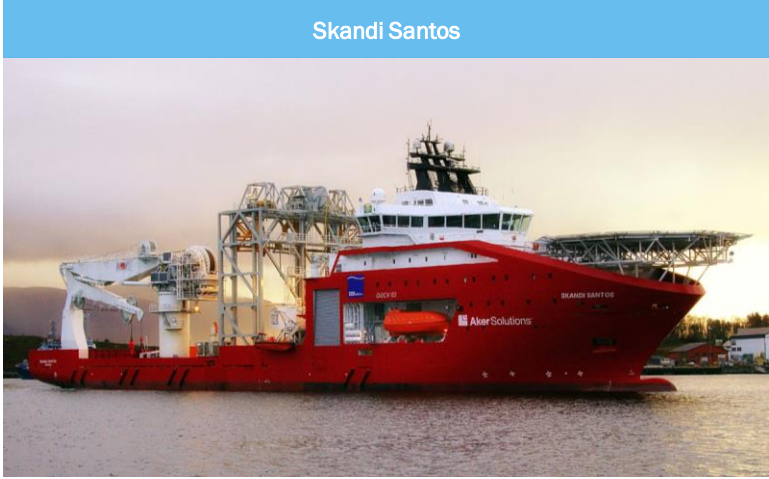
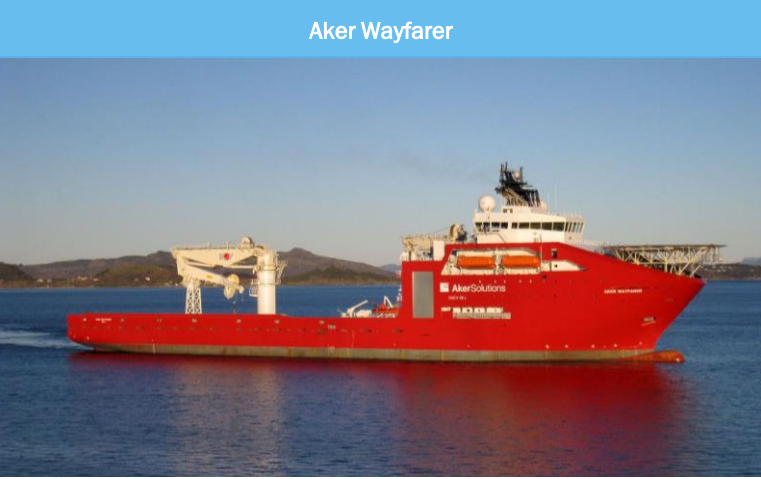
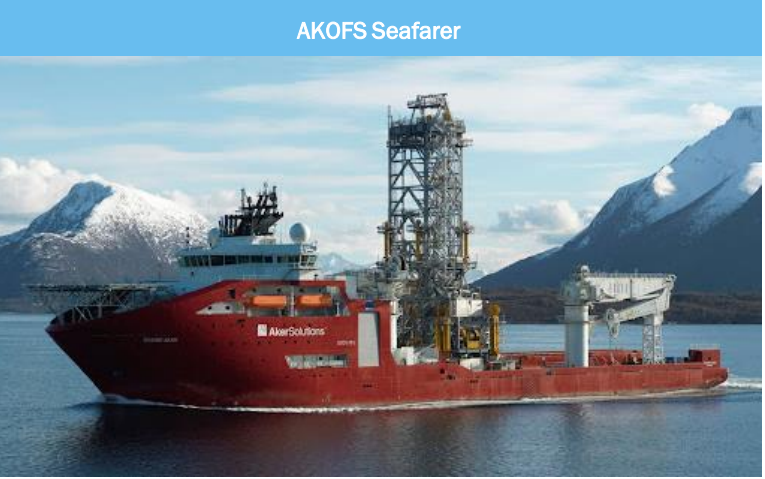
# International offshore energy services company, with focus on subsea well construction and well intervention services

## AKOFS Offshore at a glance

- AKOFS Offshore is a global provider of vessel-based subsea well construction and intervention services to the O&G industry
- Operates a fleet of 3 state-of-the-art vessels with Subsea Intervention and Well Intervention topsides
- ~300 employees of which ~50 are onshore
- HQ in Oslo with operations in Stavanger and Macaè (Brazil)
- Akastor owns 50% of the JV together with Mitsui & Co and MOL

## Fleet overview

Vessels	Loc.	2019	2020	2021	2022	2023	2024	2025
 AKOFS Seafarer								
			 +3 years option					
 Aker Wayfarer								
							5 years option	
 Skandi Santos								
								



# Global provider of specialty workforce management solutions

## NES Fircroft at a glance

- World's leading engineering staffing provider spanning the Oil & Gas, Power & Renewables, Infrastructure, Life Sciences, Mining, Automotive and Chemicals sectors worldwide
- More than 35 years heritage, and currently employs more than 2,000 specialist staff and discipline specific consultants at 121 offices in 45 countries
- NES can offer a full range of staffing solutions: Contract, Permanent (Direct) Hire, Managed Solutions, or outsourced service
- Akastor's ownership is ~15%



### Contract Engineering

*Search, placement and ongoing support of contract engineers*

*NES charges a margin on contractors' salary*



### Managed Solutions

*Outsourced, exclusive global recruitment services*

*NES' offering includes recruitment process outsourcing, global mobility and consultancy*



### Permanent Placement

*Engineering positions filled on a permanent basis*

*Charge one-time fee of the engineer's annual salary*

## Network of 121 global offices

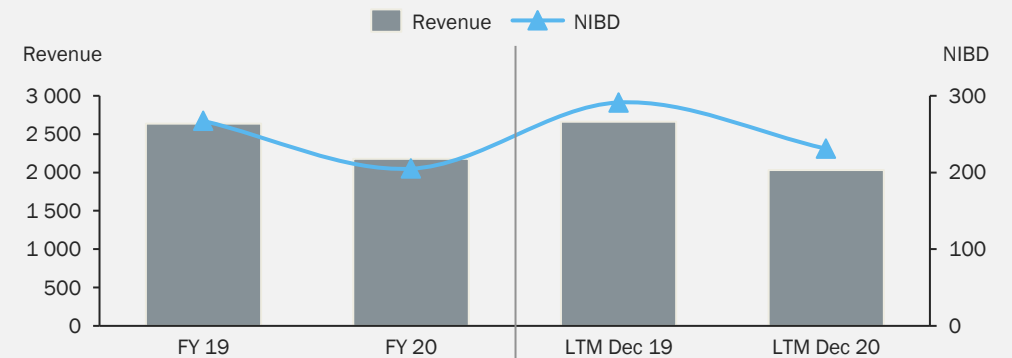
*Global organization with local client touch-points through a network of 121 global locations in 45 countries*

*Strategically located in most attractive specialist engineering markets*

*2 000+ dedicated staff*







### Key Financials\*




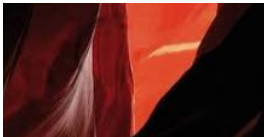


\*year-end 31 October

## AGR at a glance

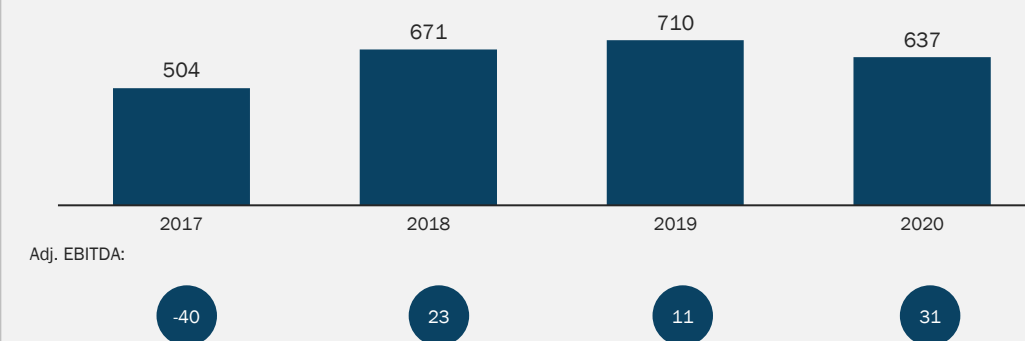
HQ in Oslo, Norway			~300 employees
Global reach with offering through offices worldwide			More than 530 well projects spanning 6 continents

- AGR is the leading well design and drilling project management, HSEQ, reservoir and field management service company delivering solutions for the entire field life cycle
- AGR has more than a decade of experience and is a credible and attractive service provider for E&P companies
- AGR is present in all major oil hubs with over ~300 employees and offices in Norway, UK, Australia, US and Dubai

## Key offering

			
<b>Well Management</b>	<b>Reservoir Management</b>	<b>Consulting</b>	<b>Software and other services</b>
World largest independent well management group with ability to deliver complete well management services	Independent reservoir management advice and unique products such as Multi-Client Regional Studies	Recruitment and consultancy solutions in the form of single placement of experienced drilling and engineering personnel	Proprietary in-house developed WM software and other services such as Operational HSEQ, TRACS training and Facilities solutions

### Revenues and EBITDA (NOKm)\*



\*Pro forma AGR and First Geo

## Cool Sorption at a glance

- Cool Sorption is engaged in the design and engineering of Vapour Recovery Units (VRUs) and offers a range of pre-designed systems covering a full compliment of capacities
- More than 35 years of experience and a record covering more than 300 units installed worldwide
- Around 30 employees, with headquarters in Copenhagen, Denmark

## Customer base comprising well known oil majors



## Key product offering



### VRU systems

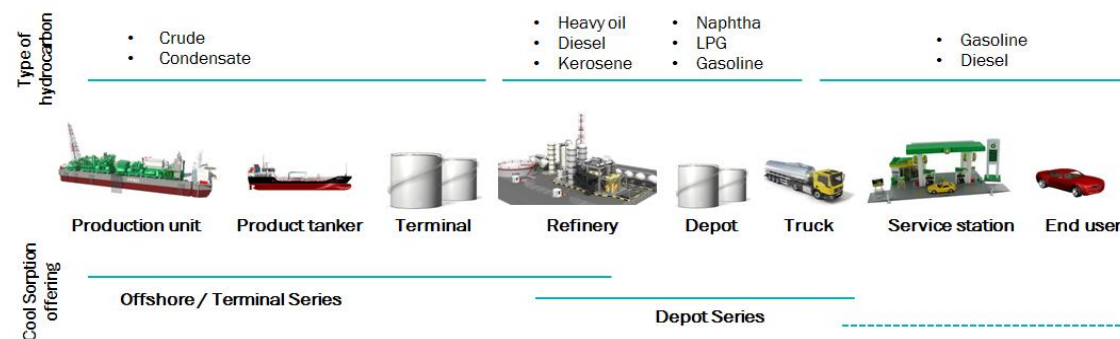
Standardized VRU solutions for smaller oil depots, larger ship or truck loading installations or complete customized systems for complex applications



### Services

Range of extensive after-sales service offerings for all types of vapour recovery units, as well as brownfield solutions and studies

Wherever regulation is in place, VRUs are required throughout the oil production chain





## Preferred equity structure

### Instrument description:

- 5% cash dividend + 5% PIK per annum (semi-annual payment)
- Call price: 125% year 2, 120% year 3, 115% year 4, 110% year 5, 105% year 6, 100% thereafter
- Cash dividend step-up: 8.0% p.a. from year 7 and an additional 1.0% step-up per year until a maximum cash dividend of 10.0% p.a.
- Commitment fee of USD 5.75 million paid in 2Q 2019
- Certain rights and covenants<sup>1)</sup> in favor of Akastor

### Instrument payment profile:

USDm	2018e	2019e	2020e	2021e	2022e	2023e	2024e	2025e	2026e
Cash Dividend	2.2	3.9	4.1	4.3	4.5	4.8	8.0	9.5	11.0
Acc. PIK	77.2	81.1	85.2	89.5	94.1	98.8	103.8	109.1	114.6
Call price incl. PIK		99.9	100.2	100.8	101.6	102.6	103.8	109.1	114.6
<i>Dividend</i>	5 %	5 %	5 %	5 %	5 %	5 %	8 %	9 %	10 %
<i>PIK interest</i>	5 %	5 %	5 %	5 %	5 %	5 %	5 %	5 %	5 %
<i>Call price</i>	n.a.	125 %	120 %	115 %	110 %	105 %	100 %	100 %	100 %

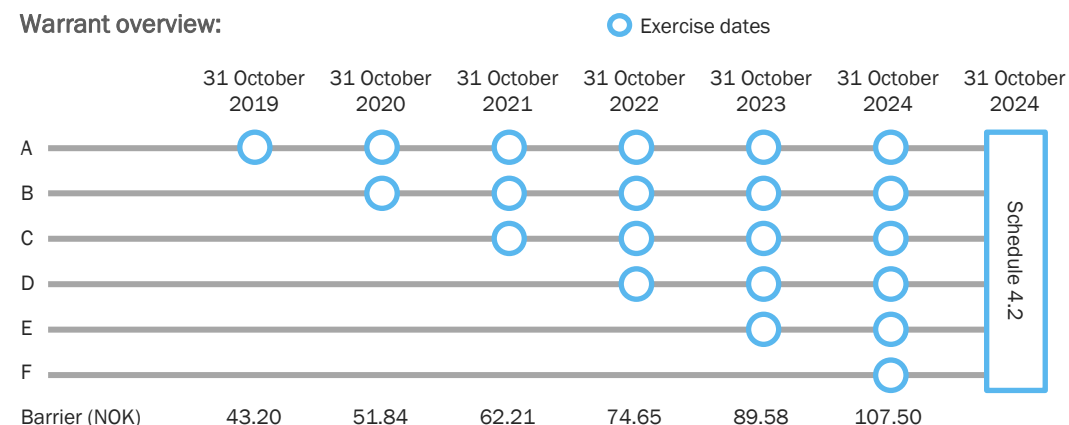
<sup>1)</sup> The agreement contain several covenants, including but not limited to an obligation not to pay dividends or other distributions exceeding 50% of the net profit from the preceding year (unless a similar portion of the preference capital is repaid prior to the distribution), and in any case not pay dividends or make distributions after year 6. Also the agreement includes a change of control covenant pertaining to restructurings with the effect that Odfjell Partner's shareholding falls below 25%

## Warrant structure

### Instrument description:

- The total warrant issue comprise six tranches with 987,500 warrants per tranche, amounting to a total 5,925,000 warrants. Furthermore, one warrant can be exercised for one share (1-to-1 ratio) for a price of USD 0.01 per share. Maximum number of share allocation if share price in ODL has increased with 20% p.a.

### Warrant overview:



- Schedule 4.2: If any warrants remain unexercised at the ultimate exercise date in 2024, the holder will receive a number of shares determined linearly according to:

$$\text{Remaining warrants} \times \frac{\text{Max}[(\text{Share price @ 31 May 2024}) - 36]}{(107.5 - 36)}$$

# Setting the ESG agenda through active, responsible ownership




- 1 Akastor works to ensure that its portfolio companies implement strategies to reduce adverse impact on the environment caused by their products or operations
- 2 Akastor ensure that portfolio companies focus on having a competent, diversified workforce that is able, motivated and healthy and enjoys good and professional working conditions
- 3 Akastor continuously follows up to ensure that the portfolio companies implement and adhere to Akastor's governance expectations and Code of Conduct

Akastor support all UN Sustainable Development Goals, and has identified the goals 8, 12, 13 and 16 to be the main focus areas. More information can be found in Akastor's Corporate Responsibility report 2018.



# Selected transactions since inception in 2014

<p>March 2021</p>  <p><b>Baker Hughes</b> Subsea Drilling Systems</p> <p>50% JV between MHWirth and Baker Hughes' SDS division</p>	<p>October 2020</p>  <p>Restructuring and 50% acquisition of shares from DOF ASA</p>	<p>September 2020</p>  <p>Merger with <b>FIRCROFT</b></p>	<p>June 2019</p>  <p>100% acquisition of <b>BRONCO</b></p> <p>USD 31.5m</p>	<p>April 2019</p>  <p>Merged for an economic interest stake of 55%</p> 	<p>September 2018</p>  <p>50% sale to</p>  <p>USD 142.5m</p>	<p>April 2018</p>  <p>Preferred equity investment</p> <p>USD 75m<sup>1)</sup></p>
<p>June 2017</p>  <p>100% sale to <b>WEHR</b></p> <p>USD 114m</p>	<p>December 2016</p>  <p>Merged for an initial equity stake of 15.2% in</p>  <p>NOK 400m</p>	<p>October 2016</p>  <p>100% sale to <b>NOV</b></p> <p>NOK 1,200m</p>	<p>October 2016</p>  <p>100% sale to  Cognizant</p> <p>NOK 1,025m</p>	<p>September 2016</p>  <p>Joint acquisition with</p>  <p>USD 66m<sup>2)</sup></p>	<p>October 2016</p>  <p>100% sale to <b>AFGlobal</b></p> <p>USD 10m<sup>3)</sup></p>	<p>November 2015</p> <p>Real Estate portfolio</p> <p>100% sale to </p> <p>NOK 1,243m</p>

1) Pref shares USD 75m + warrants 2) cash gain 3) Plus earnout of max USD 65m

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