

Akastor Investor Update

Combination of MHWirth and Baker Hughes' Subsea
Drilling Systems division

March 2nd, 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

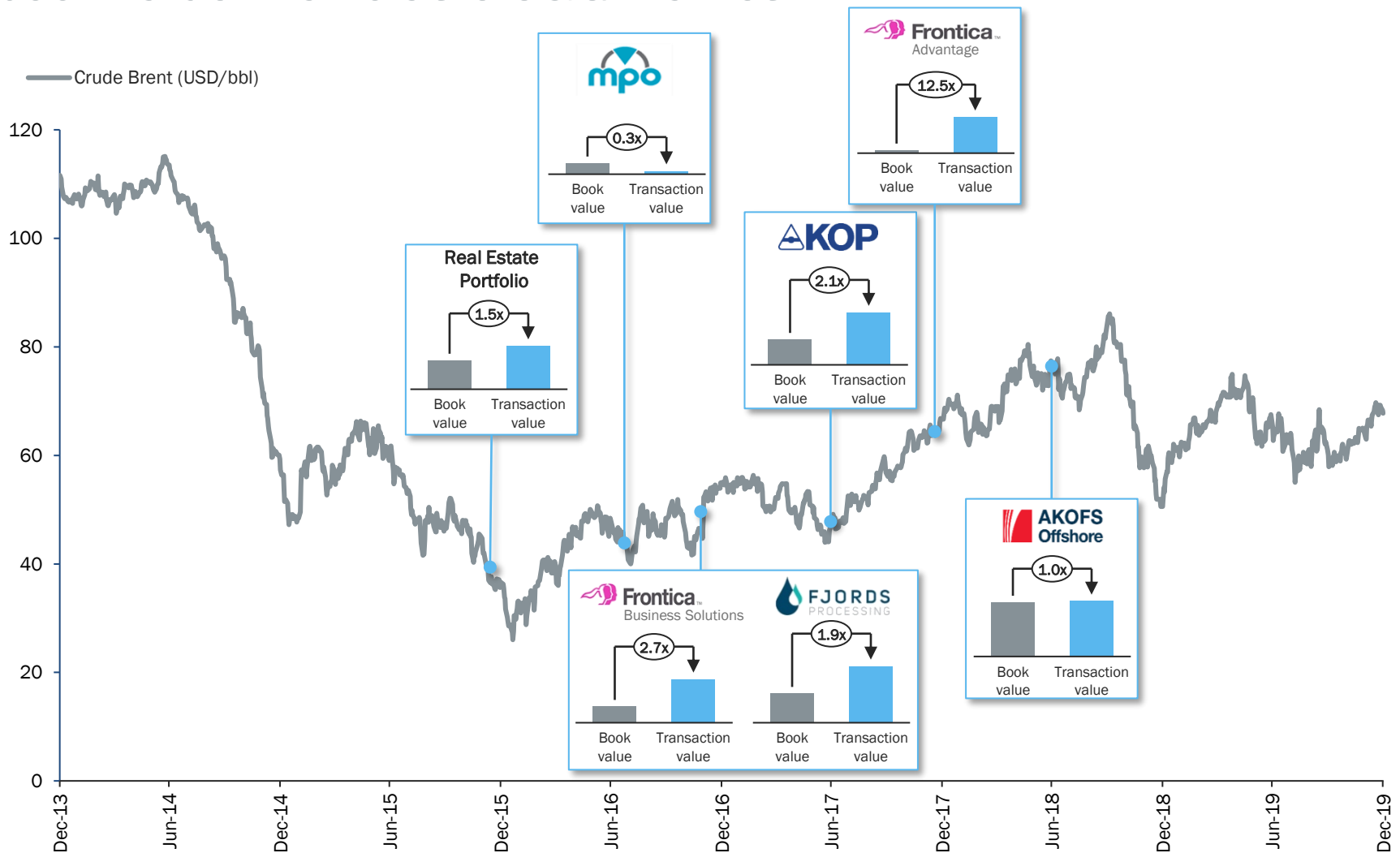


Current portfolio of industrial investments employs ~2 000 people globally and has a combined turnover of more than NOK 4.5bn



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

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







Note: values in NOK 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

Sustaining competitive advantage for MHWirth





2014-2018

Improving operations

-  Divested non-core businesses
-  Reduced cost base by >50%
-  Increased after market sales initiatives
-  Increased investments in digital solutions

2019

Increasing growth ambitions

-  Hired new management team
-  Launched buy-and-build plan
-  Increased non-oil offering
-  Increased onshore offering

2020-2021

Market turmoil turned into opportunity

-  Mitigation of COVID-19 impact operationally and financially
-  **Combination with SDS to increase competitiveness through combined capabilities**

A photograph of an offshore worker in a white hard hat and orange safety vest, viewed from behind, looking out over the ocean from a yellow metal structure on a drilling rig. The sky is a clear blue, and the water is calm. The worker's vest has a logo on the back. The rig's structure is made of yellow metal beams and ladders.

Forming a premier drilling equipment provider

Combination of MHWirth and Baker Hughes' Subsea Drilling Systems division

March 2021

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In these materials, we make reference to Adjusted EBITDA which is a “non-GAAP financial measure” as defined under the rules of the U.S. Securities and Exchange Commission. Adjusted EBITDA has limitations as an analytical tool and should not be considered in isolation from, or as a substitute for, analysis of results as reported under U.S. generally accepted accounting principles. Other companies in Baker Hughes’ and Akastor’s industry and in other industries may calculate this metric differently from the way that we do, limiting its usefulness as a comparative measure. Pro forma combined numbers are used for illustrative purposes only, are not forecasts and may not reflect actual results.

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Transaction Summary



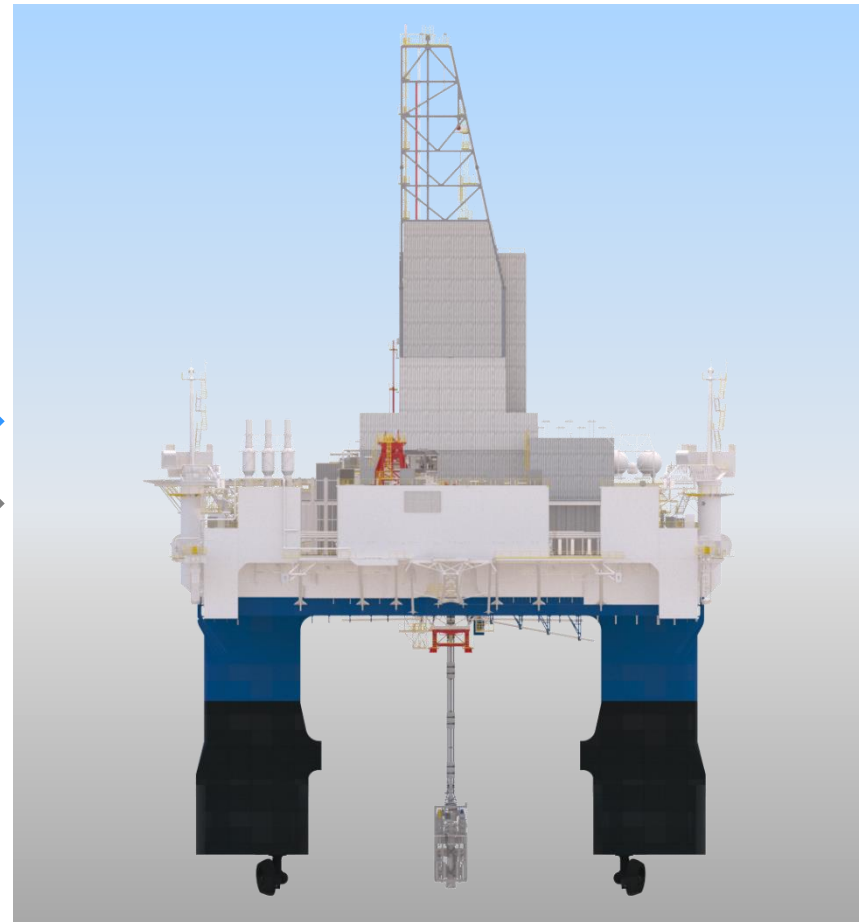
Combination creates a premier drilling solutions provider



*Leading offshore drilling
solution provider*



*Leading subsea
pressure control provider*



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

Combination creates a premier drilling solutions provider

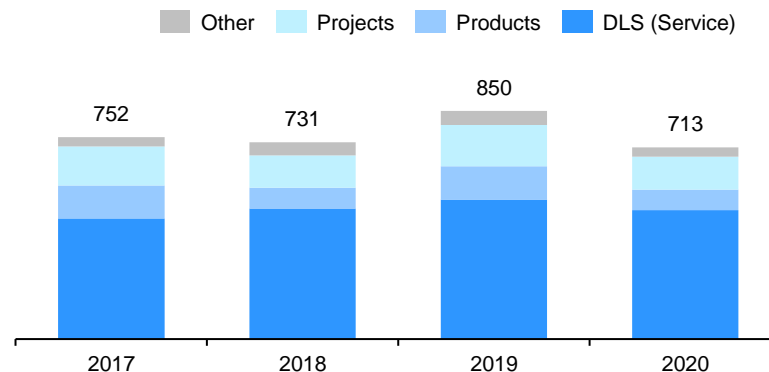


***Leading offshore drilling
solution provider***

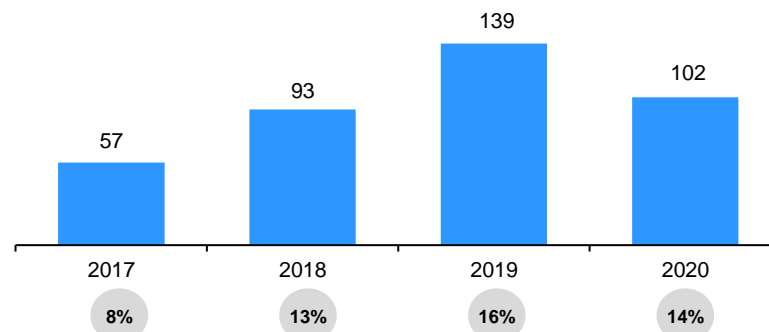


***Leading subsea
pressure control provider***

Pro forma combined revenues (USDm)



Pro forma combined adj. EBITDA (USDm)



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

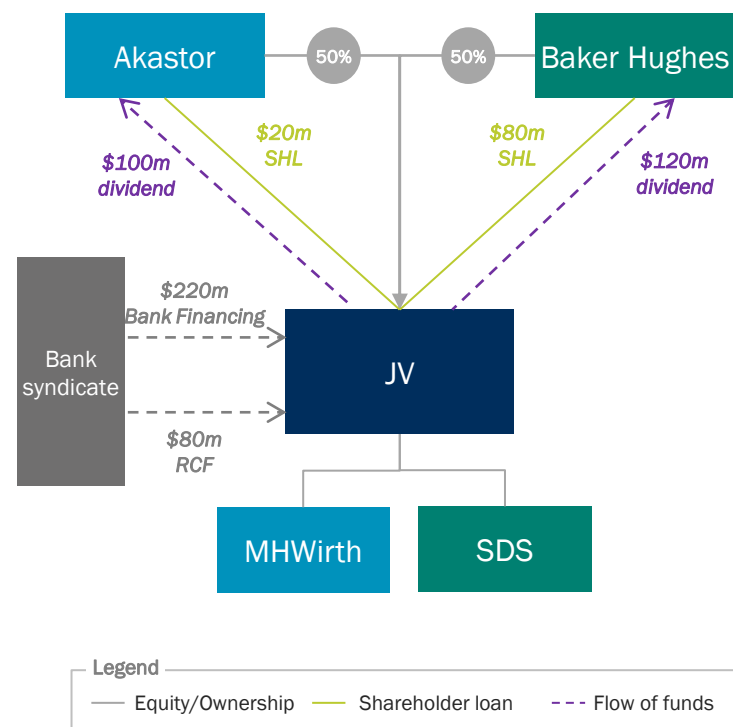
Note: Combined EBITDA adjusted for specific non-recurring effects and presented based on IAS 17 standard

Transaction summary

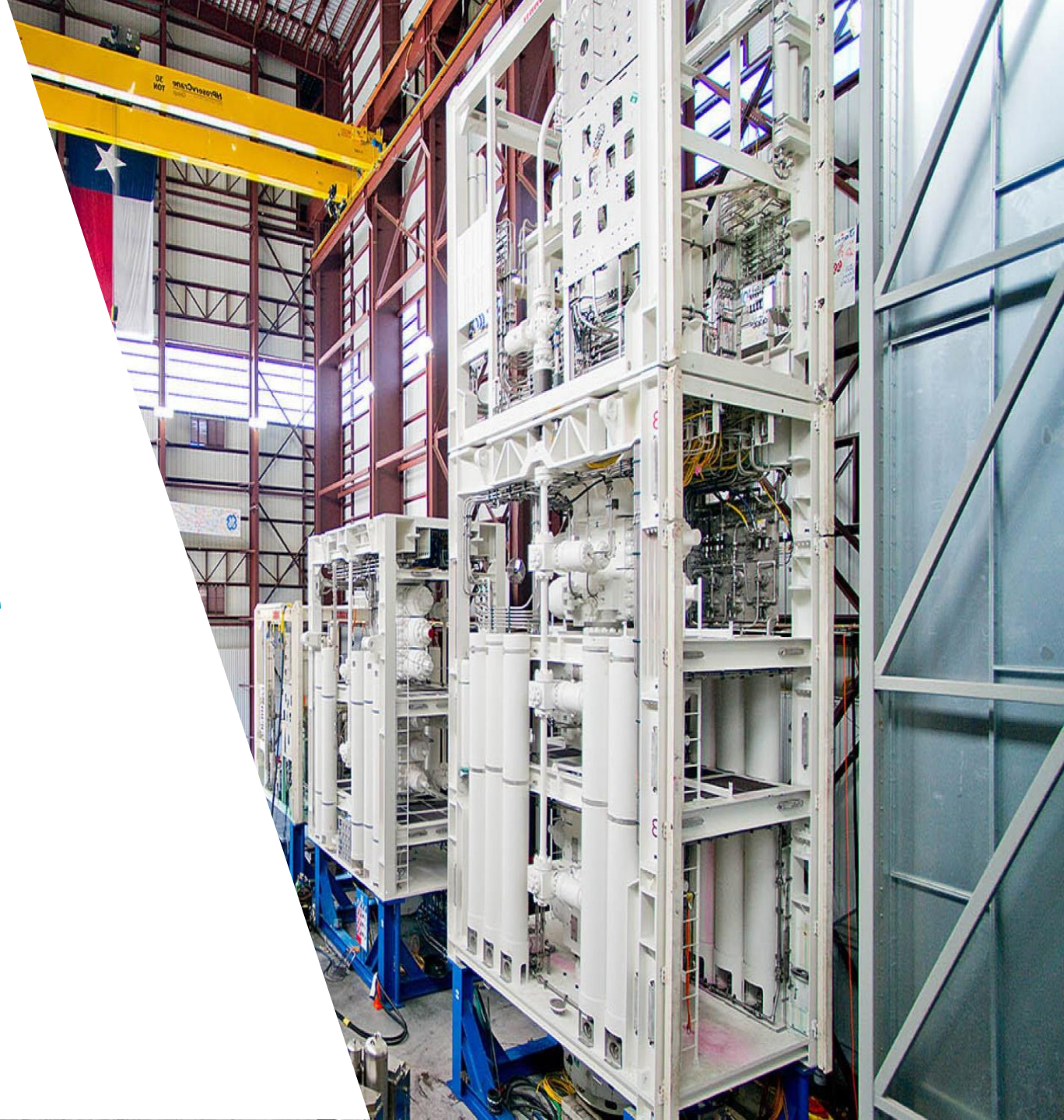
Transaction structure

Back-ground	<ul style="list-style-type: none"> Akastor ASA, through its wholly owned subsidiary MHWirth AS (MHWirth) has entered into an agreement with Baker Hughes Holdings LLC (Baker Hughes) for the combination of MHWirth with Baker Hughes' Subsea Drilling Systems division (SDS)
Structure	<ul style="list-style-type: none"> Combination to be completed through the establishment of a new and jointly 50/50 owned company (Company) Akastor shall contribute its shares in MHWirth to the Company against 50% of the shares and USD 120 million in consideration, of which USD 100 million is payable in cash at closing Baker Hughes shall contribute the SDS business against 50% of the shares and USD 200 million in consideration, of which USD 120 million is payable in cash at closing Company will finance the cash consideration payable to Baker Hughes and Akastor by way of a USD 220 million bank facility In addition, the Company will also arrange for a USD 80 million working capital facility
Decision making	<ul style="list-style-type: none"> Governance and exit provision principles for the Company defined through an agreed form shareholders agreement customary for a 50/50 controlled company Company will have dual operational headquarters in Houston, TX and Kristiansand, Norway Company to be led by Merrill A. "Pete" Miller
Akastor financing	<ul style="list-style-type: none"> Transaction will require refinancing of Akastor's existing corporate credit facility Commitment for NOK 1,250 million revolving credit facility in place, to be used to refinance existing debt and provide financial headroom until asset realizations
Closing	<ul style="list-style-type: none"> Closing expected in H2 2021, subject to all regulatory approvals having been obtained and customary closing conditions

Illustration



Strategic Rationale



Combination creates a premier drilling equipment provider

1	Strengthens the Business as an integrator and global technology leader that is resilient across business cycles
2	Highly complementary portfolios of leading products of strategic importance to customers
3	Large installed base generating recurring service revenue
4	Global presence to better meet the needs of customers
5	Attractive and tangible annual run-rate cost synergies in excess of USD 10m



Combined business will create a leading company across all drilling segments



Highly competitive on complete rig offering with topside, BOP and riser



Combination of complementary products and market positions



Increased base of recurring revenues with high margins



Stronger platform for development of next gen products and services

Joint presence

Floaters



Topside

BOP

Riser

Large installed base with presence on over 40% of the global fleet

Jackups



Topside

BOP

Riser

Product portfolio as strong as competitors, although smaller installed base

Onshore



Topside

BOP

Integrated rigs

Ongoing strategy to expand onshore and non-oil business

Non-oil / Renewables



Pile Top Drill rigs

Onshore mining

Subsea mining

The Company's drilling technology sets a new ESG standard, increasing drilling efficiency, improving costs and reducing emissions



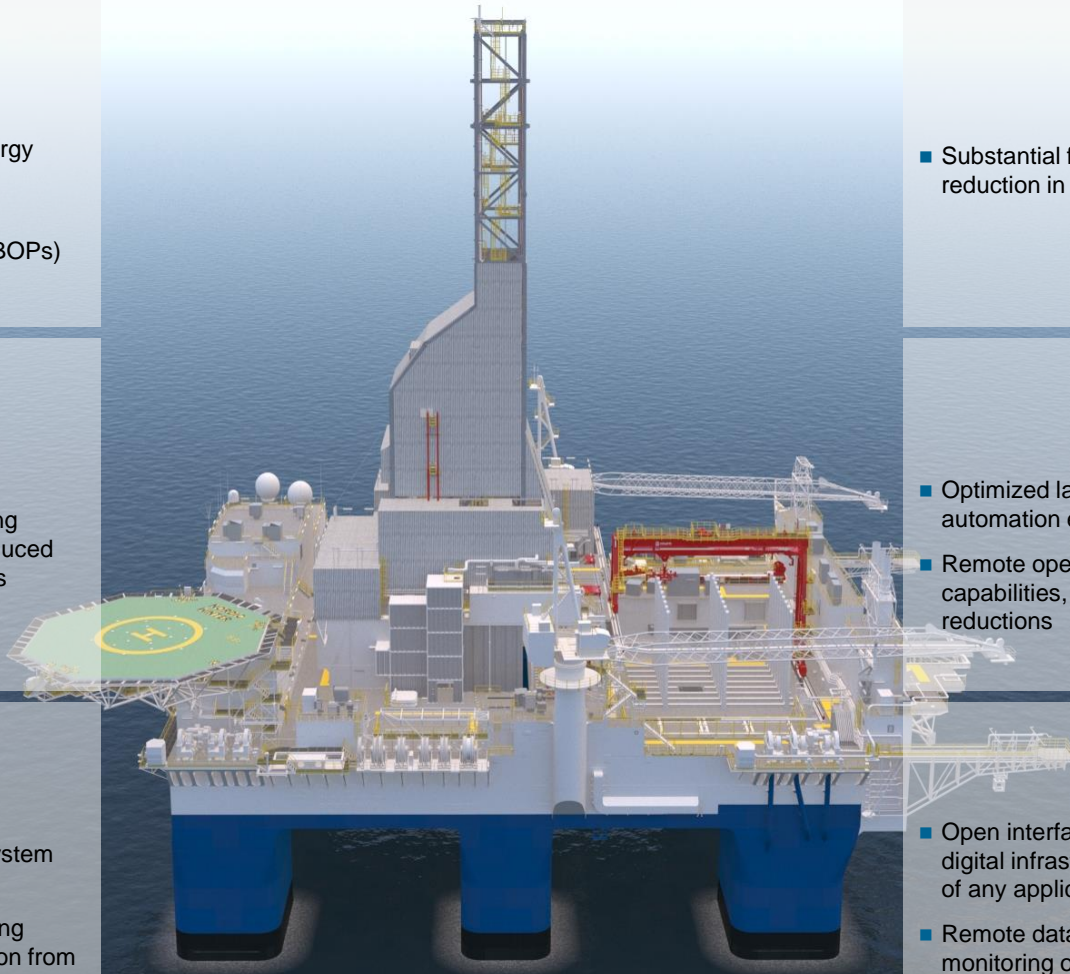
- Building first rig with hybrid energy solution built into design
- Preliminary design work being performed on eBOPs (electric BOPs)



- Optimized maintenance planning through analytics leading to reduced opex, and faster and safer wells



- Unique energy management system with closed-bus technology
- Energy regeneration from moving equipment and heat regeneration from exhaust gas



- Substantial fuel savings and vast reduction in carbon emissions



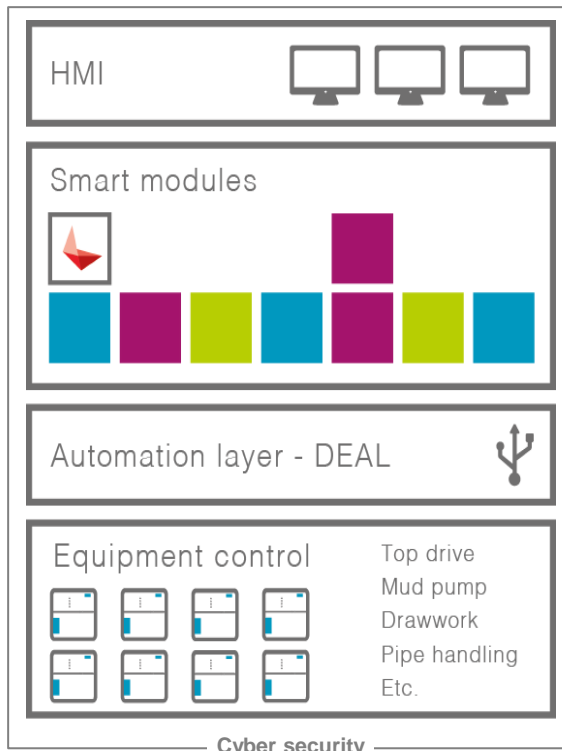
- Optimized lay-out and higher degree of automation ensuring a safer workplace
- Remote operations support capabilities, enabling manning reductions



- Open interface network, with unique digital infrastructure, enabling the use of any applicable software application
- Remote data analytics / real-time monitoring of key equipment enabling reduction of downtime and related fuel consumption

Leveraging digital excellence from both companies to improve production, minimize downtime and ensure reliability of customers' drilling operations

Scalable digital offering with open ecosystem allowing for integration of 3rd party applications



Data driven decisions



Decreased carbon footprint



Reduced maintenance cost



Increased automation



Remote operations



co-operation and insight



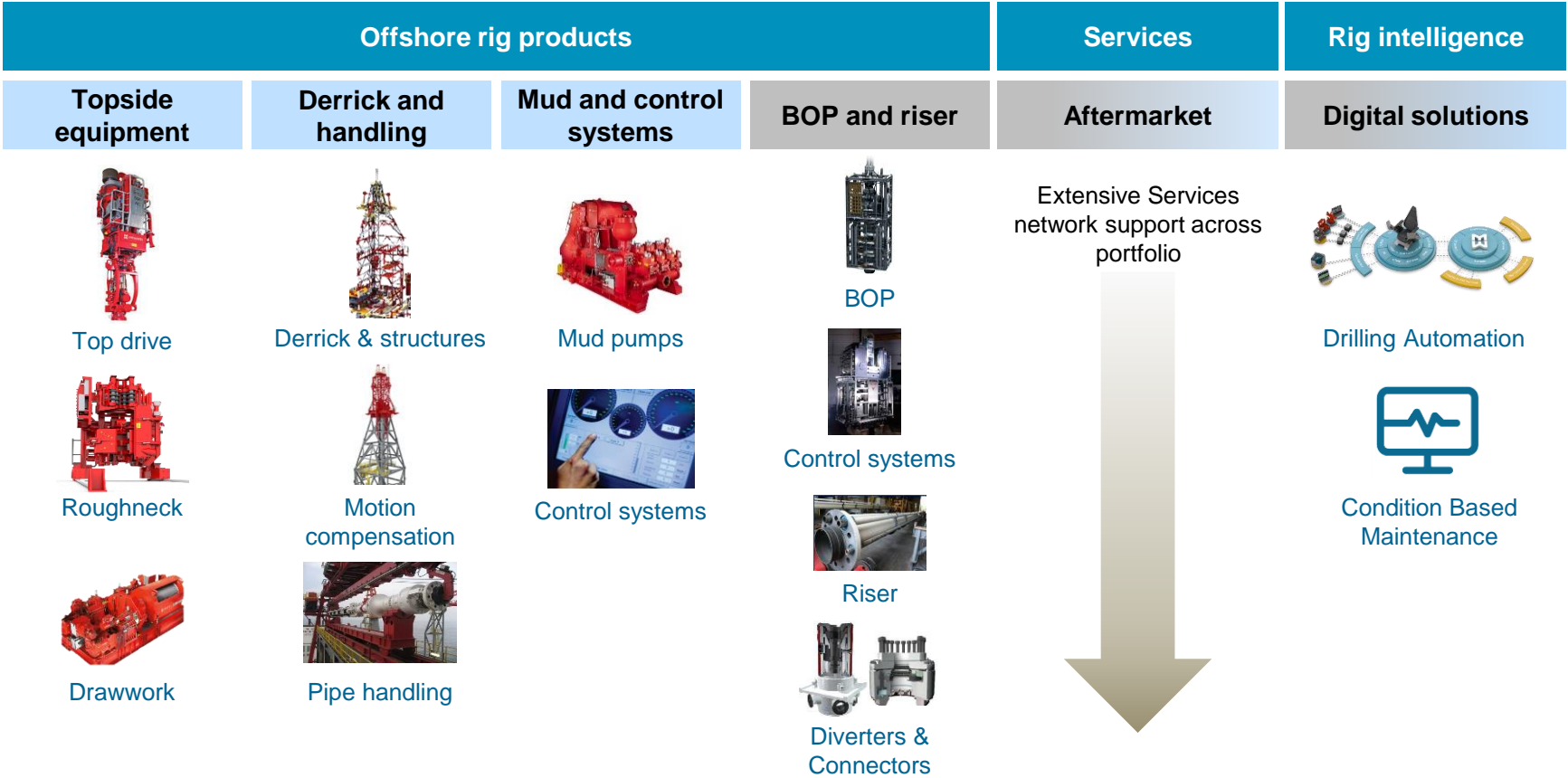
Increased safety



Operational efficiency

Large untapped potential in combined installed base (<10% of combined fleet has currently installed DEAL)

Highly complementary portfolios of leading products of strategic importance to customers

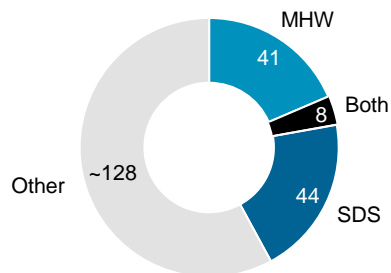


The combined company will have complementary offering across mission critical rig systems – enabler for improved system integration

Large installed base with recurring service revenue

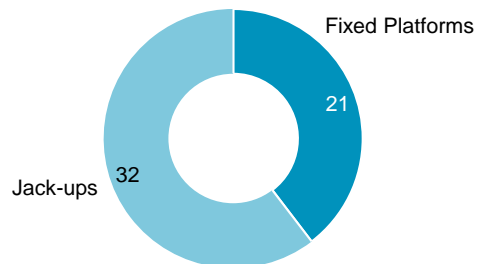
Combined fleet of more than 140 Offshore Drilling Units

Floaters



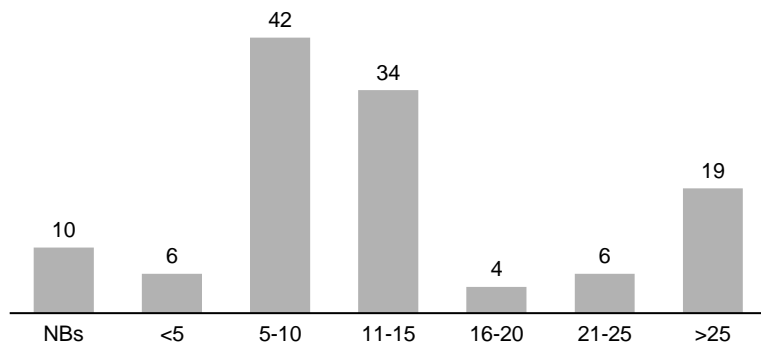
Combined company with presence on over 40% of the global floater fleet

Other rigs split by category



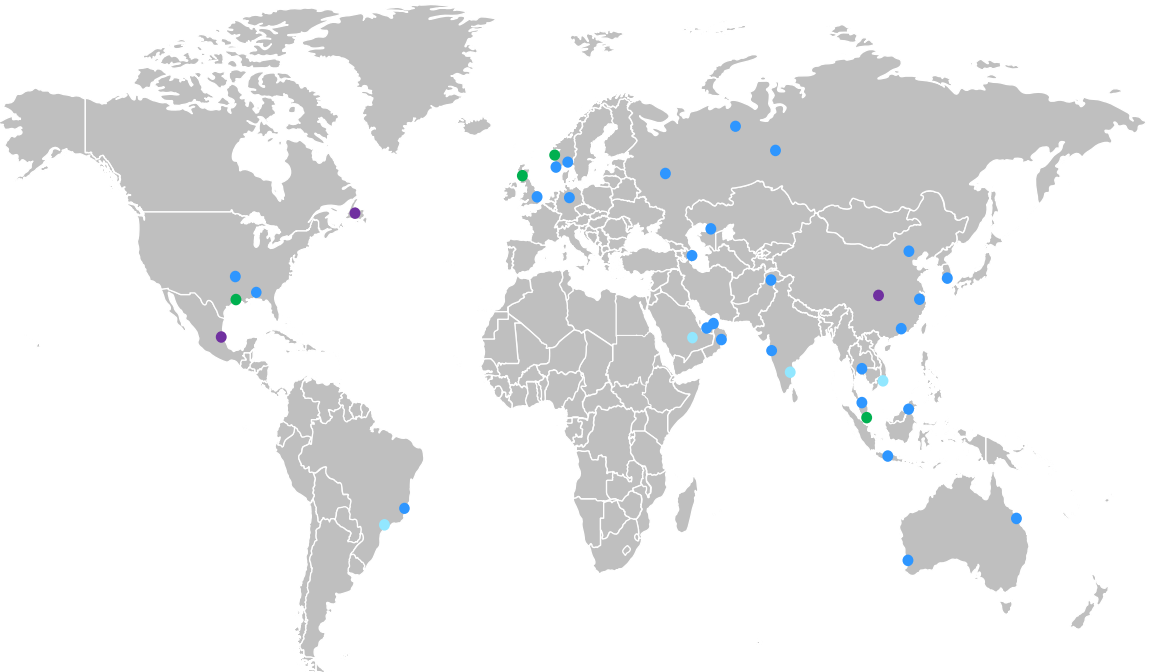
Fixed platforms with on average over 20 years of production remaining

Solid installed base with ~80% of fleet younger than 15 years¹



Strong global presence to better meet the needs of customers

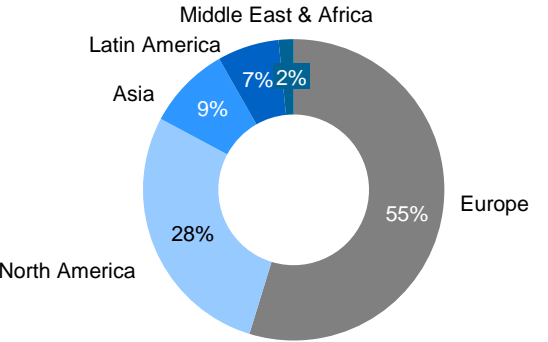
Global presence



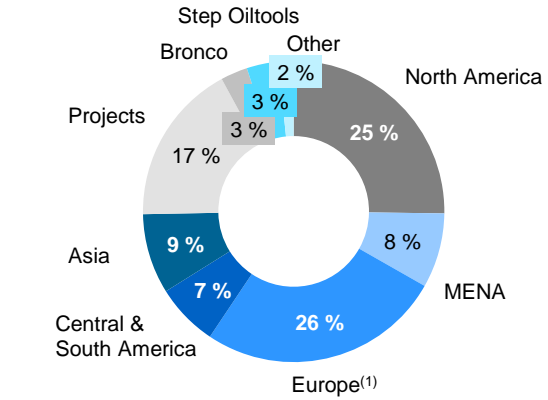
● MHWirth sites ● BH SDS sites ● BH OFE Shared sites ● Co-locations

Employees by geography

- Approximately 2,100 employees across 16 countries



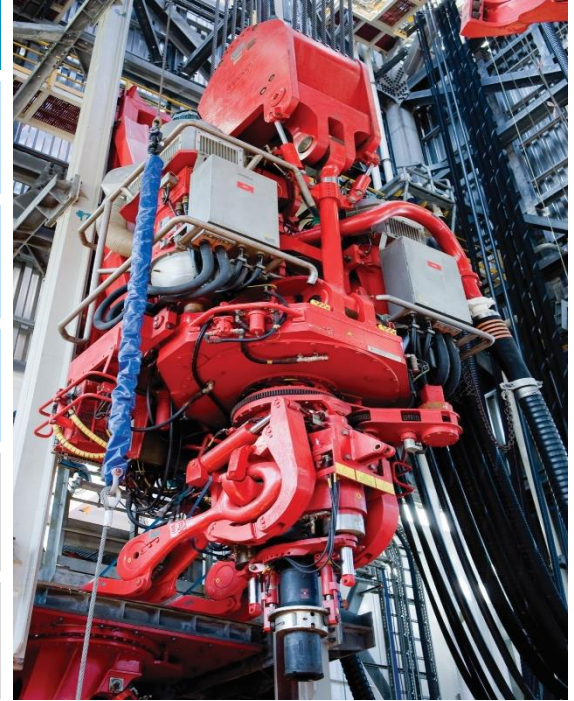
Revenue by geography (FY19A)



Note:
1) Includes Caspian region

Strong value creation for shareholders from synergies

Key areas of potential synergies	
Cost	Optimization of global site networks and co-location
	Sourcing and manufacturing
	Other Opex/Capex
Revenues	Cross-sales and more integrated solutions
	Broader scope of aftermarket sales through combined base



Annual run-rate cost synergies of **~USD 10-11m** expected to be realized over the next 36 months

A compelling strategic combination







- ✓ Leading ability to provide and integrate the drilling products and solutions of tomorrow
- ✓ Leading provider with a well established portfolio of products and digital solutions
- ✓ Increased scope and scale will create significant benefits for customers
- ✓ Large installed base with recurrent service revenue
- ✓ Stronger position to establish partnerships
- ✓ Attractive and tangible annual run-rate cost synergies in excess of USD 10m
- ✓ Potential for revenue synergies through cross-sale, integrated solutions
- ✓ Major step to reach critical size for an IPO

Appendix









MHWirth at a glance

MHWirth at a glance

 HQ in Kristiansand (Norway)	 ~1,500 employees	 Strong engineering capabilities with 40+yrs experience
 Facilities in 13 countries and 24 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 2020 (86 full package offshore units)
- ~1,500 employees¹ covering five continents in 13 countries and 24 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

				
				
Drilling Rig Packages	Drilling Equipment	DLS	Digital Technology	Other
Complete drilling solutions including: concept, project execution, equipment and software systems for integrated drilling rig packages	Product deliveries to offshore and onshore drilling units, as well as some niche adjacent industries	Global footprint to deliver aftermarket service, spare parts, overhaul and training to rigs in operation	Digital solutions/software to achieve drilling efficiency and reduction in Opex for clients	In addition, MHWirth also delivers products and services under the Bronco, Step Oiltools and Frontica Engineering brands

Oilcos					
					
					

Baker Hughes Subsea Drilling Systems at a glance

SDS at a glance

 HQ in Houston (USA)	 ~600 employees ¹	 Capillary service network across 120 countries
 Facilities in 11 countries and 12 locations	 600+ installations with SDS equipment	 Integrated, from drilling products manufacturing to after-sale services

- Headquartered in Houston, SDS is a division of the larger Oilfield Equipment segment of Baker Hughes
- SDS provides integrated drilling products and services worldwide in over 120 countries and across 7 regions
- Key product offering includes a portfolio of world-class BOP systems and controls and drilling riser equipment
- Employs c.600 employees¹ with service and manufacturing capabilities close to customers (6 regions in 11 countries and 12 locations)

Key offering

Baker Hughes SDS 				
				
Blowout Preventers	Control Systems	Marine Riser Systems	Elastomer Products, Spare Parts	Aftermarket / Field Services
<ul style="list-style-type: none"> • Applications from ultra deep water (~12,500') to land-based drilling • Annular BOPs • Ram BOPs 	<ul style="list-style-type: none"> • Surface controls monitored on the rig floor • Subsea controls at the seabed monitored by ROVs 	<ul style="list-style-type: none"> • Risers • Riser tensioning Systems • Flex joints • Telescopic joints • Diversers • Wellhead Connectors 	<ul style="list-style-type: none"> • Packing units • RAM blocks, seals, blades • PD bladders • Pulsation Dampeners • Production chokes • Drillstem valves 	<ul style="list-style-type: none"> • Field service installation and maintenance • Inspection, overhaul and repair • OEM parts and remanufactured equipment • Service network

Oilcos					
Rigcos					
Yards					



mhwirth

Baker Hughes 
SDS

mhwirth.com
bakerhughes.com