Prosafe

Q3 2024 Results

14 November 2024

Disclaimer

All statements in this presentation other than statements of historical fact are forward-looking statements, which are subject to a number of risks, uncertainties, and assumptions that are difficult to predict and are based upon assumptions as to future events that may not prove accurate. Certain such forward-looking statements can be identified by the use of forward-looking terminology such as “believe”, “may”, “will”, “should”, “would be”, “expect” or “anticipate” or similar expressions, or the negative thereof, or other variations thereof, or comparable terminology, or by discussions of strategy, plans or intentions. Although we believe that the expectations reflected in such forward -looking statements are reasonable, these forward-looking statements are based on a number of assumptions and forecasts that, by their nature, involve risk and uncertainty. Various factors could cause our actual results to differ materially from those projected in a forward-looking statement or affect the extent to which a particular projection is realized. Should one or more of these risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this presentation as anticipated, believed or expected. To the extent this information includes information sourced from third parties, such as concerning the industry in which Prosafe operates, has not prepared such information and assumes no responsibility for it. Prosafe does not intend and does not assume any obligation to update any industry information or forward-looking statements set forth in this presentation to reflect subsequent events or circumstances.

Key events Q3 2024

Operations and HSSE

- Good operating and safety performance on all vessels
- Utilisation of 57%, four out of seven vessels operating during the quarter
- Strong commercial performance
  - LOIs for Safe Boreas and Safe Caledonia now firm contracts
  - Safe Concordia options declared with two additional months to early March 2025
  - Safe Zephyrus extension expected to Q3 2027 adding potential USD 105m to backlog
  - Backlog of USD 400 million (USD 268 million), almost doubled since last year

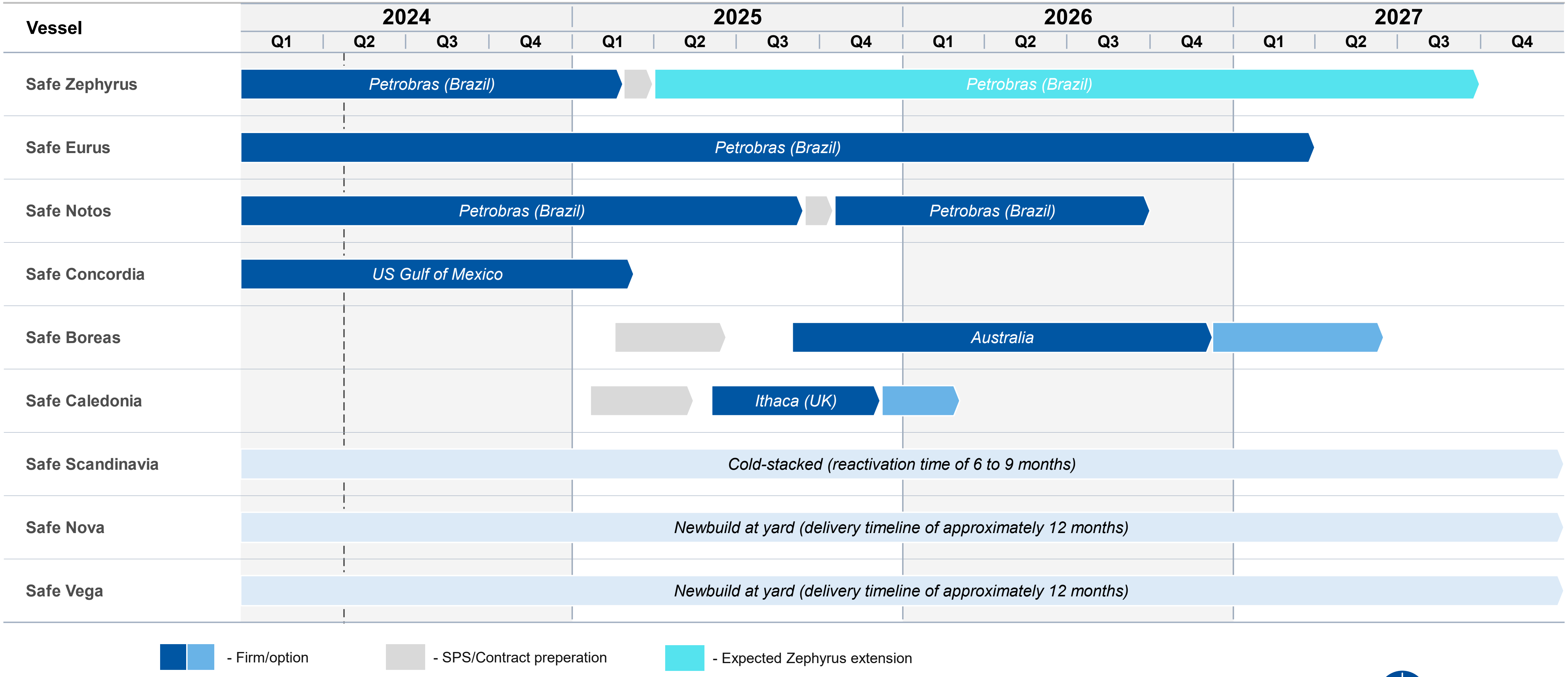
Financials

- Q3 revenue of USD 34.6 million and EBITDA of USD 5.0 million
- Liquidity of USD 63.5 million at end of Q3
- Increased backlog and improved outlook create a platform to strengthen liquidity and achieve a sustainable capital structure
- Refinancing process is continuing with an indicative refinancing requirement of ~USD 400 million including USD 343 million in debt maturities and additional liquidity to support rig re-activations and capex
- Expect to complete refinancing during H1 2025, an equity component is expected to form part of the overall structure

Outlook

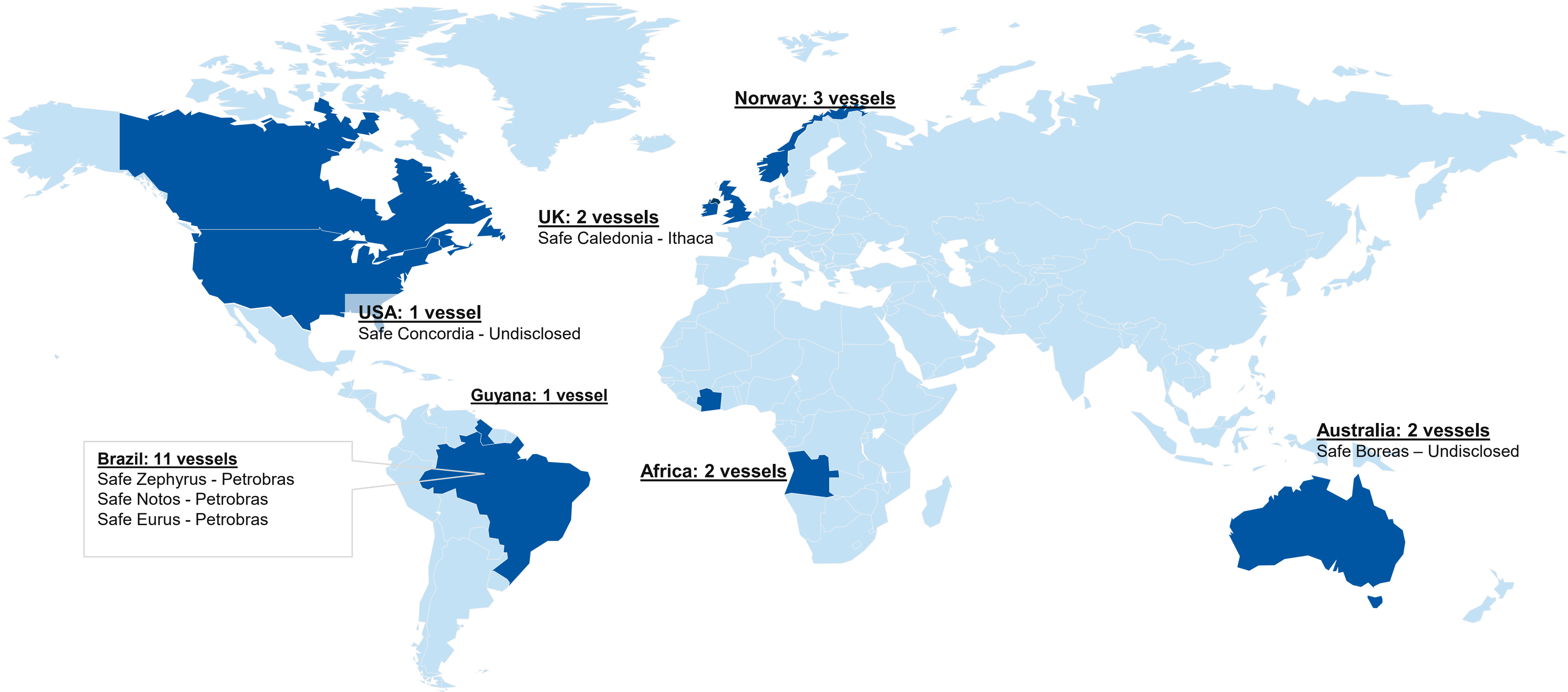
- Improving Brazil market with recent tender and further contracts expected
- North Sea operators planning campaigns with continued bidding for 2025 and discussions regarding 2026 to 2028 requirements
- Expect higher utilisation and earnings growth for the coming years

Boreas and Caledonia contracted, building 2025-2027 backlog



Market

Brazil employing ~50% of global fleet



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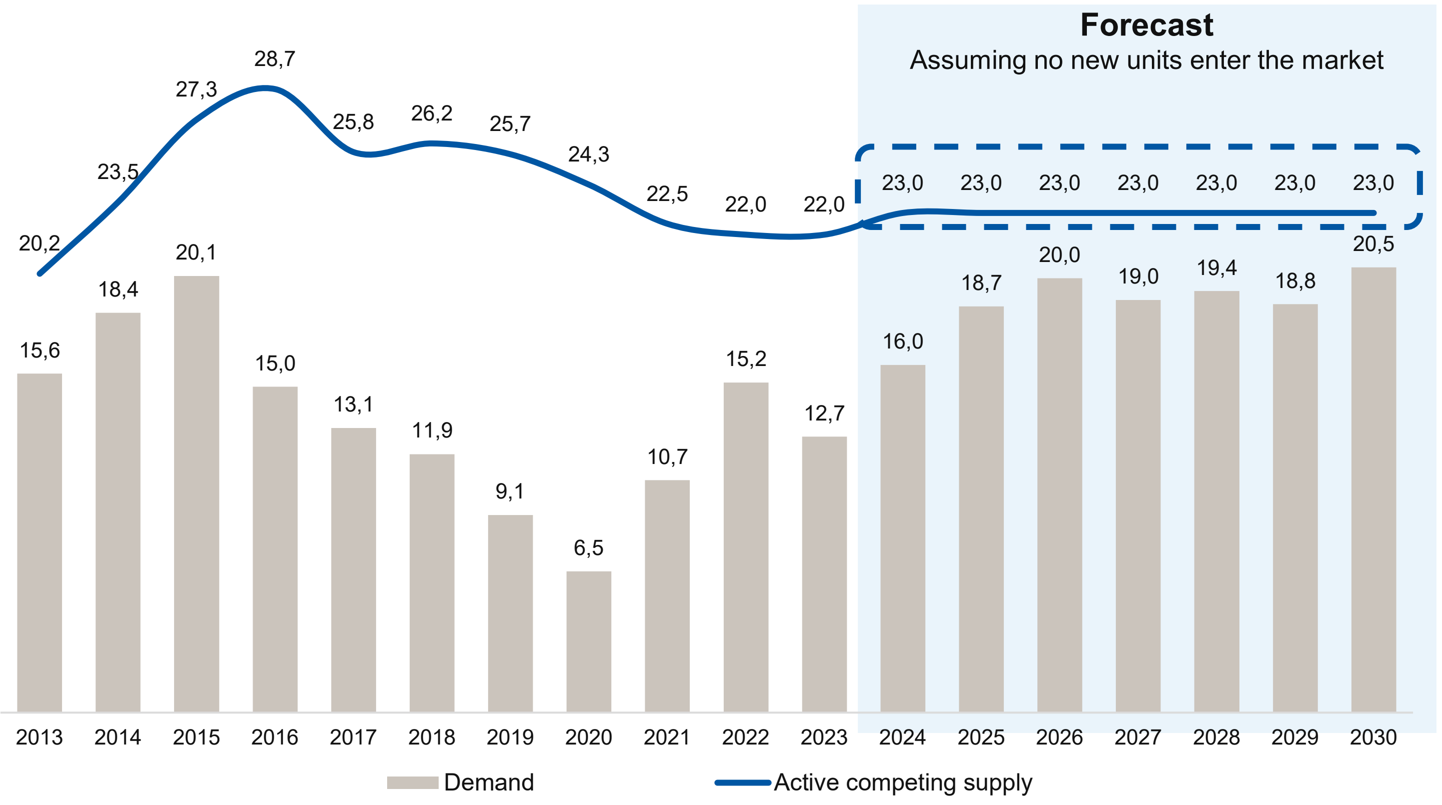
Market tightening to 2030 and beyond

- New, incremental 2-year tender recently released by Petrobras with 2026 start-up
- Additional, multi-year tenders expected in Brazil from Petrobras and independents
- Potential North Sea opportunities in 2026 to 2028
- Continued demand in RoW

Offshore accommodation demand and supply development
(vessel years)



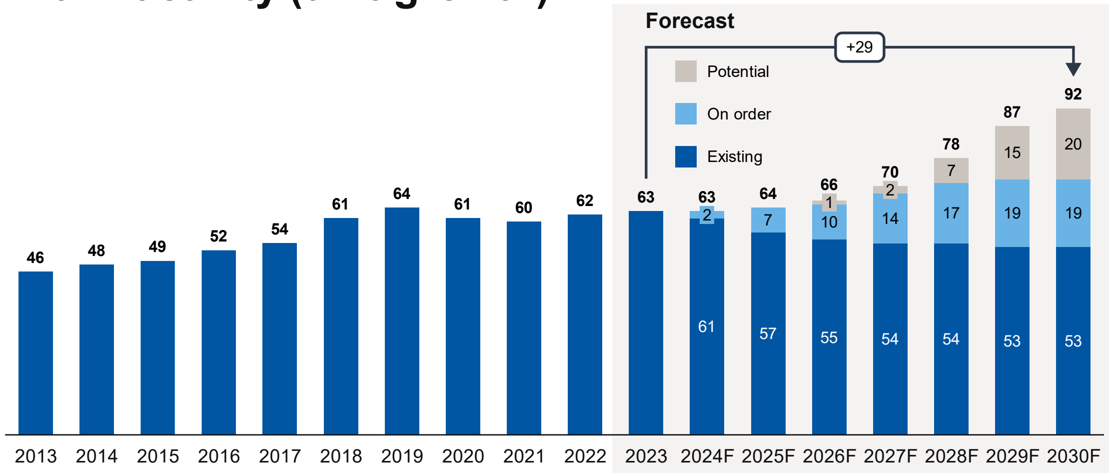
Source: Clarksons, HIS, Prosafe, Spinergie, Company Information and Arkwright research report
Note: Contracted demand including firm LOIs, excluding options

Strong demand development in Brazil

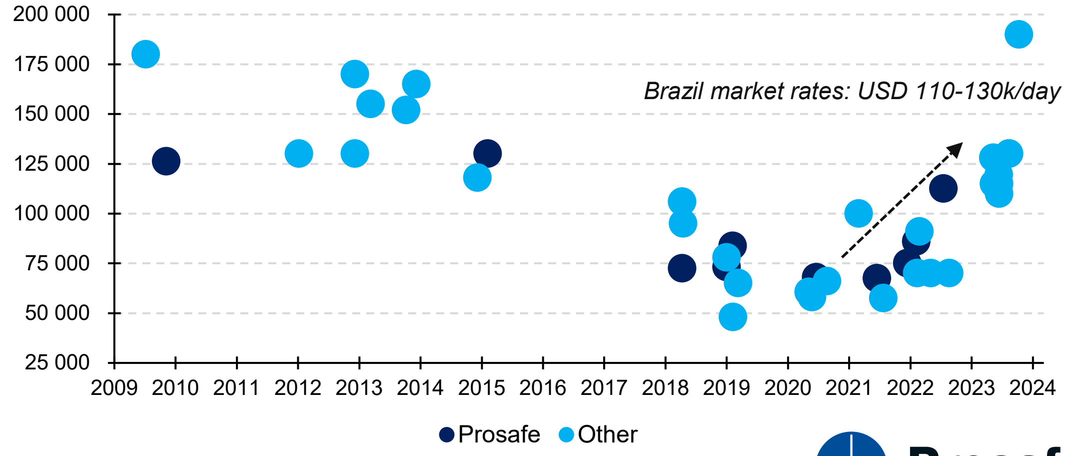
- Oil and gas production expected to double to ~ 5 - 6 million barrels in 2030
- 19 FPSOs on order and 20 additional units may be ordered
- FPSOs drive accommodation demand, typically 2-3 years after delivery with recurring annual activity over FPSO lifetime
- Long-term demand expected to grow by 3 to 5 units, recent tender

Market participants:

Brazil activity (unit growth)



Brazil rate development (USD per day)



Source: Prosafe and Arkwright
Note: Recent contract at $190,000/day understood to be Equinor Baccalau Hook-up (short duration contract)

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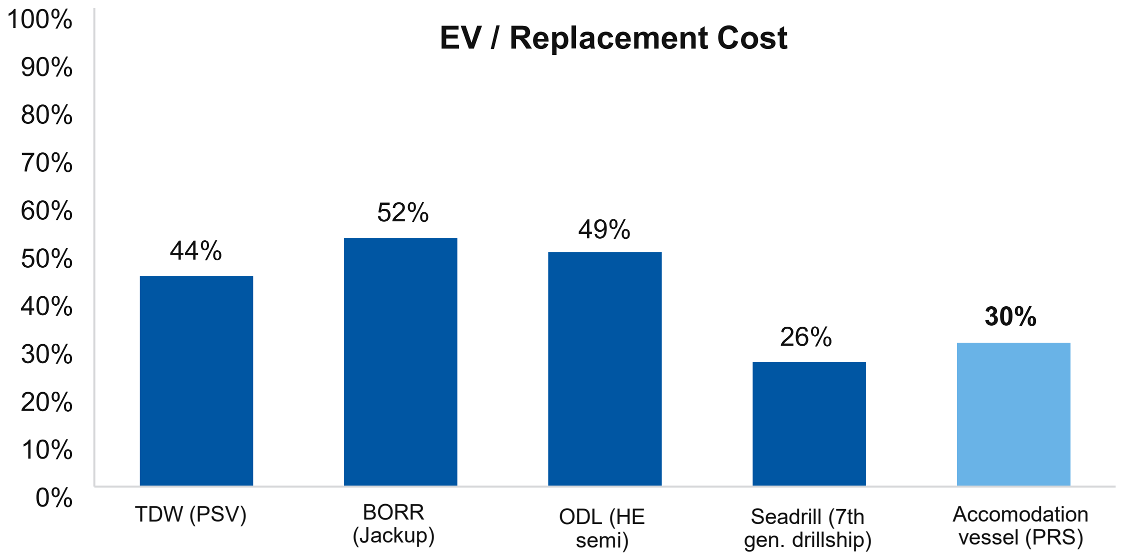
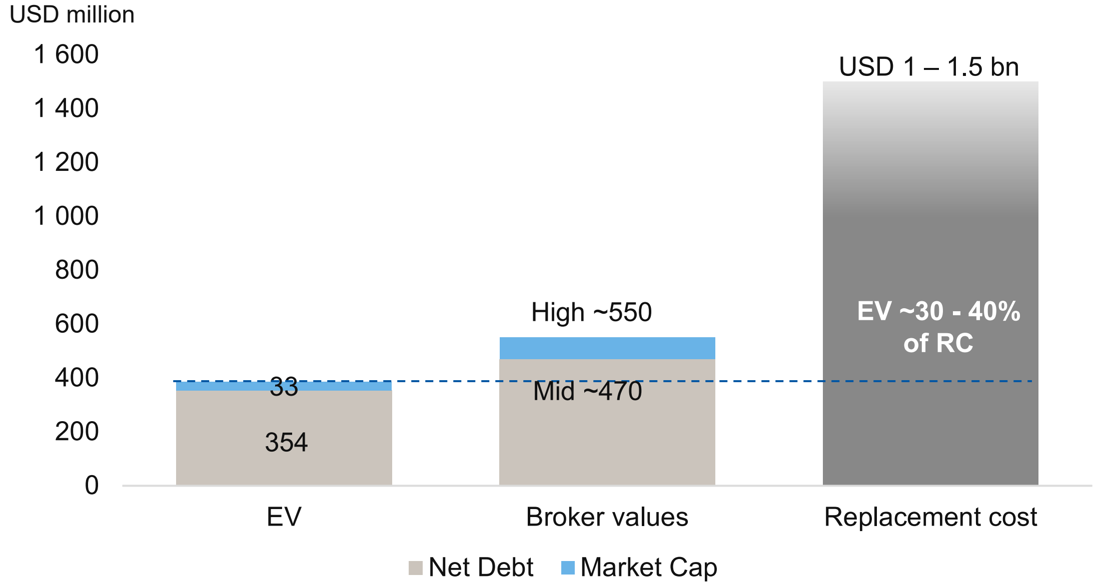
Enterprise value to replacement cost

Accommodation vessels compared to other assets[1]



- Average EV / replacement value versus other assets in the oil service segment

Low Prosafe asset valuation relative to replacement cost[2]



- Accommodation vessels trading at 30% to 40% of historical newbuild cost
- Broker valuations confirm robust asset backing to EV

1) Source: Sparebank 1 Markets, Factset, Prosafe. Figures per Nov. 2024
2) Source: Prosafe, independent brokers. Replacement cost estimated in range of USD 1 to 1.5bn.

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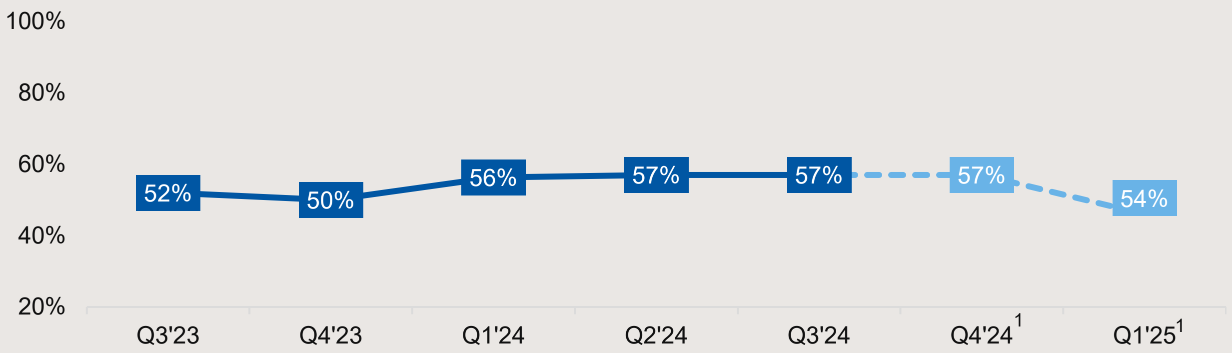
Operations

Stable operations

- All three Brazil vessels with 99% to 100% utilisation with Petrobras
- Safe operations in quarter with no recordable injuries
- Safe Concordia with 100% utilisation
  - Contract extended in US Gulf of Mexico until early March 2025
  - Considering lay-up post contract, pending contract to justify investment
- Safe Boreas and Safe Caledonia contracts signed
- Safe Zephyrus extension expected
- TSV Safe Scandinavia laid up in Norway, marketed for tender support and accommodation. Vessel may alternatively be sold

Fleet utilisation (%)



1) Expected utilisation rate including Zephyrus extension

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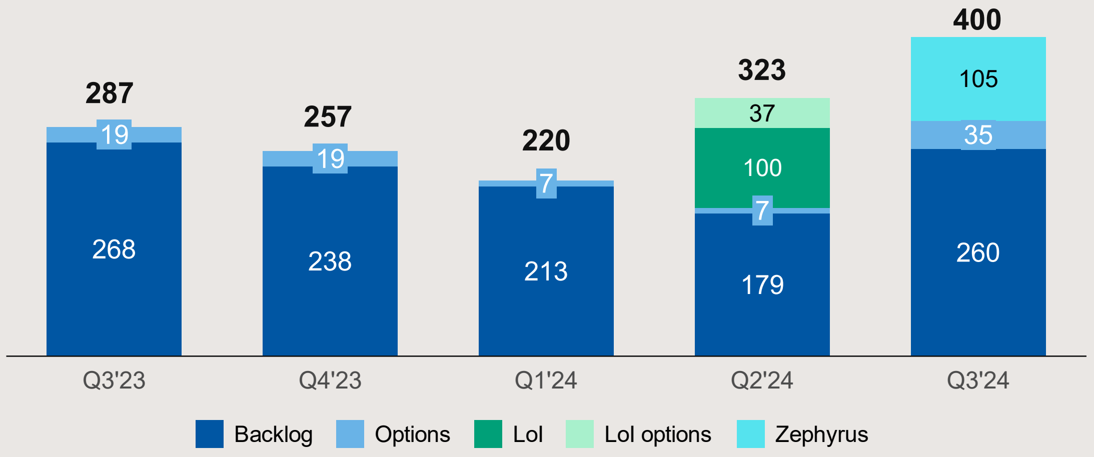
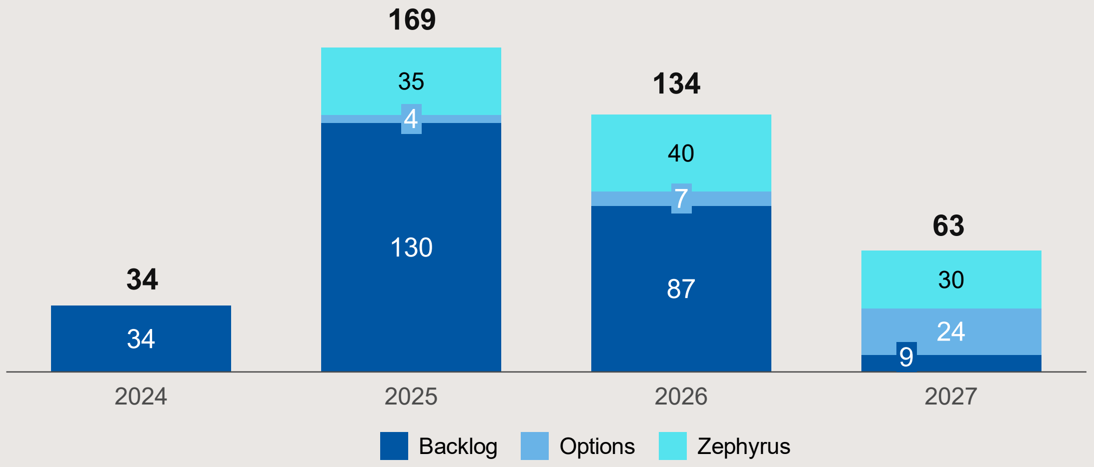
Backlog improved and extending into 2027

- Safe Eurus, Safe Notos, Safe Zephyrus and Safe Concordia on contract and working
- Backlog of USD 295[1)] million in firm backlog plus options per Q3 2024
  - Including recent awards for Safe Caledonia and Safe Boreas
- Extension of Safe Zephyrus in Brazil to Q3 2027 expected adding USD 105 million in potential backlog

Order backlog (USD million)|



Expected phasing of order backlog (USD million)



1) Reimbursable expenses, e.g crew cost, fuel and other transportation cost for Safe Boreas are excluded from the backlog. Standby rate is not considered in the backlog for the period October to April to extent applicable. Assumes Safe Boreas start in Australia from 01 October 2025. Start-up window from October 2025 to April 2025

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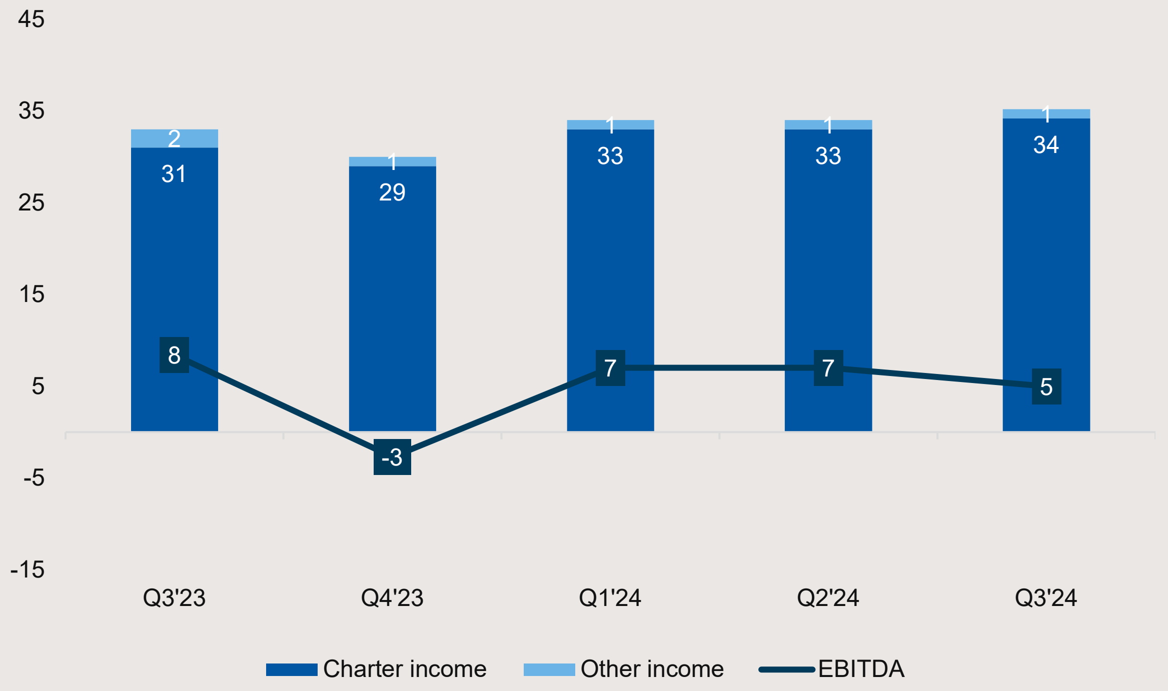
Financials

Operating revenues

- Charter income of USD 34.1 million and other income of USD 0.5 million
  - In line with previous quarter and driven by stable utilisation
- EBITDA of USD 5.0 million. Increased costs due to higher activity

Operating revenues and EBITDA (USD million)



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Income statement

- Improved operating revenue with four operating vessels in full quarter compared to three in 2023
- Reduction in EBITDA compared to Q3 2023 mainly due to capitalization of costs related to the Safe Concordia contract start-up in 2023
- Interest expense of USD 8.0 million
- Tax expense driven by full operation in US Gulf of Mexico

(Unaudited figures in USD million)	Q3 24	Q3 23	9M 24	9M 23	12M 23
Operating revenues	34.6	32.8	102.8	68.1	97.7
Operating expenses	(29.6)	(24.4)	(84.0)	(75.9)	(108.2)
Operating results before depreciation	**5.0**	**8.4**	**18.8**	**(7.8)**	**(10.5)**
Depreciation	(8.0)	(6.7)	(23.9)	(21.2)	(31.1)
Operating profit/(loss)	**(3.0)**	**1.7**	**(5.1)**	**(29.0)**	**(41.6)**
Interest income	0.3	0.4	1.3	1.6	2.1
Interest expenses	(8.0)	(8.1)	(23.7)	(22.9)	(30.9)
Other financial items	(0.8)	0.3	(0.9)	(1.7)	(2.8)
Net financial items	**(8.5)**	**(7.4)**	**(23.3)**	**(23.0)**	**(31.6)**
(Loss)/Profit before taxes	**(11.5)**	**(5.7)**	**(28.4)**	**(52.0)**	**(73.2)**
Taxes	(0.3)	0.0	(2.3)	(1.1)	5.4
Net (loss)/Profit	**(11.8)**	**(5.7)**	**(30.7)**	**(53.1)**	**(67.8)**
EPS	**(0.66)**	**(0.49)**	**(1.72)**	**(5.26)**	**(6.00)**
Diluted EPS	**(0.66)**	**(0.49)**	**(1.72)**	**(5.26)**	**(6.00)**

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Balance sheet

- Total assets of USD 465.4 million
- Cash position of USD 63.5 million
- Equity ratio of 0.9%
- Q3 NIBD[2] of USD 353.9 million whereof USD 4.2 million is short-term

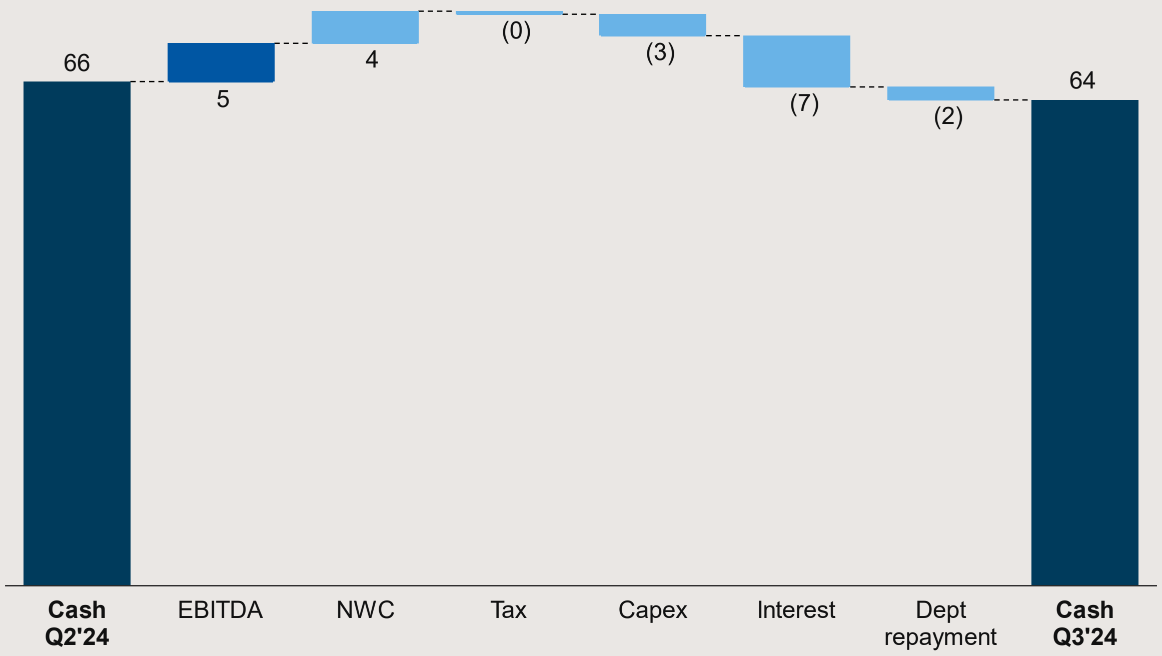
(Unaudited figures in USD million)	9M 24	9M 23	12M 23
Vessels	367.3	388.9	383.7
Other non-current assets	3.0	1.2	1.8
Total non-current assets	**370.3**	**390.1**	**385.5**
Accounts and other receivables	24.6	26.8	24.9
Other current assets	7.0	7.0	7.7
Cash and deposits	63.5	49.0	74.6
Total current assets	**95.1**	**82.8**	**107.2**
Total assets	**465.4**	**472.9**	**492.7**
Share capital	24.8	16.0	24.8
Other equity	(20.8)	(2.9)	9.0
Total equity	**4.0**	**13.1**	**33.8**
Interest-free long-term liabilities	1.6	1.6	1.8
Interest-bearing long-term debt	413.2	416.2	415.5
Total long-term liabilities	**414.8**	**417.8**	**417.3**
Accounts and other payables	34.7	22.4	27.5
Tax payable	7.7	16.2	10.1
Current portion of long-term debt	4.2	3.4	4.0
Total current liabilities	**46.6**	**42.0**	**41.6**
Total equity and liabilities	**465.4**	**472.9**	**492.7**

1) Net working capital is equal to (Total current assets excl. cash – Total current liabilities excl. Tax payable and current portion long-term debt)
2) Net Interest-bearing debt is equal to Interest-bearing debt less cash. NIBD is reduced by a USD 6.6 million fair value adjustment of which USD 2.7 million is short term

Operating cash flow

- Operating cash flow of USD 9.1 million
- EBITDA USD 5.0 million
- Working capital of USD 4.2 million, impacted positively by up-front contract payment for Safe Caledonia
- Capex spend of USD 2.8 million
- Interest paid in quarter of USD 7.1 million
- Cash position of USD 63.5 million[1]

Cash flow in the quarter (USD million)



1) Cash position includes USD 1.4 million in cash held in the New Group and USD 2.3 million in restricted cash which are excluded for covenant calculation purposes

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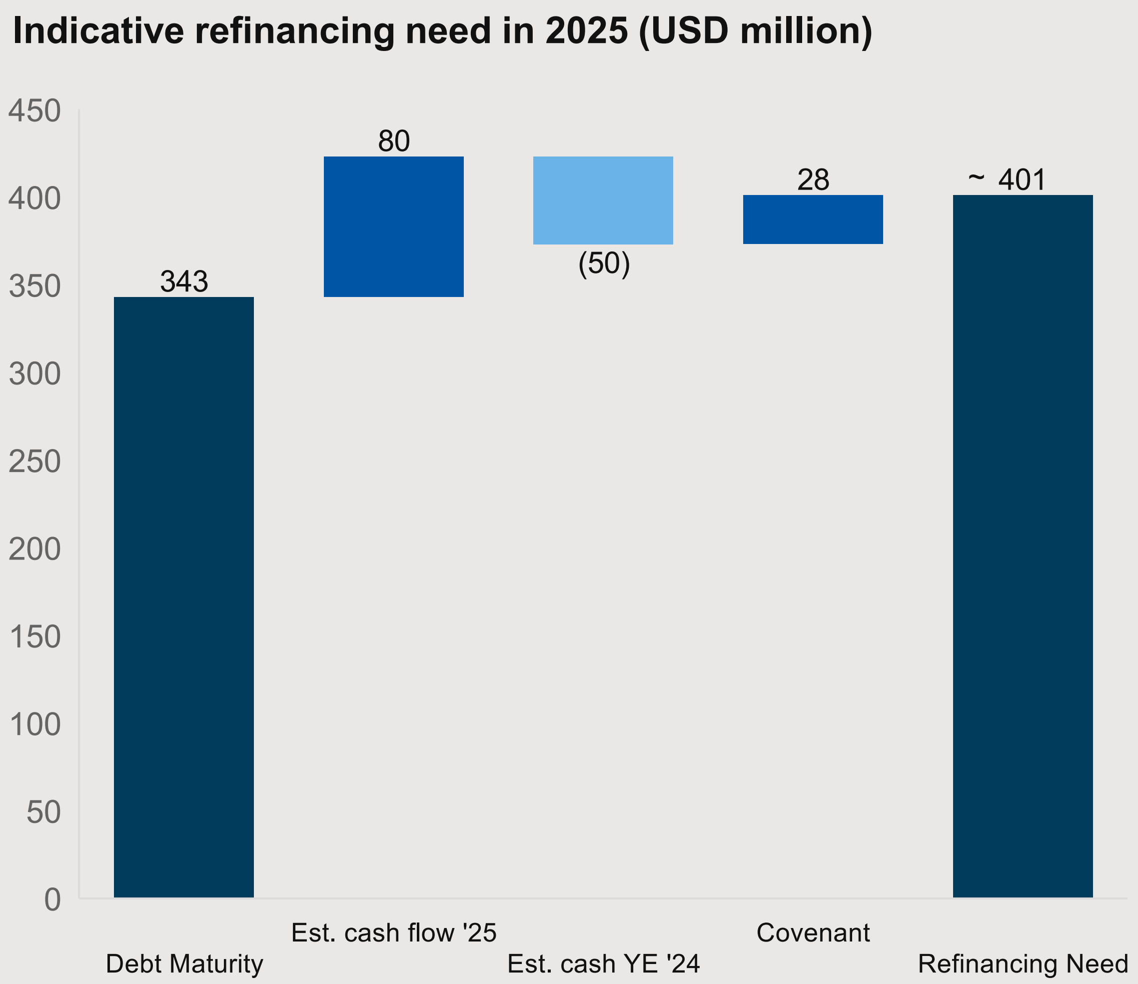
Sustainable capital structure to support growth

- Increased backlog and improved outlook create a platform to strengthen liquidity and achieve a sustainable capital structure
- Refinancing process is continuing with an indicative refinancing requirement of ~USD 400 million including USD 343 million in debt maturities and additional liquidity to support rig re-activations and capex
- Expect to complete refinancing during H1 2025, an equity component is expected to form part of the overall structure



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Summary and outlook

Summary

Market leader with significant share of capacity in a tightening market and access to newbuilds at attractive lead time

Positioned for long-term value creation driven by Brazil demand

High earnings potential, favourable replacement value

Focus on achieving sustainable capital structure prior to 2025 debt maturity

Appendix

Interim condensed consolidated statement of cash flows

(Unaudited figures in USD million)	Q3 24	Q3 23	9M 24	9M 23	12M 23
Loss before taxes	(11.5)	(5.7)	(28.4)	(52.0)	(73.2)
Deferred revenue recognition (IFRS 15 adjustment)	0.0	0.0	0.0	0.0	0.0
Share of loss of equity of an associate	0.0	0.0	0.0	0.0	0.0
Gain from extinguishment of debt	0.0	0.0	0.0	0.0	0.0
Gain on sale of non-current assets	0.0	(1.7)	0.0	(1.7)	(1.7)
Depreciation	8.0	6.7	23.9	21.2	31.1
Impairment	0.0	0.0	0.0	0.0	0.0
Financial income	(0.3)	(0.4)	(1.3)	(1.6)	(2.1)
Financial costs	8.0	8.1	23.7	22.9	30.9
Share-based payment expense	0.3	0.2	0.8	0.1	0.4
Change in working capital	4.1	(19.6)	8.4	(1.6)	4.6
Other items from operating activities	0.9	(0.9)	0.9	0.3	1.0
Taxes paid	(0.4)	(0.7)	(4.8)	(2.9)	(2.5)
Net cash flow (used in)/from operating activities	**9.1**	**(14.0)**	**23.2**	**(15.3)**	**(11.5)**
Acquisition of tangible assets	(2.8)	(5.7)	(8.7)	(32.9)	(37.7)
Net proceeds from sale of tangible assets	0.0	1.7	0.0	1.7	1.7
Interests received	0.3	0.4	1.3	1.6	2.1
Net cash flow used in investing activities	**(2.5)**	**(3.6)**	**(7.4)**	**(29.6)**	**(33.9)**
Proceeds from new interest-bearing debt	0.0	0.0	0.0	0.0	0.0
Repayment of interest-bearing debt	(1.7)	(1.6)	(4.9)	(4.8)	(6.4)
Refinancing cost	(0.3)	0.0	(1.0)	0.0	0.0
Issuance of ordinary shares	0.0	0.0	(0.1)	28.1	62.8
Interests paid	(7.0)	(7.0)	(20.9)	(21.0)	(28.0)
Net cash flow used in financing activities	**(9.0)**	**(8.6)**	**(26.9)**	**2.3**	**28.4**
Net cash flow	**(2.4)**	**(26.2)**	**(11.1)**	**(42.6)**	**(17.0)**
Cash and deposits at beginning of period	65.9	75.2	74.6	91.6	91.6
Cash and deposits at end of period	**63.5**	**49.0**	**63.5**	**49.0**	**74.6**

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Interim condensed consolidated statement of comprehensive income

(Unaudited figures in USD million)	Q3 24	Q3 23	9M 24	9M 23	12M 23
Net loss for the period	**(11.8)**	**(5.7)**	**(30.7)**	**(53.1)**	**(67.8)**
Foreign currency translation	0.8	(0.7)	0.2	0.7	1.3
Revaluation hedging instruments	0.0	0.0	0.0	0.0	0.0
Pension remeasurement	0.0	0.0	0.0	0.0	(0.1)
Other comprehensive income	**0.8**	**(0.7)**	**0.2**	**0.7**	**1.2**
Total comprehensive income	**(11.0)**	**(6.4)**	**(30.5)**	**(52.4)**	**(66.6)**

Interim condensed consolidated statement of changes in equity

(Unaudited figures in USD million)	Q3 24	Q3 23	9M 24	9M 23	12M 23
Equity at beginning of period	14.8	19.3	33.8	37.3	37.3
Revised equity at beginning of period	**14.8**	**19.3**	**33.8**	**37.3**	**37.3**
IFRS 15 adjustment to opening balance	0.0	0.0	0.0	0.0	0.0
Revised equity at beginning of period	14.8	19.3	33.8	37.3	37.3
Share based payment	0.2	0.2	0.8	0.1	0.4
New share issue	0.0	0.0	0.0	28.1	62.7
Comprehensive income for the period	(11.0)	(6.4)	(30.5)	(52.4)	(66.6)
Equity at end of period	**4.0**	**13.1**	**4.0**	**13.1**	**33.8**

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Vessel update - Brazil

Safe Eurus
DP3 – Worldwide[1]

- Contracted to Petrobras until Q1 2027
- 98% utilisation in 2024
- Next SPS in 2028

Safe Notos
DP3 – Worldwide[1]

- Contracted to Petrobras until Q3 2026
- 100% utilisation in 2024
- Next SPS likely to be conducted between September/October 2025
- Thruster overhauls (some or all) to be undertaken in conjunction with SPS in 2025 and/or post contract in 2026

Safe Zephyrus
DP3 - Worldwide

- Contracted to Petrobras until February 2025, with extension to September 2027 expected
- 99% utilisation in 2024
- Next SPS likely to be conducted in June/July 2025
- Thruster overhauls (some or all) to be undertaken in conjunction with SPS in 2025 and post contract extension

1) Worldwide operations excluding Norwegian Continental Shelf (NCS)

Vessel update – North Sea and rest of world

Safe Boreas
DP3 - Worldwide

- Contract signed for operations in Australia
- Duration of 15 months with up to 6 months of options. Start-up between 1 October 2025 and 1 April 2026
- Contract value from USD 75 million to USD 100 million subject to options
- Up-front payments structured to remain cash neutral until contract start. Re-activation work started

Safe Caledonia
TAMS - UK North Sea

- Contract signed for UK. Start-up June 2025. 6 months with up to 3 months options
- Contract value from USD 26 million to USD 37 million depending on options
- Up-front payments structured to remain cash neutral until contract start. Re-activation work started

Safe Concordia
DP2 – Worldwide[2]

- Firm contract extended to early March 2025 in US Gulf of Mexico
- 100% utilisation in 2024
- SPS due March 2025
- Considering lay-up post contract, pending contract to justify investment

Safe Scandinavia
TSV/accommodation - UK / NCS

- Tender assist ("TSV") or accommodation support
- Accommodation capacity
  - 155 beds NCS
  - ~300 beds UK / Rest of world
- Potential option to re-activate should market improve significantly, may alternatively dispose of vessel

2) Worldwide excluding North Sea (UK and NCS)
NCS – Norwegian Continental Shelf
TAMS – Thruster assisted mooring system

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Analytical information

Expenditure information

Item	2024 Estimated (USDm)	2025 Estimated (USDm)	Comment
SG&A[1]	~20	~20-21	SG&A increase driven by increased activity and inflation
Depreciation	~32-33	~35-37	Straight line depreciation
Interest payable	~28-29	~22-25	Assuming current financing and falling interest rates
Tax payable	~2-3	~3-5	Norwegian deferred tax asset base of USD 1.7bn per year end 2023, local and contract specific taxes
Capex	~14-15		2024 capex mainly for Safe Eurus, Safe Notos, Safe Concordia and new ERP system
Boreas		~22-24	SPS, all thrusters, re-activation and mobilization
Caledonia		~12-14	SPS, re-activation, mobilization and engine overhauls
Zephyrus		~18-20	SPS, thrusters and engine overhauls
Notos		~16-18	SPS, thrusters and engine overhauls
Eurus & Others		~5-8	Eurus engine overhauls and other

Indicative opex/day by region

Region	2024 / 2025 Opex Estimated (USDk/day)
UK (DP-Boreas/Zephyrus)	35-45k
UK (Moored – Caledonia)	25-30k
Brazil[2,3]	50-54k
Norway (DP – Boreas/Zephyrus)[2]	60-65k
RoW (Concordia)	35-45k
RoW (Boreas AUS)[5]	15-20k
US GoM (Concordia)[2]	45-50k
Scandinavia (cold)	2.5-3k
Stacking (warm)[4]	10-20k

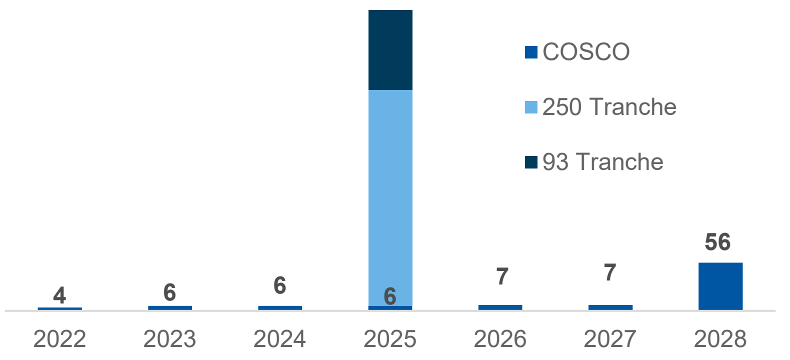
1) Expected run-rate level, excluding one-offs and non-cash option costs. May increase based on activity
2) Excluding amortisation of mobilisation cost.
3) Including approximately USD 5 -10/day in fuel cost
4) Ramp-up and ramp-down before and after contract at full operational cost. Stacking cost and re-activation highly dependent on time in lay-up and region
5) Significant portions of operating spend will be covered by the client while operating in Australia including all crew costs and fuel while on contract

Outstanding debt

Three Tranches of Debt

	2 Main Tranches	COSCO Sellers Credit
Outstanding debt	$343m (two tranches 250m & 93m Notos)	$80.0m
Pledged vessels	Boreas, Zephyrus, Caledonia, Concordia, Scandinavia, Notos (only 93m tranche)	Eurus
Interest rate	SOFR + Credit Adjustment Spread* + 2.5%. Unhedged	2%
Amortizations	Cash sweep above $67m forecasted liquidity on 12-month forward basis	50-50 EBITDA split. Minimum $6m/year paid quarterly, $7m/year from Q3 2025
Maturity	31 Dec 2025	~Q3 2028 or when debt reaches ~$50m
PCG	PSE fully liable	$60m
Financial Covenant	2024 cash > $28 million	
	Cash held in the COSCO tranche and restricted cash shall be deducted when calculating compliance with the cash covenant. At end Q3 2024, USD 1.4m was held in the COSCO tranche and USD 2.3m was restricted Major corporate actions including M&A, new indebtedness and delivery of new vessels require 2/3 approval by the lenders	Newbuilds (Nova and Vega) could be added to the COSCO silo. Cross default provisions in place vis-à-vis Eurus and Nova/Vega Delivery of newbuilds requires 2/3 approval of lenders in main tranches

Debt maturity profile



Ringfenced structure with restrictions on funding between main tranches and Cosco Sellers Credit

*Change from LIBOR to SOFR resulted in a Credit Adjustment Spread of 0,26%

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Two newbuilds available at yard

- Only two DP3 newbuild semis available at yard
  - 500 POB and suited for Brazil requirements
  - Ongoing dialogue with the yard on how to facilitate delivery in expected future Petrobras tenders
  - Long-term contracts required to justify delivery

Existing delivery terms with COSCO (under discussion):

- Remaining purchase price for vessels:
  - $210m (Nova), $212m (Vega), total $422m, includes mobilisation costs of ~$20m each
- Funding at favourable credit terms:
  - Sellers Credit: $165m (Nova), $167m (Vega), 10-year term from August 2018
  - Estimated cash requirement[1]: $45m (Nova), $45m (Vega), total for both vessels of $90m

Fixed interest rate mechanism

Average day rate	Interest rate
< USD 99k	2 %
USD 100k - 124k	3 %-5%
USD 125k - 149k	5 %-8%
> USD 150k	8 %

1) Cash requirement includes USD 25 million in yard installment due on delivery plus USD 20 million in estimated mobilization costs. Additional costs may be required subject to agreement with COSCO

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Tax

- Prosafe SE is a permanent tax resident in Norway and its Norwegian tax resident subsidiaries have a base for deferred tax assets of approximately USD 1.7 billion as at end 2023. The deferred tax assets are currently not recognized in the financial statements. In Q4 2023, the Norwegian tax authorities initiated a review of the basis for a portion of the deferred tax losses. This review may lead to a reduction in the unrecognized deferred tax asset base. At this time, Prosafe does not believe that this will have a material impact on Prosafe's financial position irrespective of the outcome of this review
- The company will from time to time operate in countries where local taxes will apply. These taxes are included in the opex assumptions in this presentation where applicable. In relation to the historical Concordia contract in Trinidad and Tobago, a remaining tax provision of USD 6 million is provided for in the accounts
- Prosafe and OSM Thome have jointly received a Tax Assessment from the Brazilian Tax Authorities imposing import taxes and customs penalties related to the challenging of the special customs regimes used to import the Safe Concordia for the Modec contract in the period from October 2018 to July 2019. Both Prosafe and OSM Thome have presented an administrative defence, challenging the view of the Brazilian Tax Authorities. Based on external advice, Prosafe is of the view that the enquiry has no merit, hence it has not made any provisions in the financial statements

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We are headquartered in Norway and have offices in the UK, Brazil and Singapore

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