

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

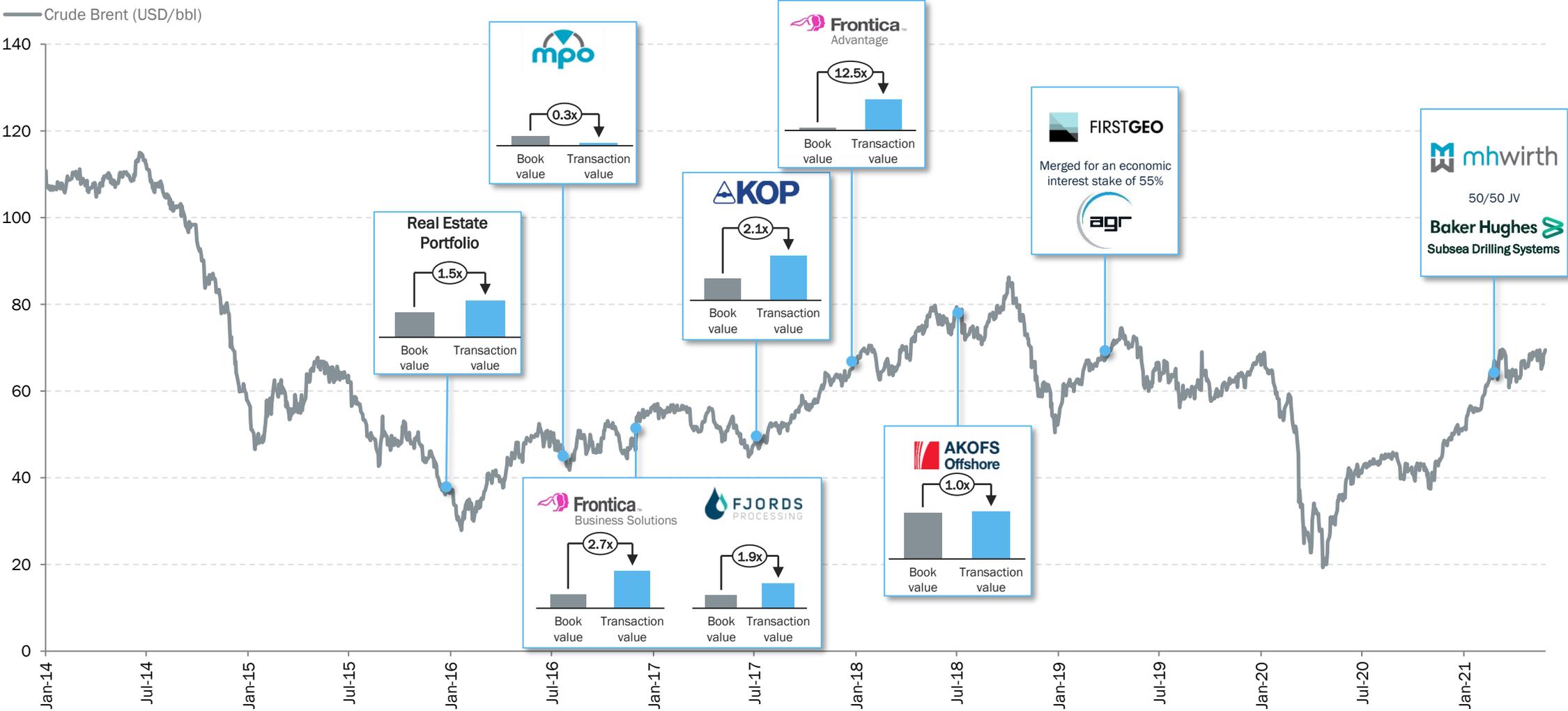
	<p>100%¹⁾ Leading global provider of first-class drilling systems, products and services</p>
	<p>50% Global provider of subsea well construction and intervention services</p>
	<p>64%²⁾ Global provider of well design and drilling project management, HSEQ, reservoir and field management services</p>
	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

Financial investments

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

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

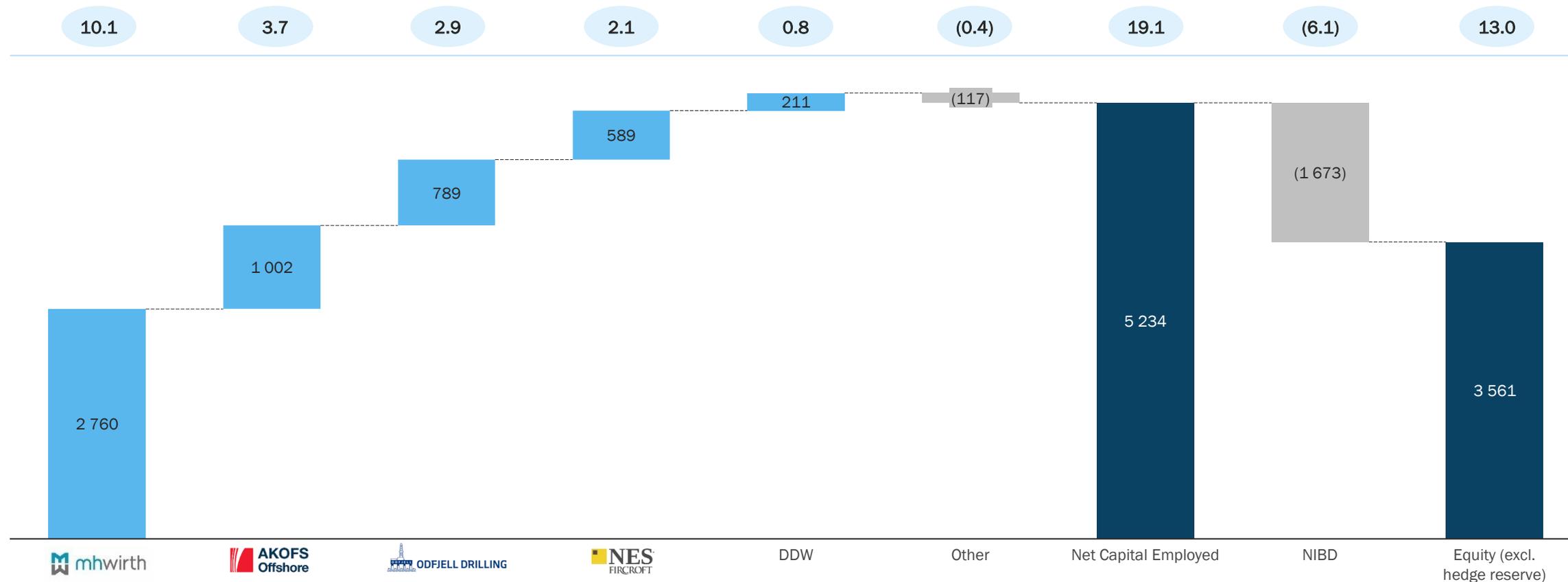
Akastor has a track-record of divesting most companies above book value in a volatile O&G market



Our capital employed consist of mainly four investments

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

Book value per share



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:



Offshore Wind Energy



Mining & civil construction



Digital Solutions





Offshore Wind Energy



Geothermal Energy



Carbon Capture, Use and Storage





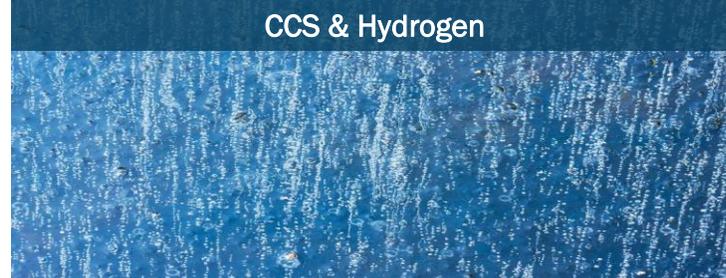
Offshore Wind Energy



Solar Energy



CCS & Hydrogen



Creating a premier drilling solutions providers through our new JV

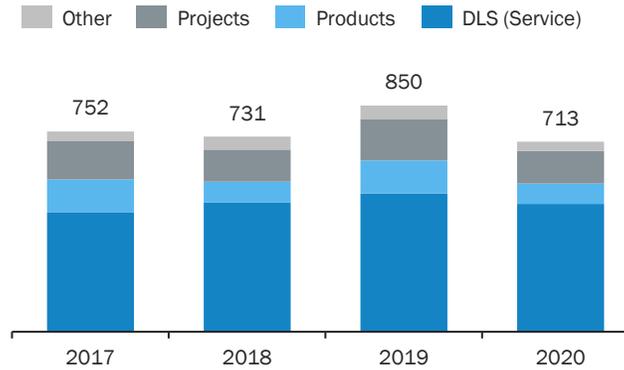


Leading offshore drilling solution provider

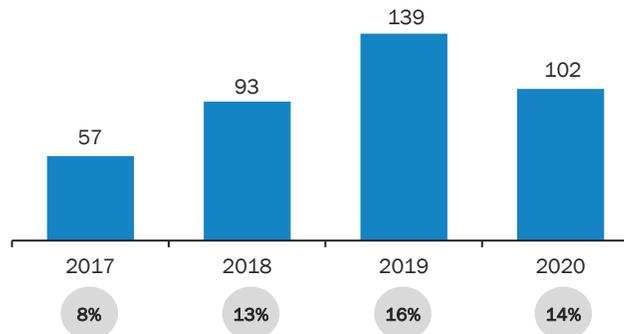


Leading subsea pressure control provider

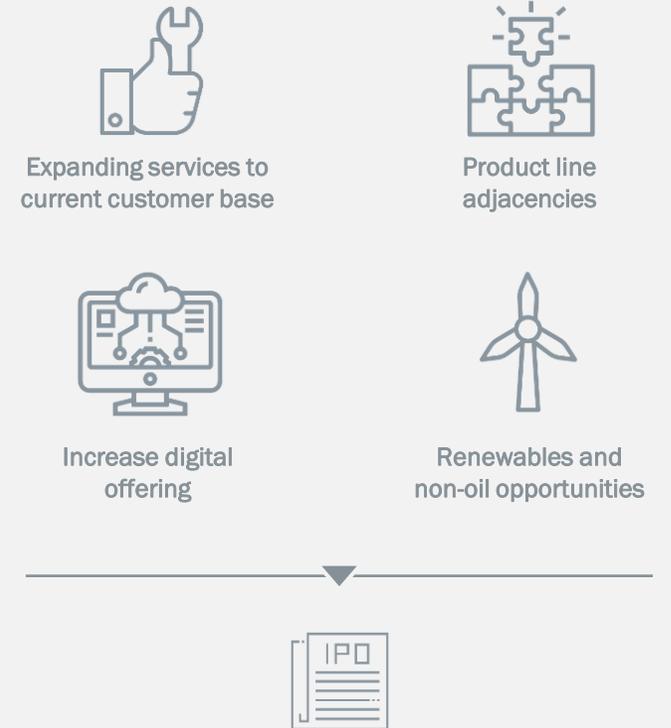
Pro forma combined revenues (USDm)



Pro forma combined adj. EBITDA (USDm)



Growth opportunities



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



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

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

- 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
					
Drilling Rig Packages	Drilling Equipment	DLS	Digital Technology	Engineering services	Drilling Waste Mgmt.
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								

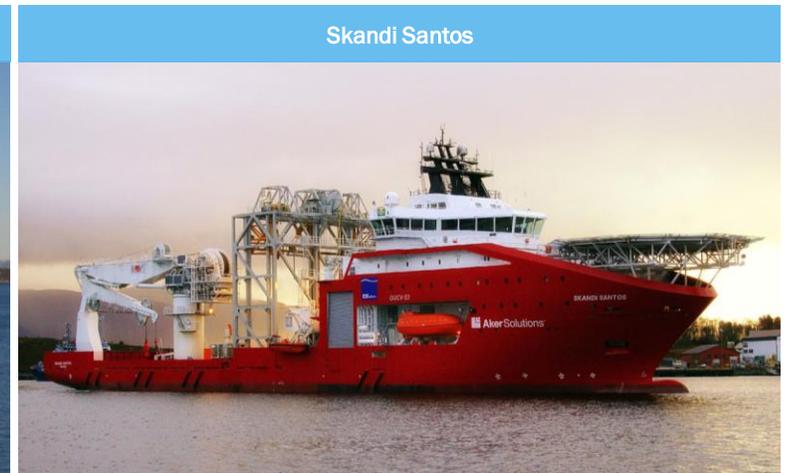
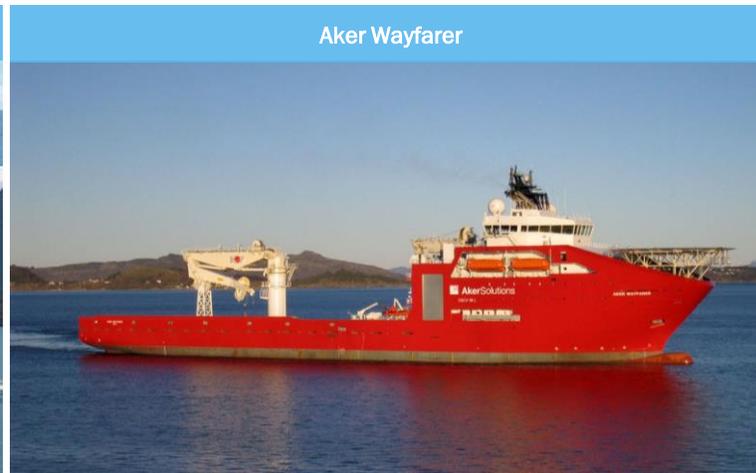
International offshore energy services company, with focus on subsea well construction and well intervention services

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									
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

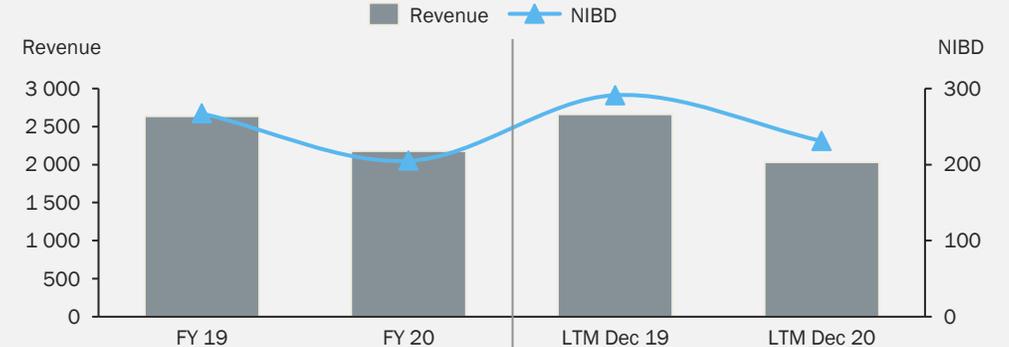
Global organization with local client touch-points through a network of 121 global locations in 45 countries

Strategically located in most attractive specialist engineering markets

2 000+ dedicated staff



Key Financials*



*year-end 31 October

AGR at a glance

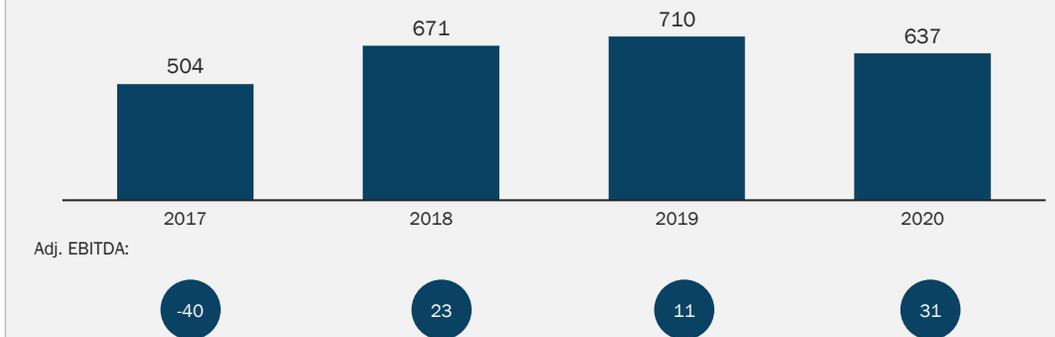
<p>HQ in Oslo, Norway</p> 	 <p>~300 employees</p>
<p>Global reach with offering through offices worldwide</p> 	 <p>More than 530 well projects spanning 6 continents</p>

- 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

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

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

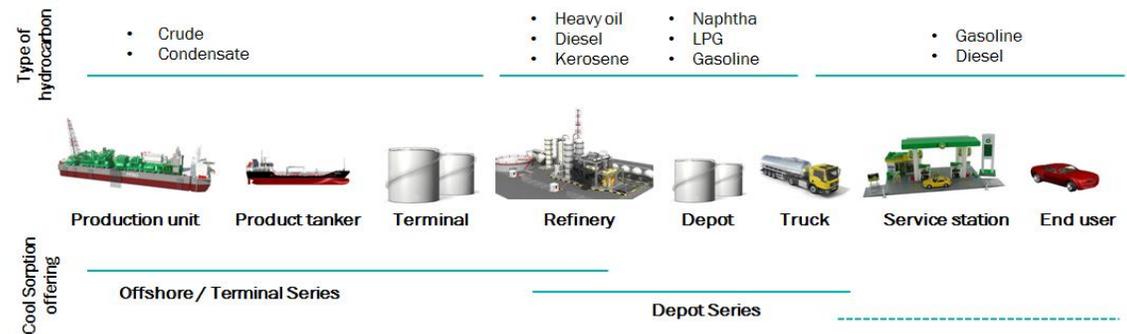
Standardized VRU solutions for smaller oil depots, larger ship or truck loading installations or complete customized systems for complex applications



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 covenants¹⁾ 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 %	8 %	9 %	10 %
<i>PIK interest</i>		5 %	5 %	5 %	5 %	5 %	5 %	5 %	5 %
<i>Call price</i>		n.a.	125 %	120 %	115 %	110 %	105 %	100 %	100 %

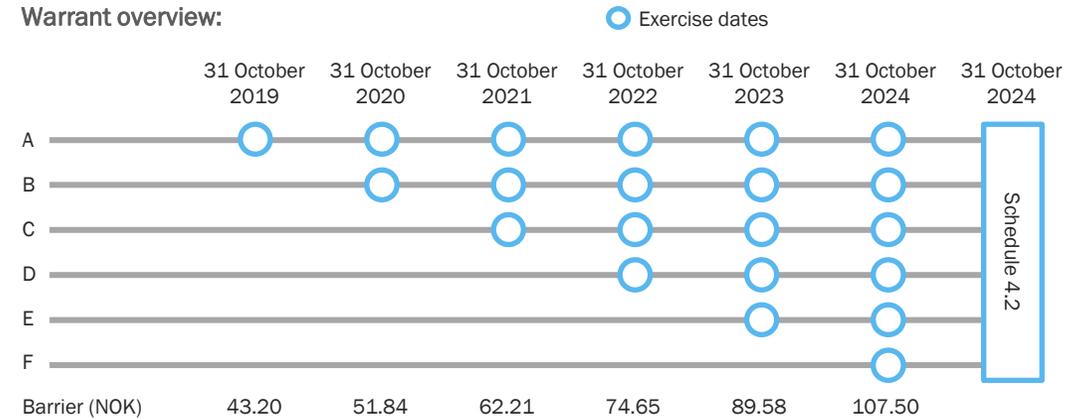
1) The agreement contain several covenants, including but not limited to an obligation not to pay dividends or other distributions exceeding 50% of the net profit from the preceding year (unless a similar portion of the preference capital is repaid prior to the distribution), and in any case not pay 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:

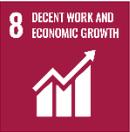
$$\text{Remaining warrants} \times \frac{\text{Max}[(\text{Share price @ 31 May 2024}) - 36]}{(107.5 - 36)}$$

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

March 2021



Baker Hughes 
Subsea Drilling Systems

50% JV between
MHWirth and Baker
Hughes' SDS division

October 2020



Restructuring and 50%
acquisition of shares
from DOF ASA

September 2020



Merger with
FIRCROFT

June 2019



100% acquisition of
BRONCO

USD 31.5m

April 2019



Merged for an economic
interest stake of 55%



September 2018



50% sale to

MITSUBI & CO.

USD 142.5m

April 2018



Preferred equity
investment

USD 75m¹⁾

June 2017



100% sale to
WEHR

USD 114m

December 2016



Merged for an initial
equity stake of 15.2% in


NOK 400m

October 2016



100% sale to
NOV

NOK 1,200m

October 2016



100% sale to
 Cognizant

NOK 1,025m

September 2016



Skandi Santos

Joint acquisition with

MITSUBI & CO.

USD 66m²⁾

October 2016



100% sale to
AFGlobal 

USD 10m³⁾

November 2015

Real Estate portfolio

100% sale to


NOK 1,243m

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

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