

SB1M Energy Conference

Introduction to Akastor



AKASTOR

February 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 of industrial investments employs ~2 000 people globally and has a combined turnover of more than NOK 4.5bn



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%
	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% ¹⁾
	Supplier of vapour recovery technology, systems and services to O&G installations	100%

Financial investments

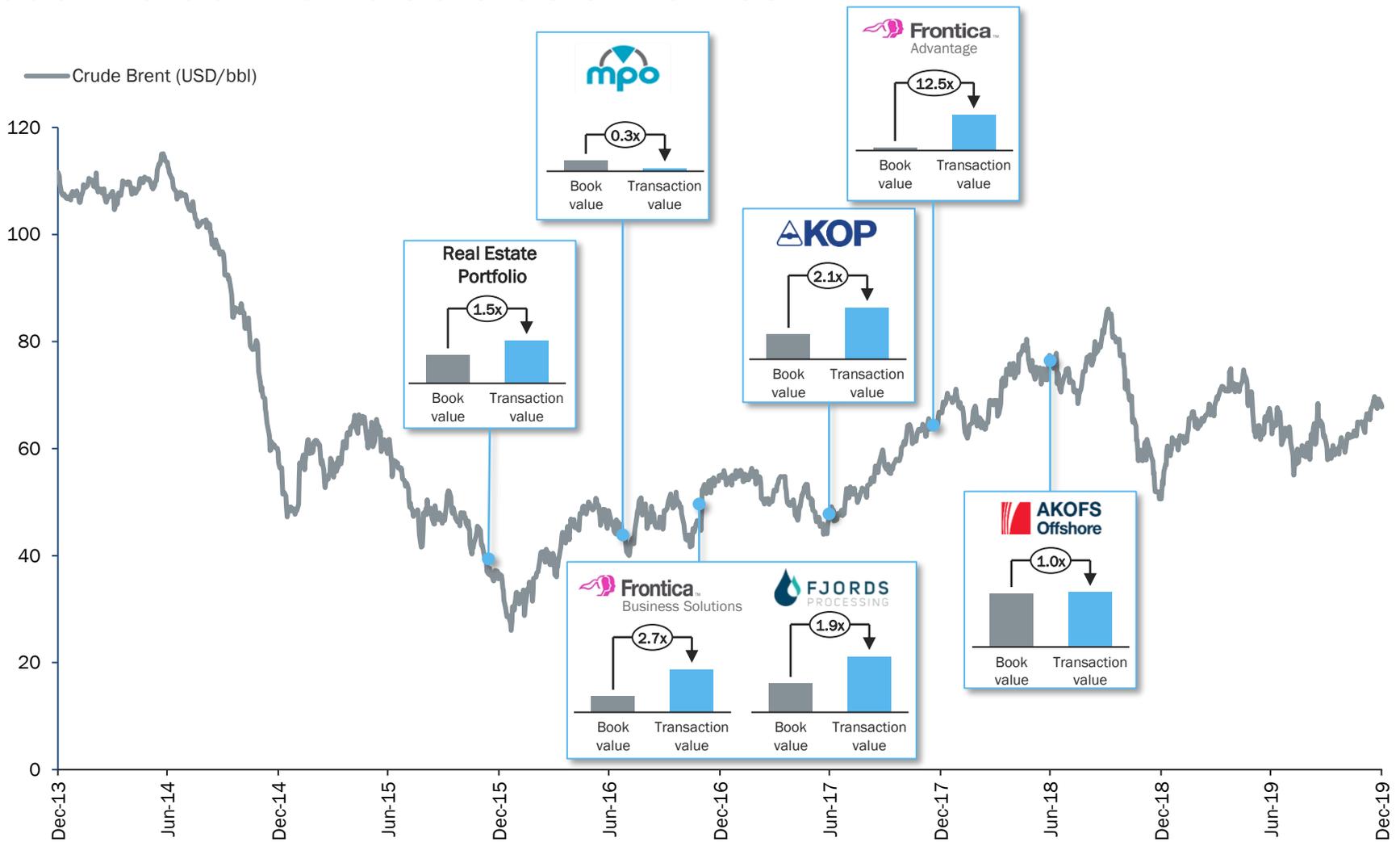
	Global manpower specialist within Oil & Gas, ICT, Renewables, Chemicals, Mining, Life Sciences, Automotive and Construction sectors	~ 15% ²⁾
	International drilling, well service and engineering company	USD 75m preferred equity
	Company owning 5 mid-sized AHTS vessels	100% ³⁾
	North Sea Drilling Contractor	5.6%

1) Economic interest | 100% legal ownership

2) Economic interest

3) As from October 9th, 2020

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

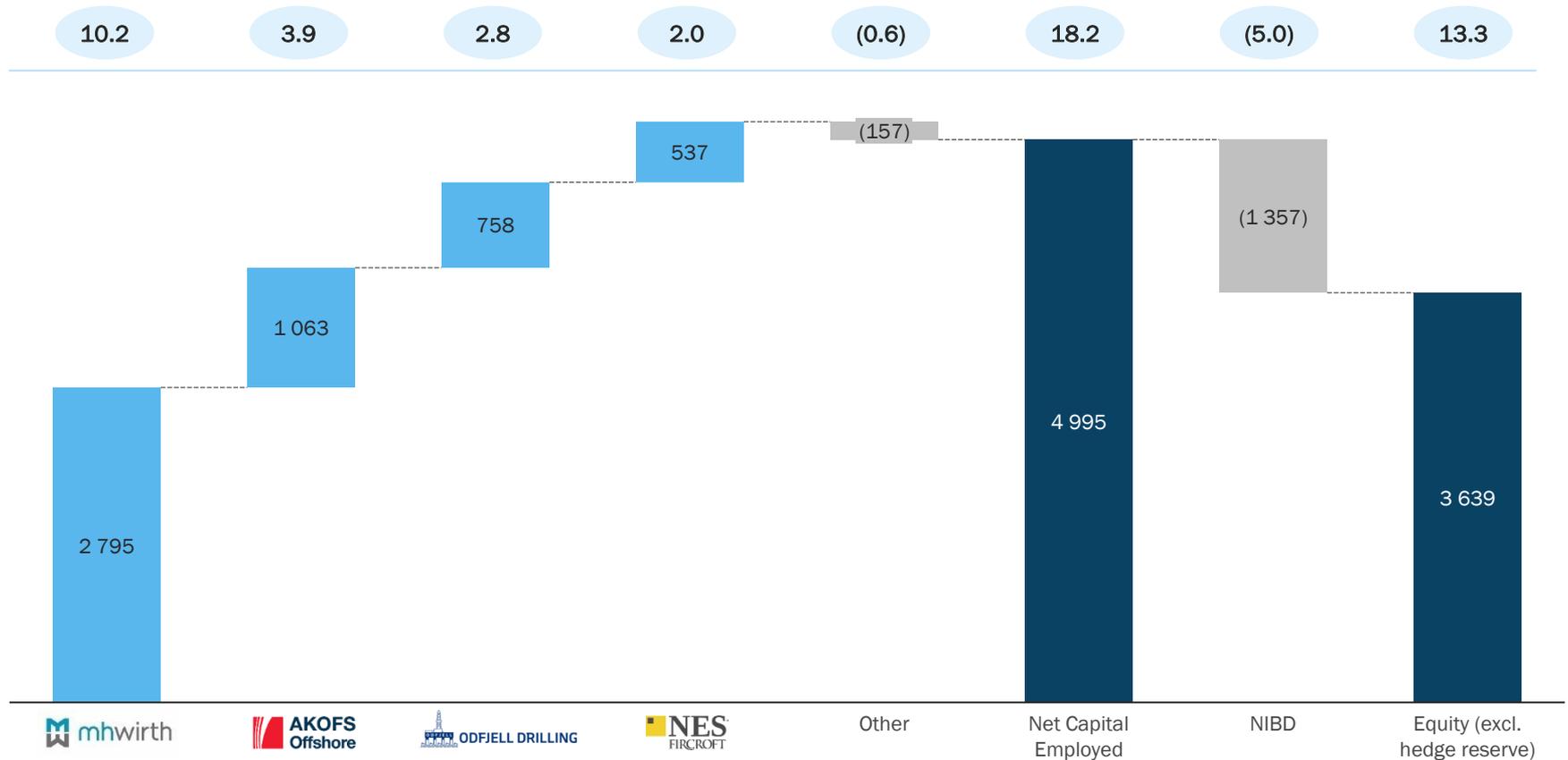


Note: values in NOK million

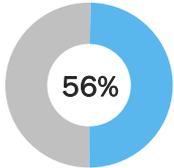
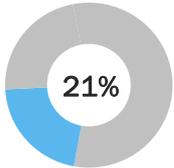
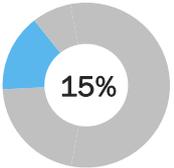
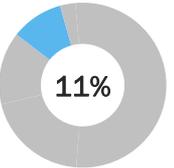
Our capital employed consist of mainly four investments

Net Capital Employed as per 4Q 2020 (NOK million)

Book value per share



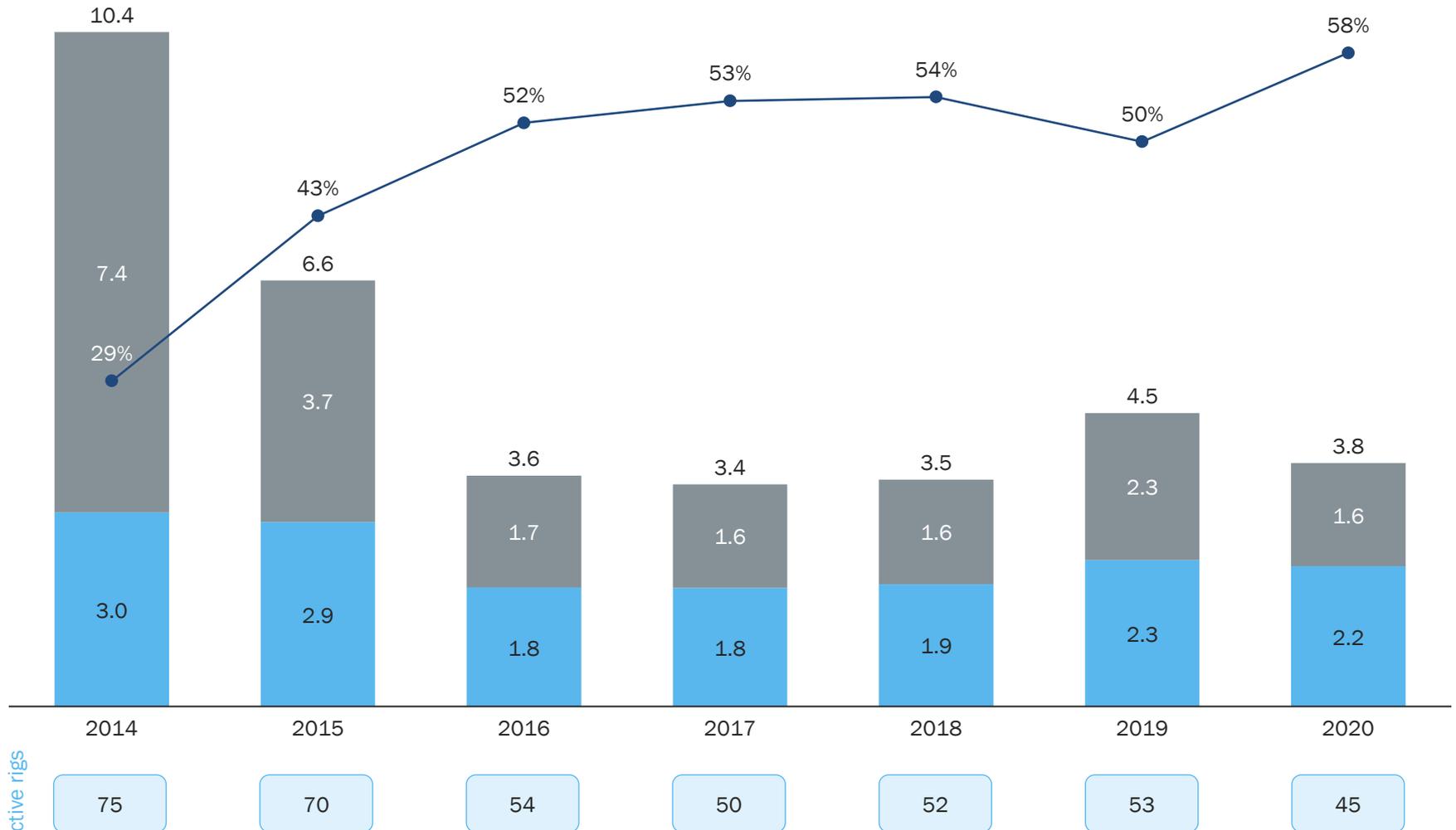
Key value drivers for our main portfolio assets

			
<p>NCE per 4Q 2020: NOK 2 795m</p>  <p>56%</p>	<p>NCE per 4Q 2020: NOK 1 063m</p>  <p>21%</p>	<p>NCE per 4Q 2020: NOK 758m</p>  <p>15%</p>	<p>NCE per 4Q 2020: NOK 537m</p>  <p>11%</p>
<p>Ownership agenda:</p> <ul style="list-style-type: none"> Buy-and-build strategy with targeted IPO 	<p>Ownership agenda:</p> <ul style="list-style-type: none"> Secure order backlog and explore strategic initiatives 	<p>Ownership agenda:</p> <ul style="list-style-type: none"> Maximize return on instrument (preferred equity + warrants) 	<p>Ownership agenda:</p> <ul style="list-style-type: none"> Continue to grow the company organically and through M&A to maximize value at exit
<p>Key value drivers:</p> <ul style="list-style-type: none"> Reactivation of stacked rigs driving service and product revenue Increased focus on digital and automation solutions driving sale of new products and services Value enhancing M&A transactions 	<p>Key value drivers:</p> <ul style="list-style-type: none"> Secure high revenue utilization on all vessels Increased LWI activity (P&A, XT installations, and intervention operations) Opportunistic growth opportunities 	<p>Key value drivers:</p> <ul style="list-style-type: none"> <i>Preferred payments:</i> continued strong order backlog and modest leverage <i>Warrants:</i> improved rig fundamentals 	<p>Key value drivers:</p> <ul style="list-style-type: none"> Demand for specialized contractors in industries such as Oil & Gas, Life Sciences and Power & Renewables

Service revenue has proven to be robust despite market turmoil

MHWirth Revenues 2014-2020 (NOK billions)

—● DLS share ■ Projects, Products & other ■ DLS (Services)



active rigs

New generation rig for optimized drilling efficiency, reduced fuel consumption and emissions by utilizing the benefits of digitalization and new technology



Optimized lay-out and drill floor automation improving drilling efficiency



Increased storage and lifting capacity improving logistics



Reduced maintenance and equipment downtime with industry leading condition-based maintenance



Hybrid engine & battery technology reducing fuel consumption and minimizing emissions

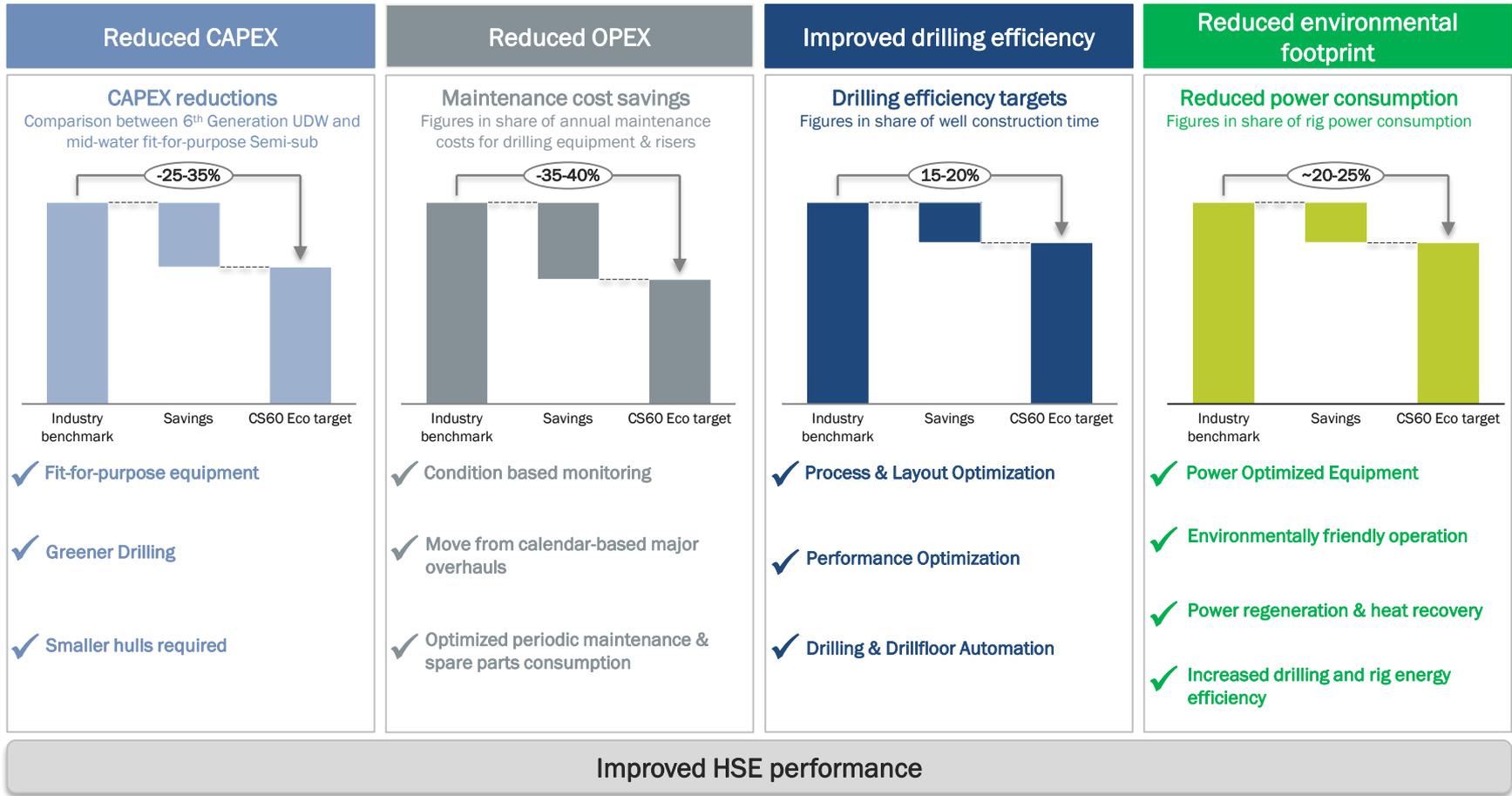


Unique digital infrastructure to support and optimize drilling operations



Capability to work year-round in the most demand harsh environment areas

Key benefits of using new generation drilling rig



Key investment highlights



1



Portfolio companies with leading positions, well positioned for recovery of the oil service market

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
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
			Engineering services
			Feasibility, concept, FEED and detailed engineering for the offshore industry
			Drilling Waste Mgmt.
			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								
 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%

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



Contract Engineering

Search, placement and ongoing support of contract engineers

NES charges a margin on contractors' salary

Managed Solutions

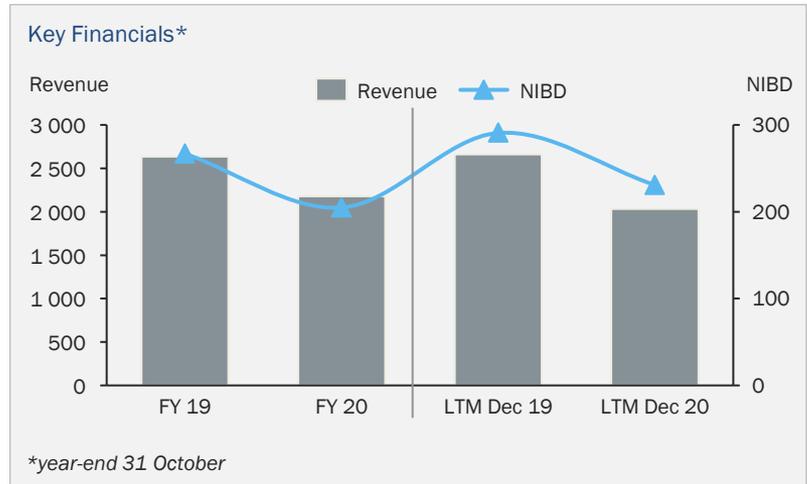
Outsourced, exclusive global recruitment services

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





AGR at a glance

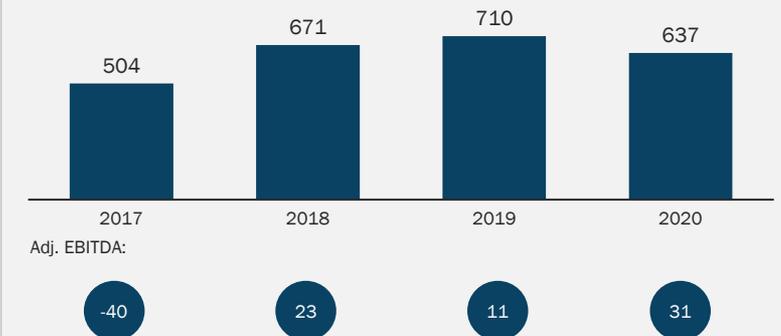
<p>HQ in Oslo, Norway</p> 	 <p>~300 employees</p>
<p>Global reach with offering through offices worldwide</p> 	 <p>More than 530 well projects spanning 6 continents</p>

- 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

			
Well Management	Reservoir Management	Consulting	Software and other services
<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

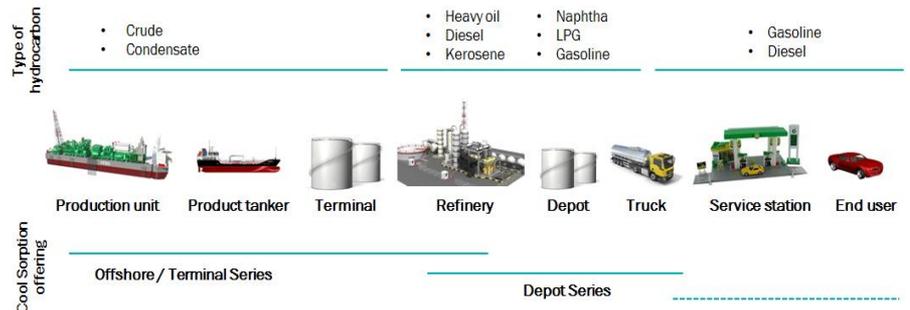
Standardized VRU solutions for smaller oil depots, larger ship or truck loading installations or complete customized systems for complex applications



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



ODL preferred equity instruments yields 10% annually with further upside potential from warrant structure



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%	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%

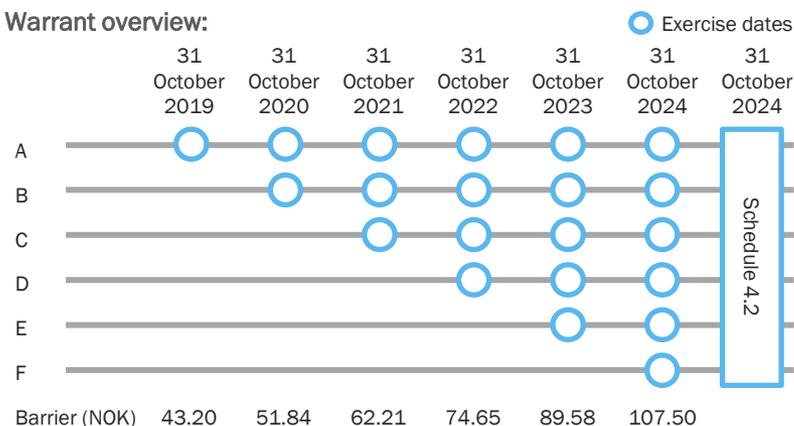
1) The agreement contain several covenants, including but not limited to an obligation not to pay dividends or other distributions exceeding 50% of the net profit from the preceding year (unless a similar portion of the preference capital is repaid prior to the distribution), and in any case not pay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



Our portfolio companies ESG commitments



Leading drilling equipment that increases efficiency and reduces carbon footprint in drilling operations



AKOFS seafarer vessel upgraded with battery package to reduce carbon footprint in well intervention operations



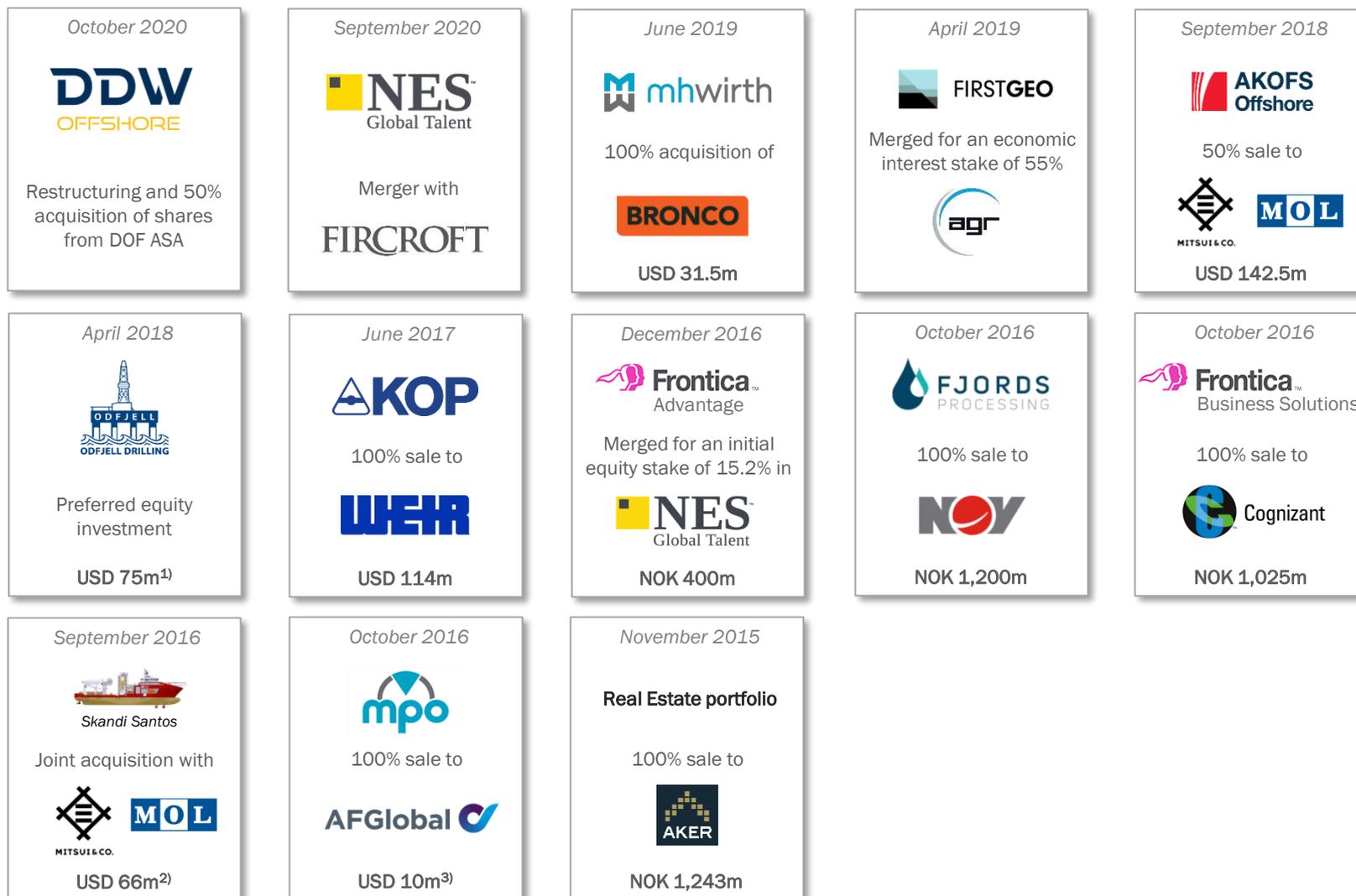
AGR is working on the first carbon storage well offshore in Australia



Cool Sorption provides world—class vapour recovery technology systems for hydrocarbon removal



Selected transactions since inception in 2014



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

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