

2Q 2022

Quarterly presentation

July 14, 2022



AKASTOR

2Q 2022 Highlights



- Growth in activity quarter-on-quarter
- Continued solid longer-term outlook driven by increased rig activity and strong service orders in period
- Strong pipeline within single equipment



- Good operational performance in period, including successful conversion of Seafarer to coiled tubing operations
- Aker Wayfarer selected for new four-year contract. Formal documentation remaining.



- Continued good growth in business across most regions in period

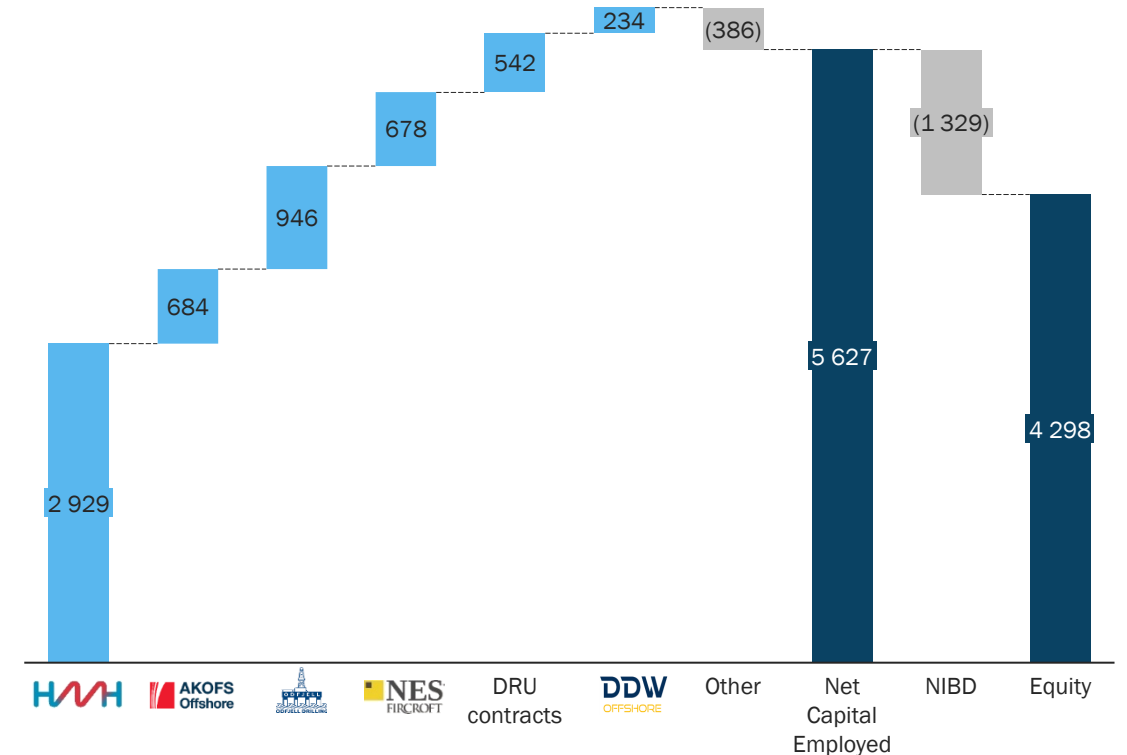
Other

- Profit split related to one DDW Offshore vessel bought out from banks, after which DDW holds full economic exposure

NET CAPITAL EMPLOYED ¹⁾

NOK million, 30 June 2022

Book value per share



1) Net Capital Employed per investment / holding reflected at book value



Agenda

HMH

Financial update

Ownership agenda

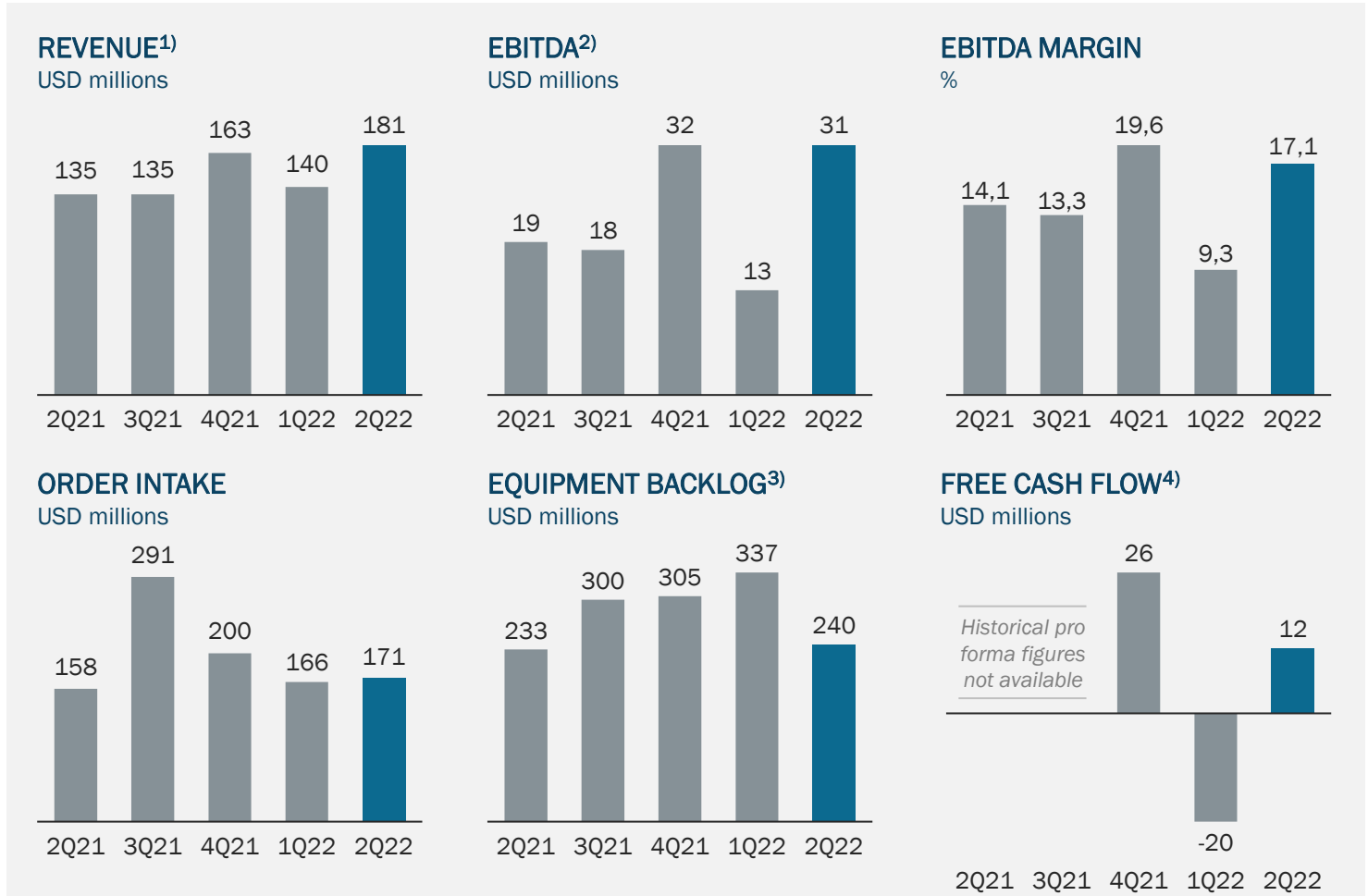
Q&A

HMH highlights | 2Q 2022



- Revenues up 27% year-on-year and 29% quarter-on-quarter driven by a termination fee for the Valaris 20k BOP project along with improved service activity
- EBITDA up 63% year-on-year driven by Projects, partially offset by lower services volume. EBITDA up favourably versus prior quarter driven by increased services and project activity.
- Order intake up 8% year-on-year with aftermarket services continuing to increase steadily versus prior period
- Free Cash Flow positive USD 12 million in the quarter driven by positive net working capital movements within Projects in period

Proforma financials, IFRS



1) Historical figures adjusted to exclude discontinued operations
 2) EBITDA adjusted for expenses that are not a part of normal company operations incl. ~USD 9 million of merger related cost in 2Q 2022. EBITDA includes the impact of Valaris 20k project cancellation fee
 3) Equipment backlog defined as Project and Product orders. Valaris 20k project removed from Backlog
 4) Free Cash Flow defined as cash generated from operating activities less taxes paid and net investments. Cash flow not normalized for non-recurring costs. Q1 22 fig. restated after correction of misclassification.

Segments highlights



Aftermarket Services

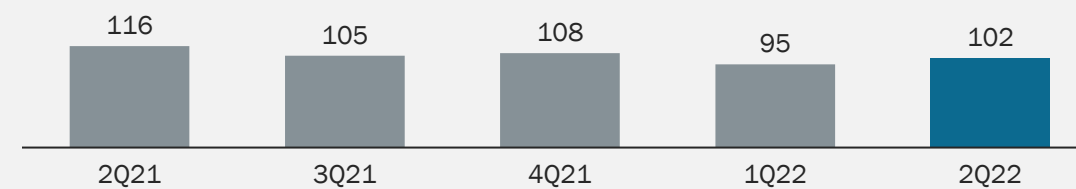
- Order intake up 24% year-on-year and 5% quarter-on-quarter driven by market tailwinds
- HMH continues to be well positioned for further reactivations in second half of 2022
- Uptick in 2Q 22 revenue activity as services order intake and backlog continues to rebound from 3Q 21 trough

Projects, Products & Other

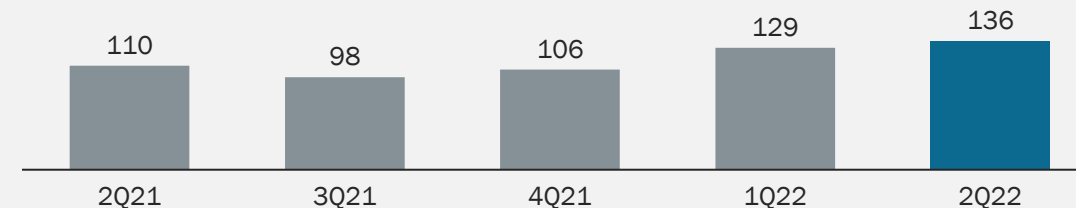
- Termination fee for Valaris 20k project driving higher revenue quarter-on-quarter in 2Q
- Products order intake expected to pick up in 3Q 22 based on current pipeline

AFTERMARKET SERVICES

Revenue, USD millions

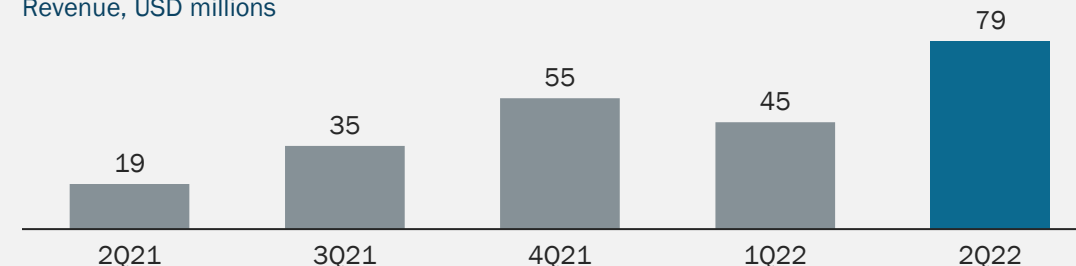


Order intake¹, USD millions



PROJECTS, PRODUCTS & OTHER

Revenue, USD millions



Note: Segments revised, with certain reclassification effects on historical numbers. Figures adjusted to exclude discontinued operations.

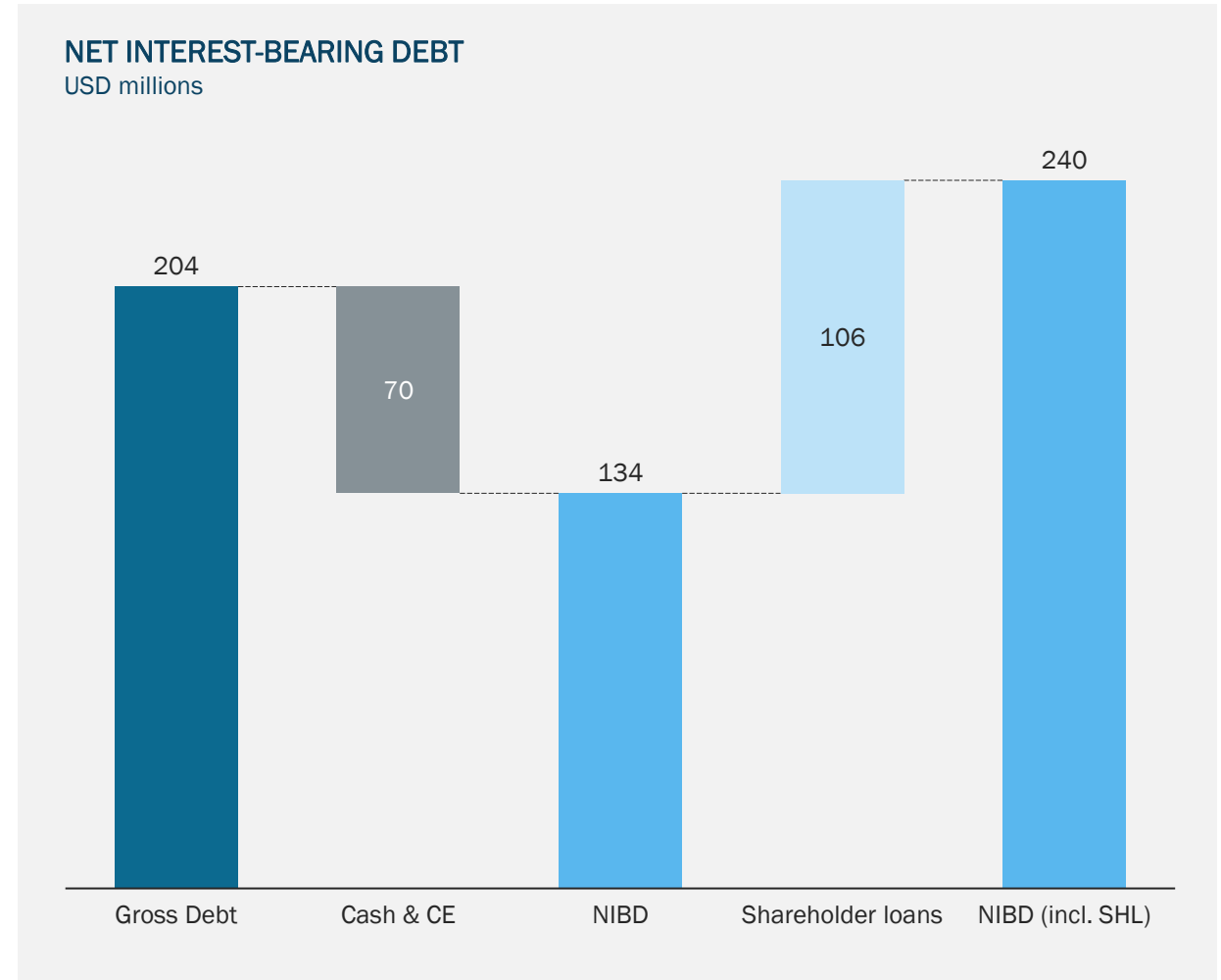
1) DLS intake inclusive of all Services product lines (e.g. spare parts, overhaul and repair, field service, etc.)

Net interest-bearing debt



- Net debt of USD 134 million at end of 2Q 2022
- USD 8 million instalment payment on Term Loan in 2Q 2022
- Leverage below targeted capital structure of 2-3x net debt with LTM EBITDA at 1.6x per 2Q 2022

IBD as per 2Q 2022	Amount	Key terms
Senior Secured Term Loan	54	Quarterly amortization, maturity February 2024. Margin: Tranche A 350 – 400 bps. Tranche B 450 – 500 bps.
Senior Secured Bond	150	New Nordic Bond raised in 1Q 2022. Maturity February 2025. Margin 700 bps.
RCF	0	USD 80m facility, maturity February 2024. Margin 375 – 425 bps.
Gross Interest-Bearing Debt	204	
Shareholder loans	106	Subordinated, 8% PIK interest



Summary and outlook



- Rig reactivations continue to drive order tailwinds through second half of 2022.
- Favorable backdrop for single equipment orders in second half of 2022 and early 2023, particularly in Middle East
- Continued successful integration of operations creating scalable platform to be IPO ready in 2023



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Financials highlights per 2Q 2022

NOK million

Revenue (NOK million)	2Q 2022	2Q 2021	YTD 2022	YTD 2021
AGR	193	178	401	355
Cool Sorption	20	21	37	33
Other	47	75	87	88
Reported Group revenue	260	275	525	477
<i>Other Industrial Investments not consolidated 1)</i>				
HMH (100% basis)	1 704	1 145	2 948	2 224
AKOFS Offshore (100% basis)	382	341	695	611

EBITDA (NOK million)	2Q 2022	2Q 2021	YTD 2022	YTD 2021
AGR	15	8	50	19
Cool Sorption	-1	1	1	-1
Other	-31	35	-62	7
Reported Group EBITDA	-17	45	-11	25
<i>Other Industrial Investments not consolidated 1)</i>				
HMH (100% basis)	290	163	403	306
AKOFS Offshore (100% basis)	141	120	207	162

1) HMH and AKOFS Offshore are both owned 50% by Akastor. HMH figures adjusted for expenses that are not a part of normal company operations

Financials highlights per 2Q 2022 (cont.)

NOK million	2Q 2022	2Q 2021	YTD FY22	YTD FY21
Revenue and other income	260	275	525	477
EBITDA	-17	45	-11	25
EBIT	-49	26	-56	-11
Net financials	117	12	12	-16
Profit (loss) before tax	68	39	-44	-27
Tax income (expense)	-0	-0	1	0
Profit (loss) from cont. operations	67	38	-43	-27
Net profit (loss) from disc. operations	2	-9	-19	-48
Profit (loss) for the period	69	30	-62	-75

Net financial items (NOK million)	2Q 2022	2Q 2021	YTD 2022	YTD 2021
Odfjell Drilling	19	34	65	67
Awilco Drilling	0	-2	1	-3
NES Fircroft	27	19	52	42
HMH	-18	0	-117	0
AKOFS Offshore	-50	-19	-99	-77
Contribution from financial investments	-21	31	-98	29
Net interest exp. on borrowings	-23	-24	-41	-46
Net interest charges on leases	4	-1	7	-3
Net foreign exchange gain (loss)	189	13	182	18
Other financial income (expenses)	-31	-7	-38	-14
Net financial items	117	12	12	-16

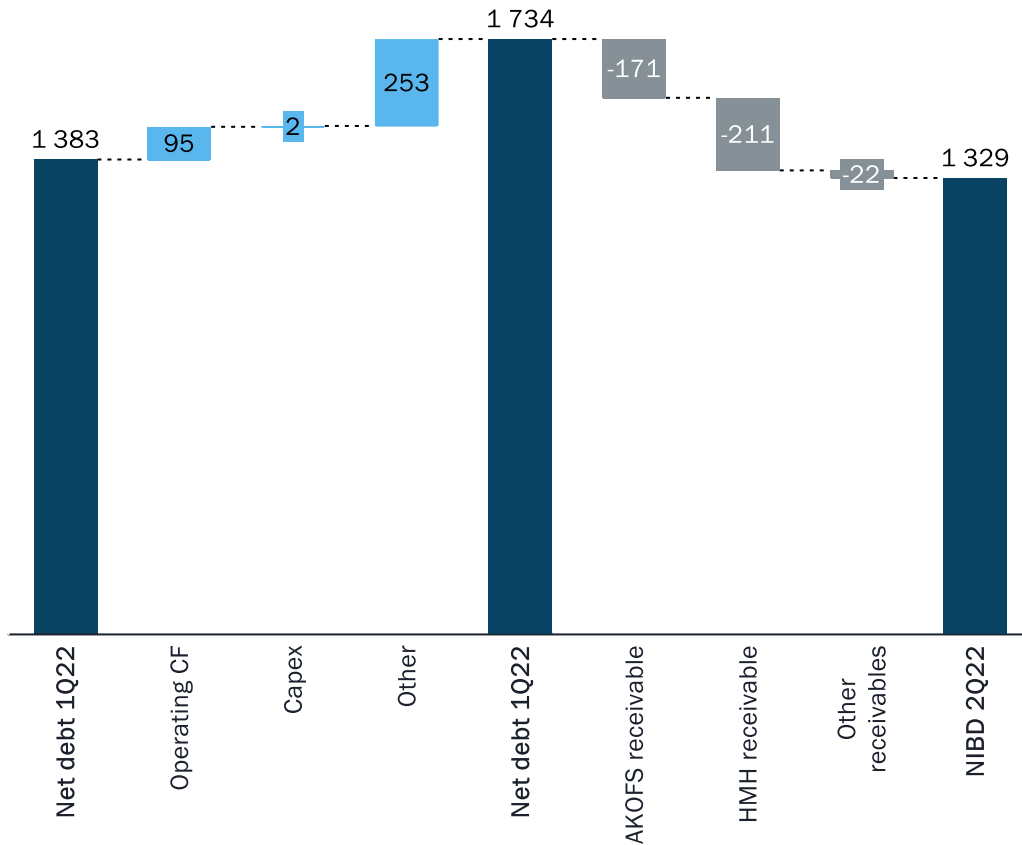
COMMENTS

- Net financial items of NOK 117 million, including non-cash items from financial investments of negative NOK 32 million and net foreign exchange gain of NOK 189 million

Net interest-bearing debt development

Net debt bridge

NOK million



2Q 2022 highlights

- Net debt increased by NOK 351 million in quarter, to NOK 1 734 million
- “Other” (as shown in graph) includes non-cash foreign exchange effects of NOK 188 million
- DDW Offshore net debt of NOK 483 million per end of quarter
- AGR net debt of NOK 133 million per end of quarter

NOK million

	2Q 2022
Non-current bank debt	529
Current bank debt	1 119
Non-recourse AGR debt	192
Cash and cash equivalents	-105
Net debt	1 734
AKOFS receivable	-171
HMH receivable	-211
Other receivables	-22
Net interest-bearing debt (NIBD)	1 329

External financing facilities and liquidity

Overview of financing facilities

Facility	Size	Maturity	Margin
Revolving (USD)	USD 89 million ^[1]	February 2023	4.5% - 5.5%
Revolving (NOK)	NOK 250 million ^[1]	February 2023	4.5% - 5.5%
Subordinated Aker facility	NOK 250 million	March 2023	10.0%
DDW term loan	USD 53 million	October 2023	4.25%
AGR term loan	NOK 192 million ^[2]	April 2027	2.12% ^[3]

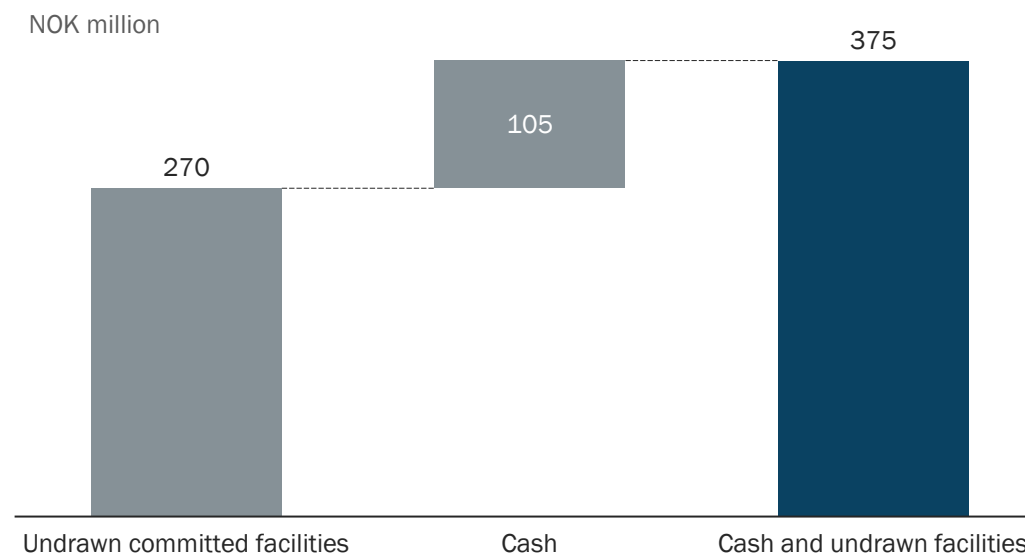
- NOK 1.1 billion draw on Revolving facilities per end of quarter
- No draw on Aker facility per 30 June 2022
- Covenants of revolving corporate facilities include equity ratio, gearing level and minimum liquidity
- AGR debt structure non-recourse to Akastor ASA

[1] Facility size linked to realization of assets, with minimum of NOK 400 million

[2] Carrying amount per 2Q 22

[3] Fixed total interest of 4%

Cash and undrawn facilities as of 30 June 2022



- Cash includes NOK 59 million in AGR and NOK 46 million in DDW Offshore
- Akastor aim to increase liquidity through realization of assets. Depending on timing of such realization, an increase of financing facilities could be required.

Agenda

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HMH

Ownership agenda






Q&A

Portfolio overview

Industrial investments

	<p>Global full-service offshore and onshore drilling equipment provider with a broad portfolio of products and services</p> <p style="text-align: right;">50%¹⁾</p>
	<p>Global provider of subsea well construction and intervention services</p> <p style="text-align: right;">50%</p>
	<p>Global provider of well design and drilling project management, HSEQ, reservoir and field management services</p> <p style="text-align: right;">64%²⁾</p>
	<p>Supplier of vapour recovery technology, systems and services to O&G installations</p> <p style="text-align: right;">100%</p>

Financial investments

	<p>Global manpower specialist within Oil & Gas, ICT, Renewables, Chemicals, Mining, Life Sciences, Automotive and Construction sectors</p> <p style="text-align: right;">~ 15%³⁾</p>
	<p>International drilling, well service and engineering company</p> <p style="text-align: right;">USD 75m preferred equity (plus PIK dividends)</p>
	<p>Company owning 5 mid-sized AHTS vessels</p> <p style="text-align: right;">100%</p>
	<p>North Sea Drilling Contractor</p> <p style="text-align: right;">~ 6%</p>
	<p>Financial interest in four drilling equipment contracts with Jurong Shipyard (Sete Brazil projects)</p> <p style="text-align: right;">Full economic interest⁴⁾</p>

- 1) From October 1st 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

Business model

- Global full-service offshore and onshore drilling equipment provider with a broad portfolio of products and services
- Large installed base providing firm foundation for strong customer relationship and recurring streams

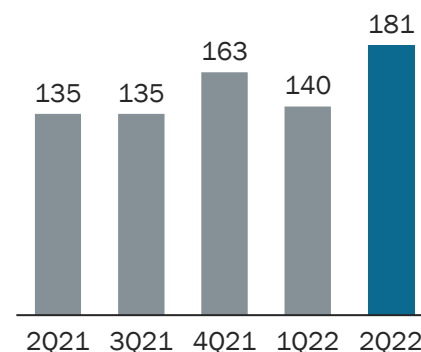
2Q22 Highlights

- Growth in activity compared to Q1 driven by execution on equipment backlog
- Continued strong service orders in the quarter
- Good pipeline of opportunities within single equipment

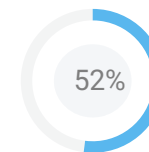
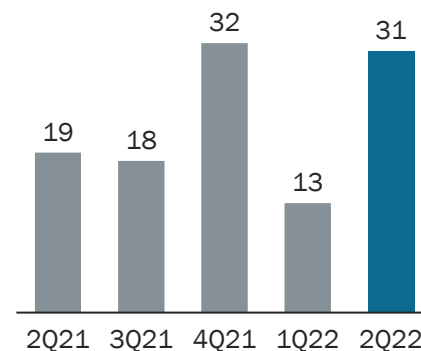
Ownership agenda

- Successfully integrate the two combined businesses and realize synergies
- Expand the business through organic growth and value-adding acquisitions
- Maintain a leading market position via customer-centric R&D, catalyzed by digital technologies
- Target IPO

REVENUE
USD millions



EBITDA¹⁾
USD millions



Capital Employed
NOK 2 929 million



Akastor ownership 50%



~2 100 own employees and contractors FTEs



Large installed base of
116 offshore drilling rigs

Business model

- Vessel-based subsea well construction and intervention services covering all phases from conceptual development to project execution and offshore operations
- Operates two SESV vessels in Brazil on contract with Petrobras and one LWI vessel in Norway on contract with Equinor

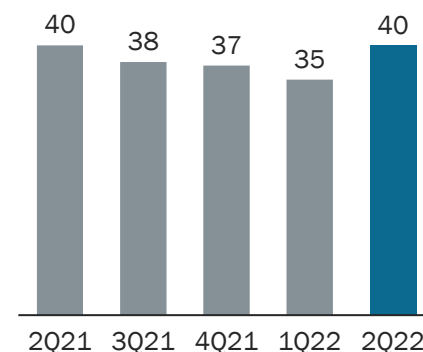
2Q22 Highlights

- Good operational performance, with vessels operating in Brazil delivering utilization of 95% and 99% in quarter
- Successful conversion of Seafarer to coiled tubing operations
- Aker Wayfarer selected for new four-year contract. Formal documentation remaining.

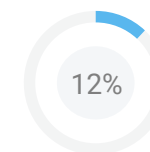
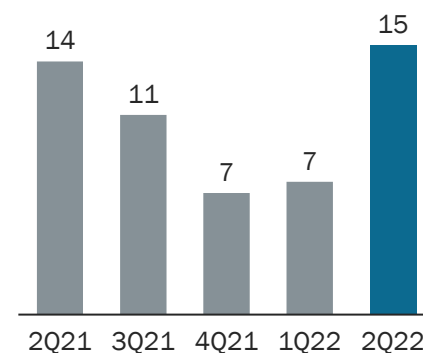
Ownership agenda

- Secure order backlog for existing vessels
- Explore strategic initiatives

REVENUE
USD millions



EBITDA
USD millions



Capital Employed
NOK 684 million



Akastor ownership 50%

Vessels	Location / Customer	Contract end
AKOFS Seafarer	equinor	Q4 2025
Aker Wayfarer	BR PETROBRAS	Q4 2022
Skandi Santos	BR PETROBRAS	Q4 2025 ¹⁾

1) Expected contract commencement in fourth quarter 2022

Business model

- NES Fircroft is the world's leading engineering staffing provider spanning the Oil & Gas, Power & Renewables, Infrastructure, Life Sciences, Mining, Automotive and Chemicals sectors worldwide
- Offers full range of staffing solutions: Contract, Permanent (Direct) Hire, Managed Solutions, or a fully outsourced service

2Q22 Highlights

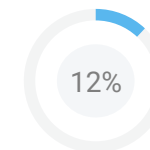
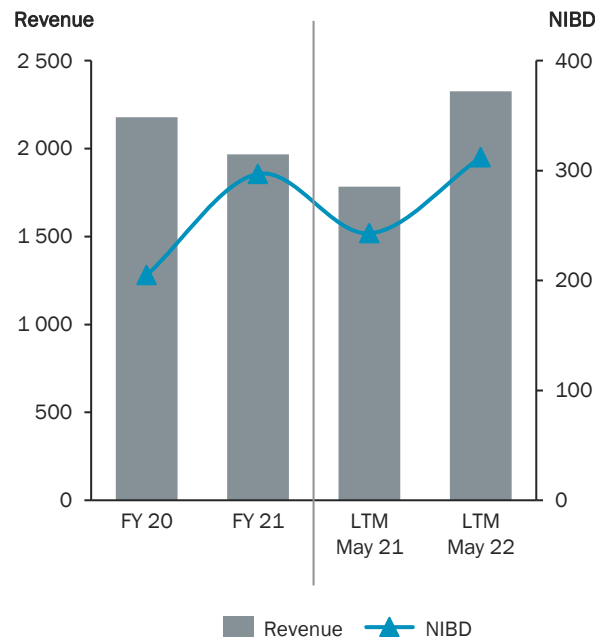
- Continued good growth in business driven by increasing contract activity across most regions, with LTM revenues up by approximately 30% compared to last year
- Growth in contractor rates positive for the business

Ownership agenda

- Expand the business through organic growth and value-adding acquisitions
- Diversification of end markets increasing presence within renewables

FINANCIAL DEVELOPMENT¹⁾

USD millions



Capital Employed
NOK 678 million



Akastor ownership ~15%



~1 700 own employees
(excl. contractors)



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

¹⁾ Fiscal year end 31st October. Figures presented on 100% basis.

Business model

- AGR is a multi-disciplinary engineering consultancy and software provider to the energy sector
- Offers consultancy, asset evaluation, peer study, software and integrated well engineering services

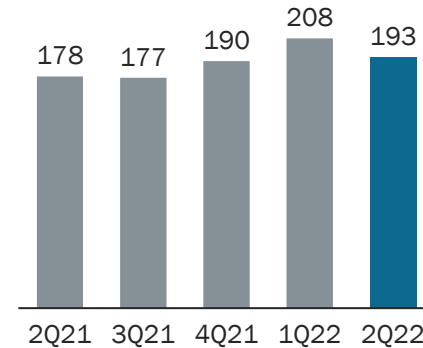
2Q22 Highlights

- Continued high activity level within Consultancy, driven by Norway, with number of contractors close to all time high
- High well management activity in Australia in quarter

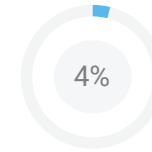
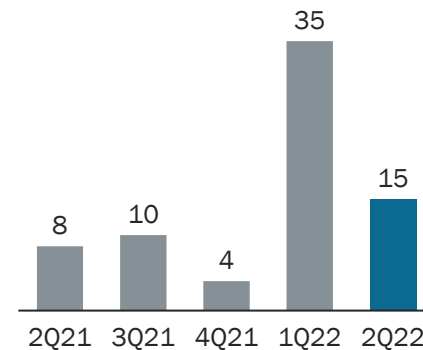
Ownership agenda

- Expanding the business through organic growth and value-adding acquisitions
- Increased focus on developing digital solutions and services

REVENUE NOK millions



EBITDA¹⁾ NOK millions



Capital Employed
NOK 220 million



Akastor economic interest 64%



~400 own employees and
contractors FTEs



>550 Well projects delivered
>3,700 Expert consultants placed

1) 1Q22 EBITDA incl. a one-time accounting gain effect of NOK 21 million (non-cash) related to establishment of the Føn Energy Services JV

Illustrative roadmap for realizing our investments and capital allocation priorities



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AKASTOR

Appendix

Key figures | Group

AKASTOR GROUP (continuing operations)

NOK million	2Q 21	3Q 21	4Q 21	1Q 22	2Q 22	YTD 2022
Revenue and other income	275	229	247	264	260	525
EBITDA	45	-10	-15	7	-17	-11
EBIT	26	-21	-51	-7	-49	-56
CAPEX and R&D capitalization	35	24	39	6	2	8
NCOA	612	642	231	241	311	311
Net capital employed	5 234	5 167	5 084	5 093	5 627	5 627
Order intake	187	212	359	289	222	511
Order backlog	498	482	582	626	601	601
Employees	455	437	431	405	428	428

Key figures | Split per company (1/4)

HMH

USD million	2Q 21	3Q 21	4Q 21	1Q 22	2Q 22	YTD 2022
Revenue ^[1]	135	135	163	140	181	321
EBITDA (adj) ^{[1] [2]}	19	18	32	13	31	44
EBITDA	16	17	25	7	22	30
Order intake ^[1]	158	291	200	166	171	337
Equipment backlog ^[3]	233	300	305	337	240	240
NIBD (incl. shareholder loans) ^[4]	n.a.	n.a.	226	249	240	240

Note: HMH figures presented on 100% basis, proforma figures for the periods 2Q 21 – 3Q 21

[1] Excludes discontinued operations, historical figures have been restated

[2] EBITDA (adj) excludes expenses that are not part of normal company operations

[3] Equipment backlog defined as Project and Product orders, historical figures restated to exclude discontinued operations

[4] Q1 22 NIBD restated after correction of misclassification

Key figures | Split per company (2/4)

AKOFS OFFSHORE

USD million	2Q 21	3Q 21	4Q 21	1Q 22	2Q 22	YTD 2022
Revenue and other income	40	38	37	35	40	76
EBITDA	14	11	7	7	15	23
EBIT	4	-1	-13	-3	5	3
CAPEX and R&D capitalization	1	1	-5	12	7	18
NCOA	32	28	25	18	23	23
Net capital employed	422	411	375	377	360	360
Order intake	0	0	80	0	0	0
Order backlog	384	345	384	350	328	328
NIBD (incl. shareholder loans and lease liabilities)	344	339	335	341	345	345
Employees	296	296	292	296	295	295

Note: AKOFS Offshore figures presented on 100% basis

Key figures | Split per company (3/4)

AGR

NOK million	2Q 21	3Q 21	4Q 21	1Q 22	2Q 22	YTD 2022
Revenue and other income	178	177	190	208	193	401
EBITDA	8	10	4	35	15	50
EBIT	4	5	-7	31	11	43
CAPEX and R&D capitalization	6	5	2	3	3	6
NCOA	-6	-3	-9	-15	-8	-8
Net capital employed	173	177	192	212	220	220
Order intake	132	159	283	162	158	320
Order backlog	454	436	518	493	457	457
Employees	410	392	388	362	385	385

Key figures | Split per company (4/4)

OTHER HOLDINGS

NOK million	2Q 21	3Q 21	4Q 21	1Q 22	2Q 22	YTD 2022
Revenue and other income	97	54	57	57	67	124
EBITDA	36	-20	-19	-29	-32	-61
EBIT	22	-27	-43	-38	-60	-99
CAPEX and R&D capitalization	20	9	37	3	-1	2
NCOA	359	348	239	256	319	319
Net capital employed	1 743	1 641	1 789	1 553	1 794	1 794
Order intake	55	53	76	127	64	191
Order backlog	44	46	64	133	144	144
Employees	45	45	43	43	43	43

ODL preferred equity and warrant instrument



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 the date falling six years following completion (ie. from 31st May 2024) 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	6.8	9.0	10.6
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>Cash dividend [2]</i>	5%	5%	5%	5%	5%	5%	8%	9%	10%
<i>PIK dividend</i>	5%	5%	5%	5%	5%	5%	5%	5%	5%
<i>Call price</i>	<i>n.a.</i>	125%	120%	115%	110%	105%	100%	100%	100%

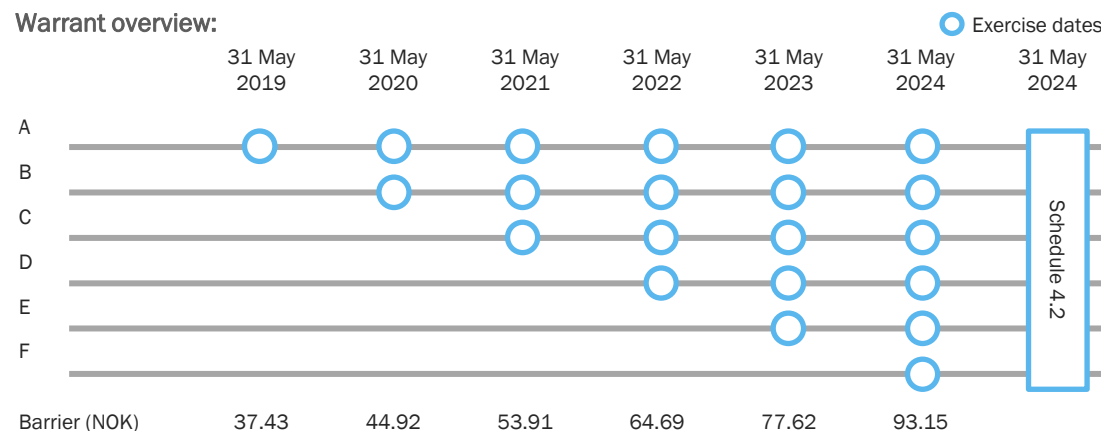
- The agreement contain several covenants, including but not limited to an obligation not to pay dividends or other distributions exceeding 50% of the net profit from the preceding year (unless a similar portion of the preference capital is repaid prior to the distribution), and in any case not pay dividends 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%
- Step-up in cash dividend applicable from 31st May 2024, 25 and 26

Warrant structure

Instrument description:

- Warrant structure adjusted in Q2 following the spin-off of Odfjell Technology with updated number of warrants and level of barriers based on terms in warrant agreement
- The total warrant issue now comprise six tranches with 1,139,582 warrants per tranche, amounting to a total 6,837,492 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:

$$\text{Remaining warrants} \times \frac{\text{Max}[(\text{Share price @ 30 May 2024} - 31.20), 0]}{(93.15 - 31.20)}$$

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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