

Pareto Securities' Energy Conference  
**Introduction to Akastor**

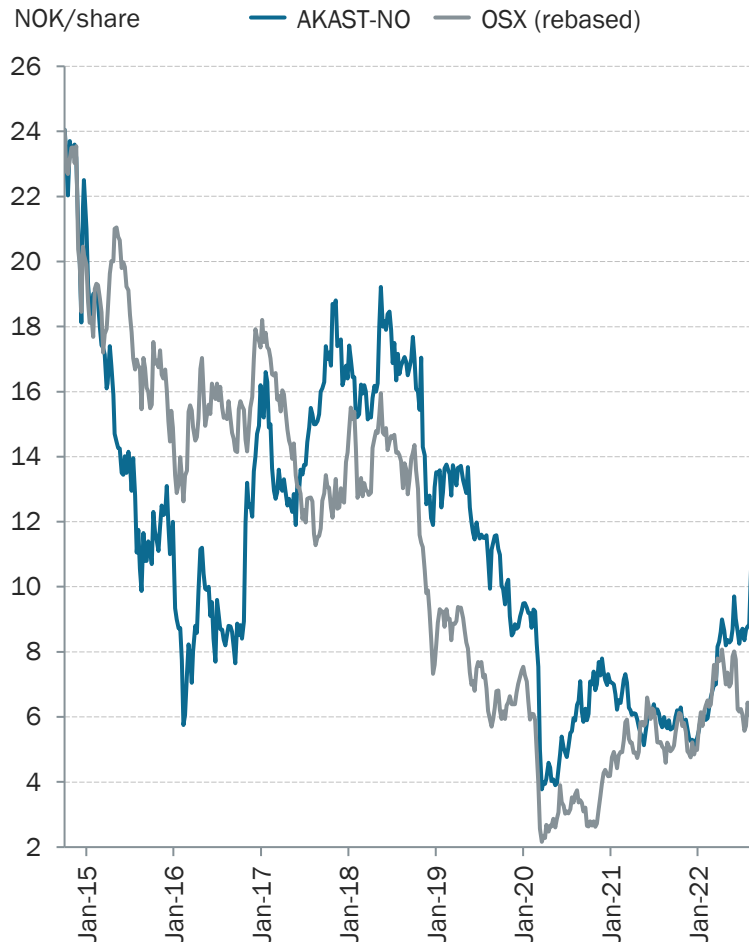
Karl Erik Kjelstad | CEO

14 September, 2022



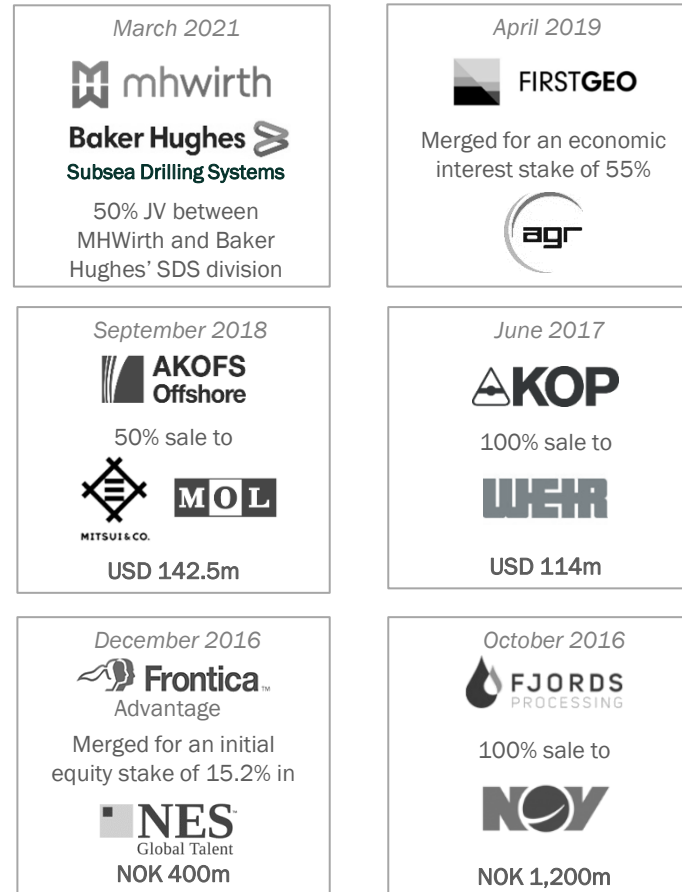
# What has happened since inception?

Share price has traded in line with the sector and rebounded strongly during the last 2 years...



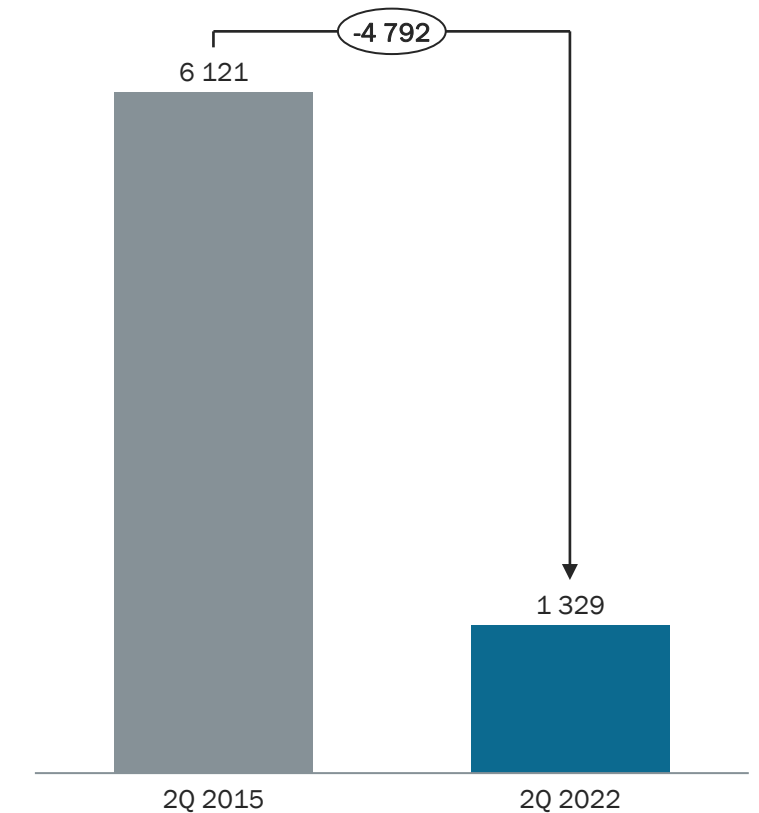
...we have made >15 value enhancing transactions and divested companies above BV...

Selected transactions



...reducing our NIBD with ~NOK 4.8bn from peak

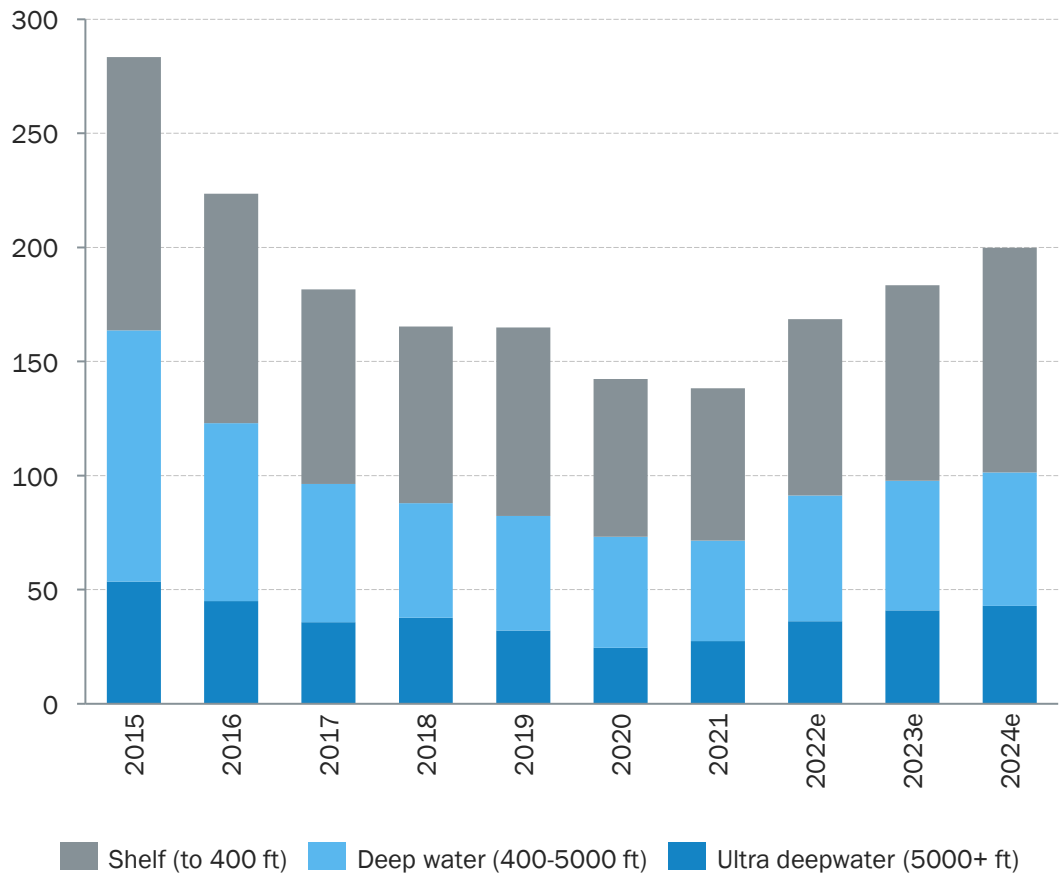
NIBD (NOKm)



# Market fundamentals continue to improve

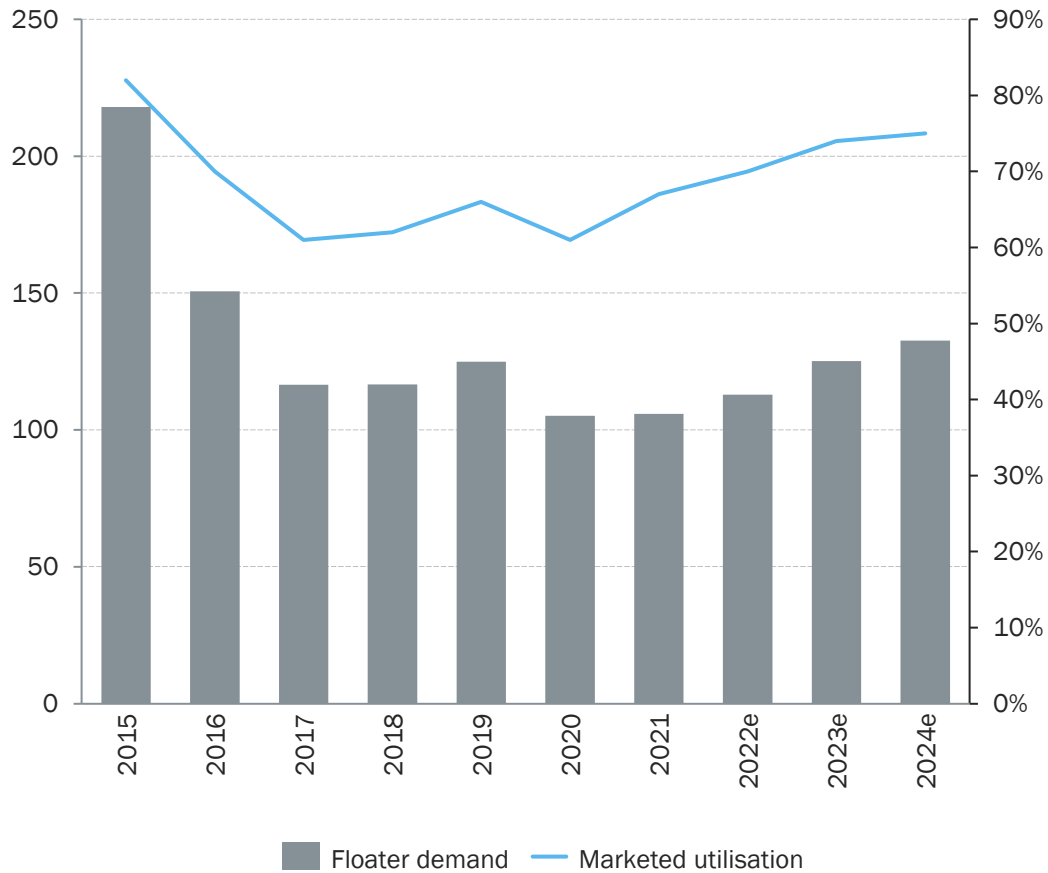
## Offshore spending on the rise...

Global offshore upstream capex, USDbn



## ...and offshore rig activity is increasing

Floater demand (left) vs marketed utilization (right)



# Portfolio of industrial and financial investments

## Industrial investments

Global full-service offshore and onshore drilling equipment and service provider  
50%<sup>1)</sup>

Global provider of subsea well construction and intervention services  
50%

Multi-disciplinary engineering consultancy and software provider with roots in reservoir and well management  
64%<sup>2)</sup>

Vapour recovery technology, systems and services to O&G installations  
100%

- 1) From October 1<sup>st</sup> 2021
- 2) Economic interest | 100% legal ownership
- 3) Economic interest
- 4) Carve out from MHWirth in connection with merger with Baker Hughes SDS to form HMH

## Financial investments

Global engineering staffing provider within multiple sectors  
~15%<sup>3)</sup>

International drilling, well service and engineering company  
USD 75m preferred equity (plus PIK dividends)

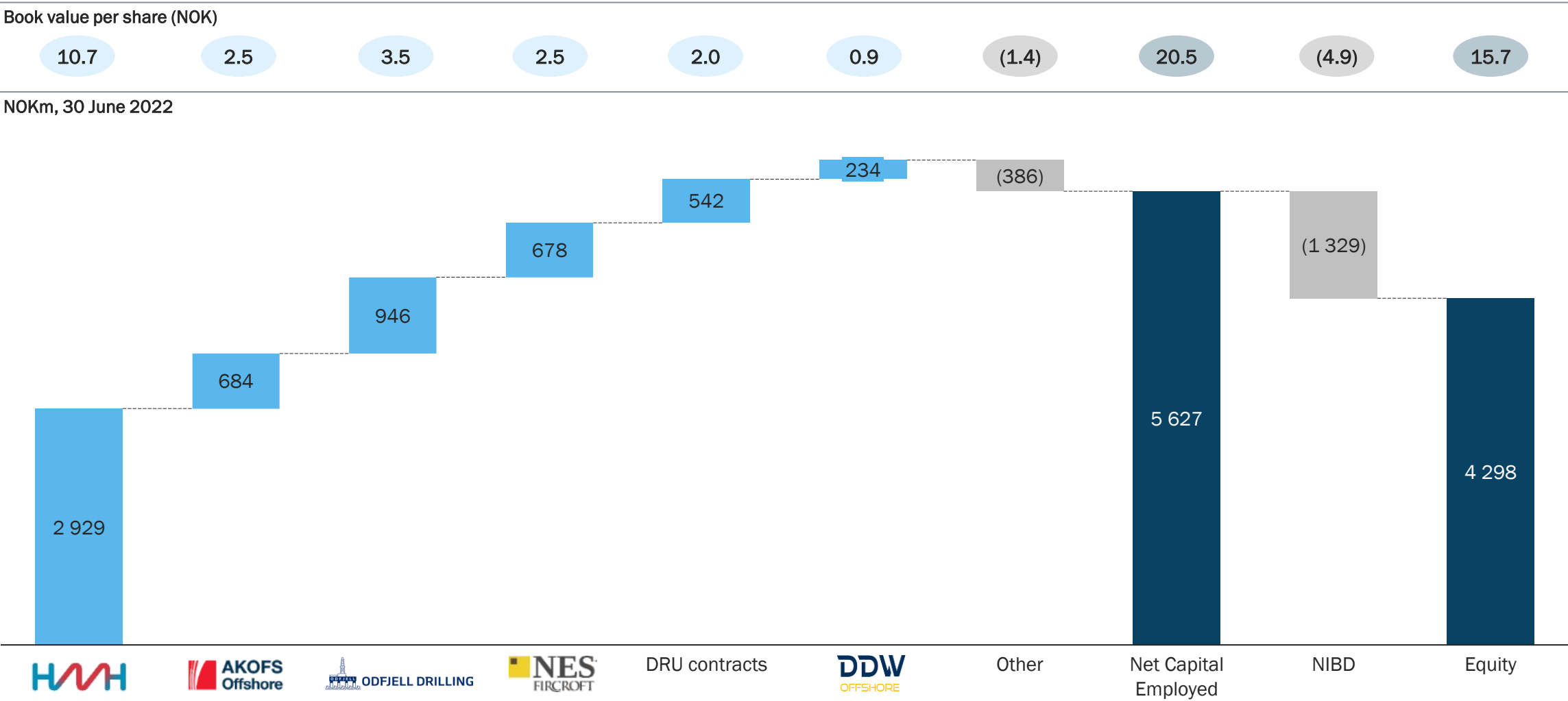
5 mid-sized AHTS vessels  
100%

North Sea drilling contractor  
6%

Financial interest in four drilling equipment contracts with Jurong Shipyard  
Full economic interest<sup>4)</sup>



# Net Capital Employed of NOK 5.6bn as of 2Q 2022



# HVH A global full-service offshore and onshore drilling equipment provider

## Company overview

### Key company highlights:



~2 100 own employees and contractors FTEs



Large installed base of 104 key offshore drilling rigs <sup>1)</sup>

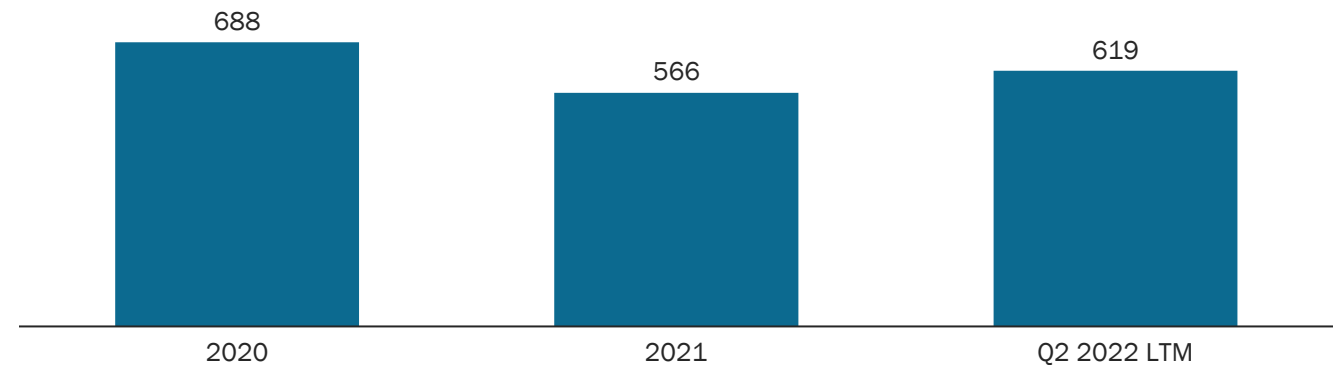


Operational headquarters in Kristiansand, Norway, and Houston, Texas

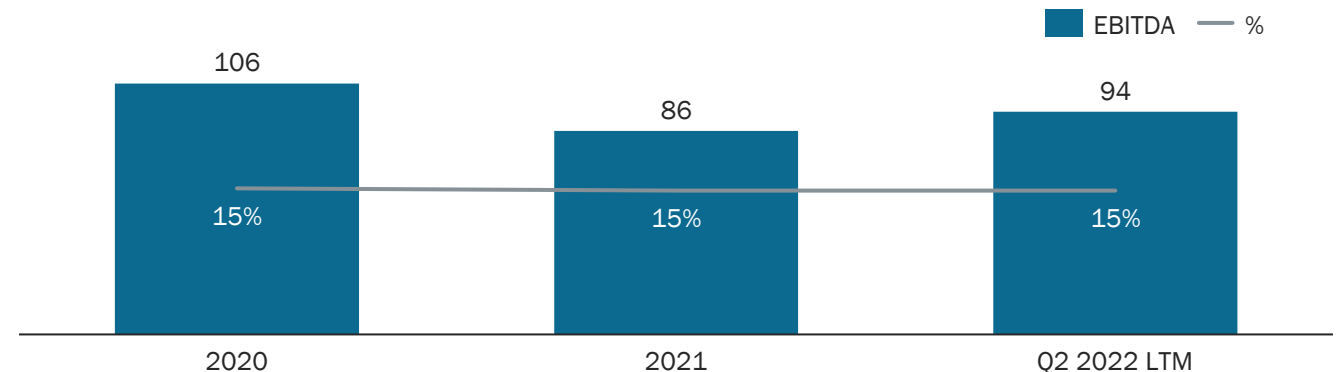


### Key financials (USDm)

#### Revenue <sup>2)</sup>



#### Adj. EBITDA <sup>2)</sup>



- 1) Key fleet rigs are those that have either a PCS Pure Stack (annular and floater) or ESS topside package. Excluding rigs under construction and cold stacked rigs  
2) Pro-forma financials, IFRS. EBITDA adjusted for costs that are not part of normal operations incl. merger related costs.



# HMH Significant recurring cash flow base

HMH services a young fleet comprising 104 key offshore drilling units<sup>1)</sup> with substantial remaining production life...



~75% of fleet younger than 15 years<sup>2)</sup>



HMH with presence on over 40% of the global floater fleet<sup>3)</sup>



Fixed platforms with on average over 20 years of production remaining<sup>3)</sup>

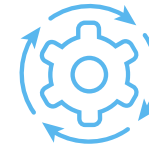
...driving substantial recurring lifecycle revenues

Construction (~3 years)



USD 155-190m  
(project size depending on scope)

Operational lifetime (20-30 years)



Annual service potential of ~USD 15m per rig (max)

Source: Company information

1) Key fleet rigs are those that have either a PCS Pure Stack (annular and floater) or ESS topside package. Excluding rigs under construction and cold stacked rigs; 2) Rig age computed using 2021 as current year (excluding cold stacked rigs); 3) Marketed floaters (excluding cold-stacked and rigs under construction). HMH presence defined as rigs equipped with a MHWirth Top Drive and/or rigs that have SDS RAM and Annual BOPs installed.

# HMH Ownership agenda and key value drivers

## Ownership agenda

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Successful integration



Execute combined strategy



IPO

## Key value drivers

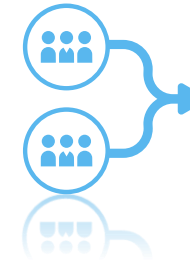
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Reactivations and upgrades of rigs



Technology and product development to increase automation and reduce carbon footprint



Value enhancing M&A



## Investment overview

### Ownership agenda:

- Secure delivery on order backlog through high utilization
- Explore strategic initiatives

### Key value drivers:

- Increased Light Well Intervention activity
- Opportunistically pursue growth and structural opportunities



### Key company highlights:



Operates two SESV vessels in Brazil on contract with Petrobras and one LWI vessel in Norway on contract with Equinor



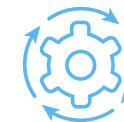
2Q 2022 LTM revenue and EBITDA of USD 151m and USD 41m, respectively



### Fleet of high specification and efficient subsea & well service vessels









Vessel-based subsea well construction and intervention services



Covering all phases from conceptual development to project execution and offshore operations

### Contract status

Vessels	Location / Customer		Contract end
AKOFS Seafarer			Q4 2025
Aker Wayfarer <sup>1)</sup>			Q4 2022 / H1 2027
Skandi Santos <sup>2)</sup>			Q4 2025

1) Expected commencement of new contract in H1 23 2) Expected commencement in fourth quarter 2022.

# Preferred equity instrument and warrant structure

## Investment overview



### Instrument description:

- 5% cash dividend + 5% PIK per annum (semi-annual payment)
- The total carrying amount of the preferred equity investment and warrant structure of NOK 946m as per end of 2Q 2022

### Ownership agenda:

- Maximize return on instrument

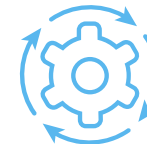
### Key value drivers:

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

### Key company highlights:



Fleet of 8 sixth generation drilling units



Long visibility and strong order backlog of USD 1.9bn



Q2 2022 LTM revenue and EBITDA of USD 615m and USD 294m, respectively

## Investment overview



### Ownership agenda:

- Grow organically and through M&A
- Maximize value at exit

### Key value drivers:

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

### Key company highlights:



~1 700 own employees and  
~23 000 contractors<sup>1)</sup>



Leading global provider of  
engineering workforce  
management solutions with 100+  
global offices

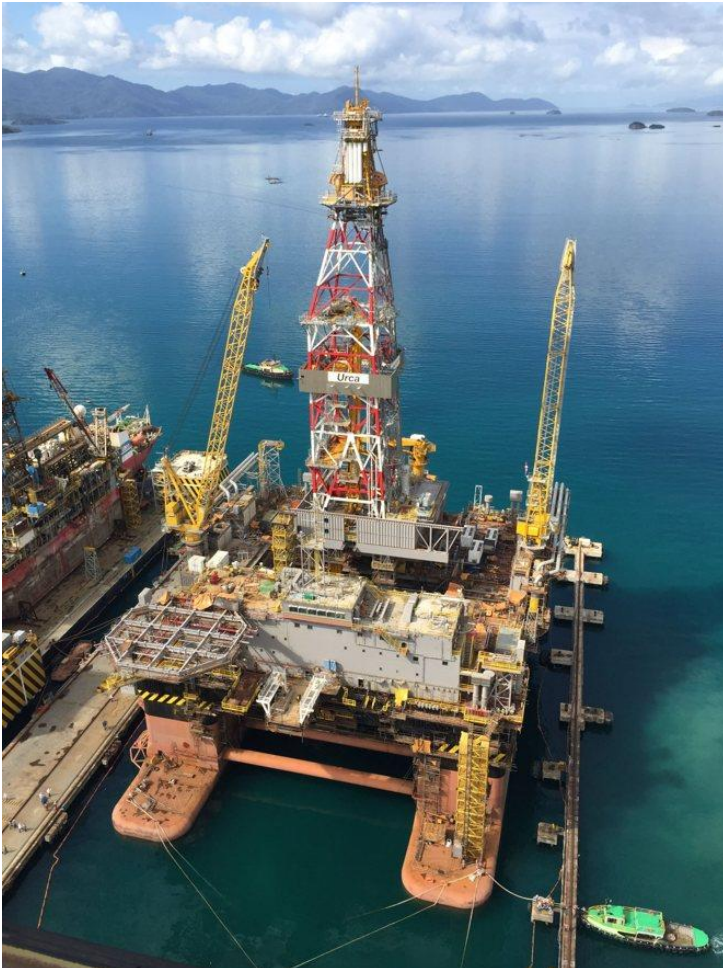


Focused on highly-skilled,  
specialized and mission-critical  
personnel

1) As of June 2022

# DRU: Full economic interest in four drilling equipment contracts

## Description



- Economic exposure related to the four DRU contracts towards Jurong Shipyard (Sete Brazil projects)
- The position was carved out from MHWirth in connection with the merger with Baker Hughes' SDS business
- Termination notice related to the contracts received in Q3 2021 and Q1 2022 after several years of suspension
- Dispute over termination fee referred to arbitration with final award expected H1 2023



# Key short to medium term priorities for Akastor



Monetize key  
financial  
investments

DRU  
contracts

Conclude DRU  
arbitration  
process



Timely listing  
of HMH

DEBT REPAYMENT

DISTRIBUTION TO SHAREHOLDERS (CASH OR SHARES)

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