

8 March 2022

# DNB's Energy & Shipping Conference 2022

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# Restructuring complete YE 2021: Revitalized and well positioned



## **A leading owner of semi accommodation units globally**

- ✓ Owner and operator of 7 vessels + 2 newbuilds at yard. Modern fleet
- ✓ Average age of fleet reduced to ca. 18 years. 4 of 7 units however only about 6 years
- ✓ Have taken lead in fleet renewal and recycling (8 of 10 units recycled by Prosafe)

## **Revitalized with financing through 2025**

- ✓ All time low net debt paving of ca. USD 350 million. Ca. USD 50 million per unit
- ✓ Refinancing by end of 2025.-Amortizations based on cash sweep
- ✓ The only listed owner of accommodation semis

## **6 of 7 vessels in operations in 2022 at improved earnings**

- ✓ All vessels with contracts in 2022 except Safe Scandinavia (TSV)
- ✓ Operations in Norway, the UK, Brazil and Trinidad & Tobago
- ✓ In connection with the closing of the restructuring in December 2021, the company guided an EBITDA of USD 50-60 million for 2022. Historic average was USD 200 million

# Well positioned in the long-term MMO market

## Key demand drivers

### New fields

- ✓ Hook-up & commissioning

### Existing fields in production

- ✓ Maintenance & modification
- ✓ Lifetime extensions
- ✓ Tie-ins of satellite fields to existing installations
- ✓ Electrification
- ✓ Carbon Capture & Storage

### Key demand triggers:

- |               |                        |                   |
|---------------|------------------------|-------------------|
| ✓ Discoveries | ✓ Age of installations | ✓ Field economics |
| ✓ Oil price   | ✓ Nearby discoveries   | ✓ Regulations     |

## Typical project (Example)

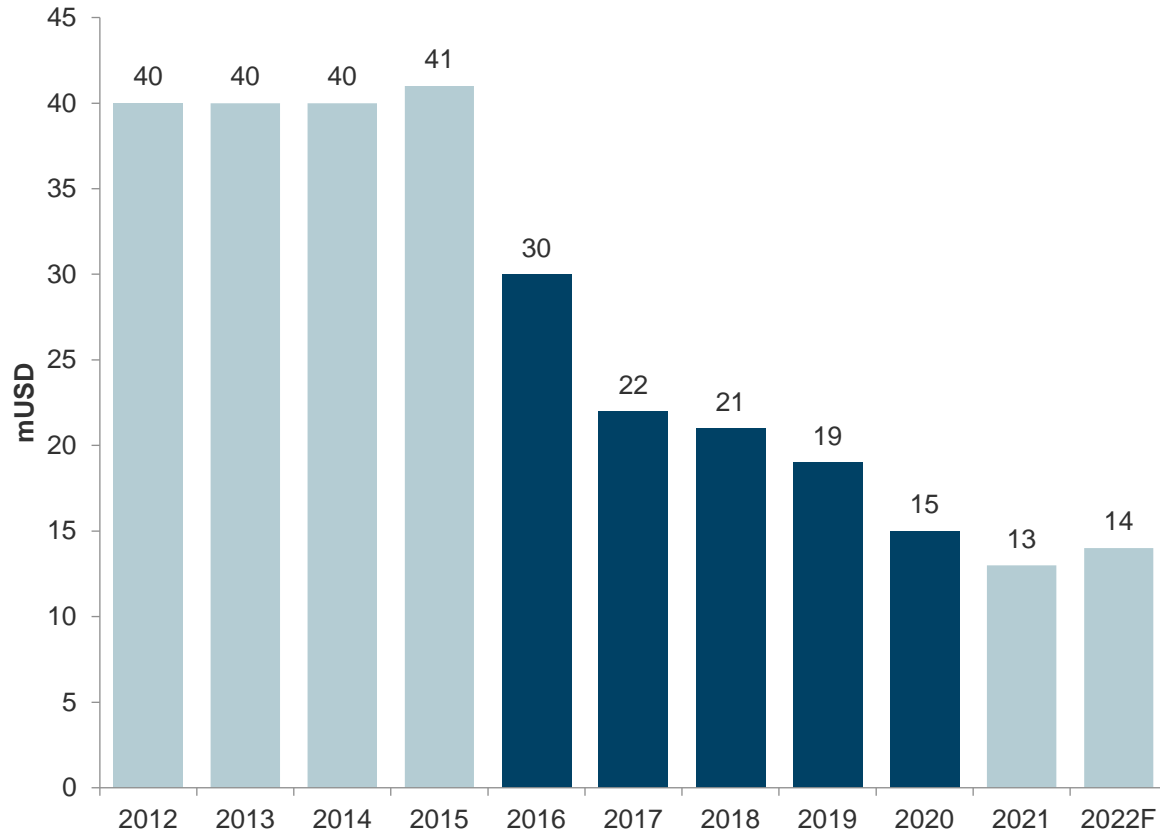
### *BP ETAP: Seagull tie-in*



- Subsea tie-in to ETAP
- ETAP was previously a target for decommissioning
- One of the largest developments in UK in 2022
- Zephyrus contract of 10 + 4 months commencing January/February

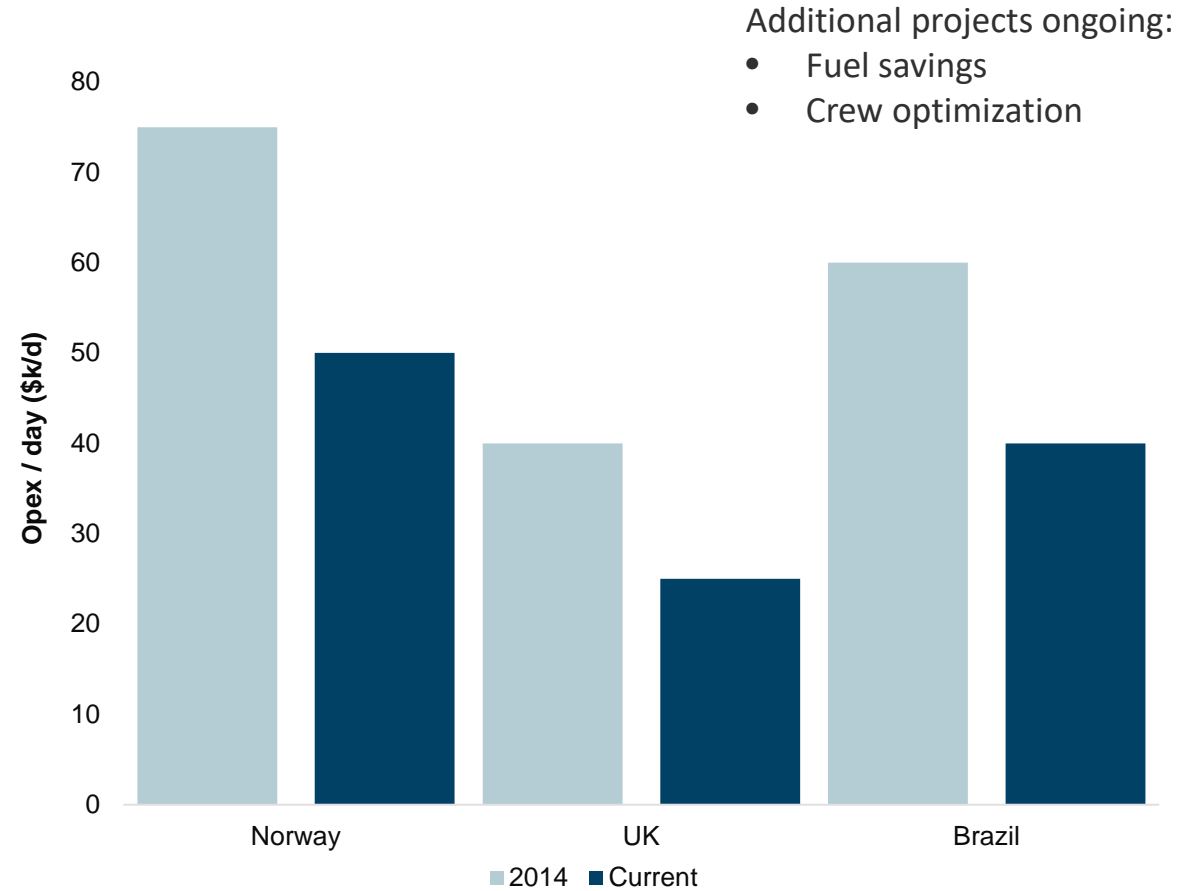
# Costs development and -discipline

SG&A\* costs down over 60% since 2015



\* Excluding one-off costs

Daily opex down in all regions since 2014



# Significant improvements in key metrics since 2015/2016

Rounded numbers	Pre downturn (2015/ 2016)*	Post 2021 restructuring	Change
Net Debt (mUSD)	~ 1200	354	-70 %
Interest costs (mUSD)	~ 90	10	-90 %
Onshore staff (# headcount)	~ 150	58	-60 %
SG&A cost (mUSD)	~ 40	13	-60 %
# of vessels	~ 14	7	-50 %
Average age per vessel (years)	~ 22	~18*	-20 %

\*4 of 7 vessels have an average age of 6 years

\*Rounded averages per 2015/2016

# All time low net debt and strong earnings improvement

- Significantly improved earnings outlook for 2022

## Financial facts

### Final restructuring completed 2021

- All time low net debt of USD 354 million
- Financing in place till end 2025
- Cash position, order backlog, cash covenant and cash sweep mechanism providing flexibility

### Strong EBITDA improvement in 2022

- In connection with the closing of the restructuring in December 2021, the company guided an EBITDA of USD 50-60 million for 2022
- Average EBITDA of USD 196 million per year last 12 years

## Historical development\*

Currency: mUSD	Average 2010-15	2016	2018	2021
Revenues	492	474	331	139
<b>EBITDA</b>	<b>284</b>	<b>253</b>	<b>167</b>	<b>23</b>
Cash	98	206	140	67
Gross debt	856	1 391	1 243	421
NIBD	757	1 185	1 103	354
<b># Rigs excl. newbuilds</b>	12	11	8	7
<i>EBITDA / rig</i>	25	23	21	3
<i>NIBD/rig</i>	66	108	138	51

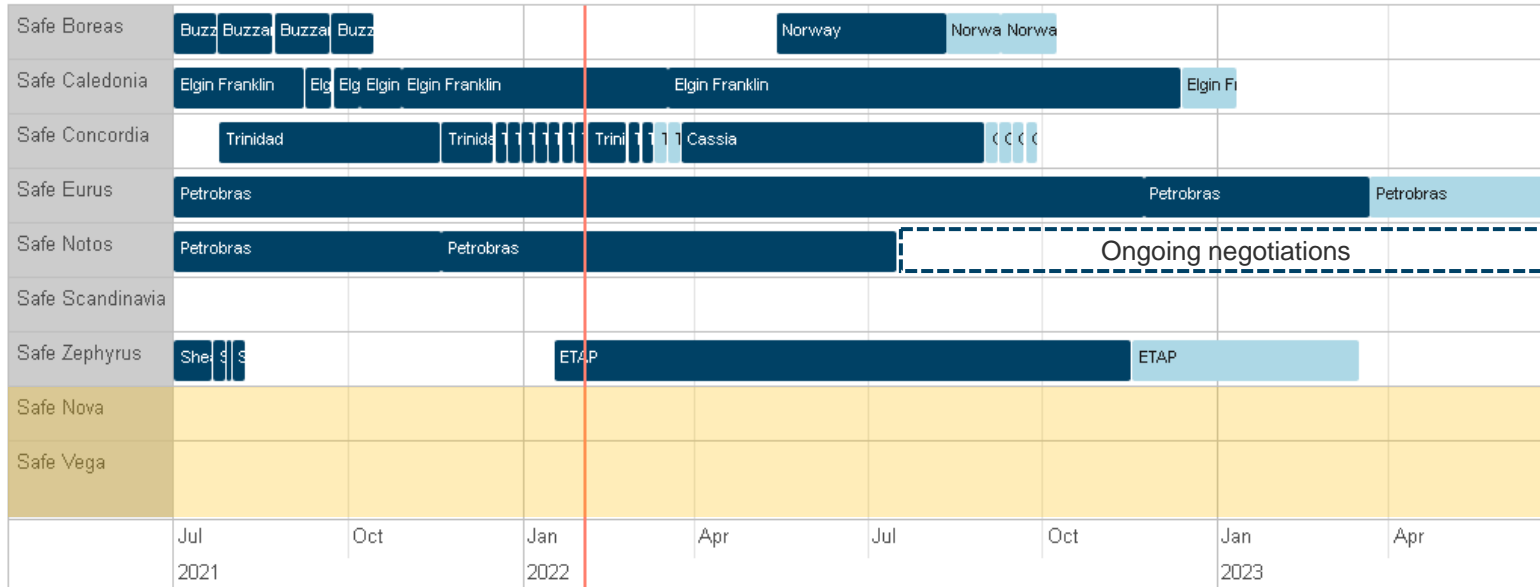
1<sup>st</sup> restructuring      2<sup>nd</sup> restructuring      Final restructuring

\*Excluding newbuilds at yard

# All vessels working in 2022

- Except the TSV Safe Scandinavia

## Contract backlog



Safe Vega and Safe Nova – newbuilds at yard

## Contracting update

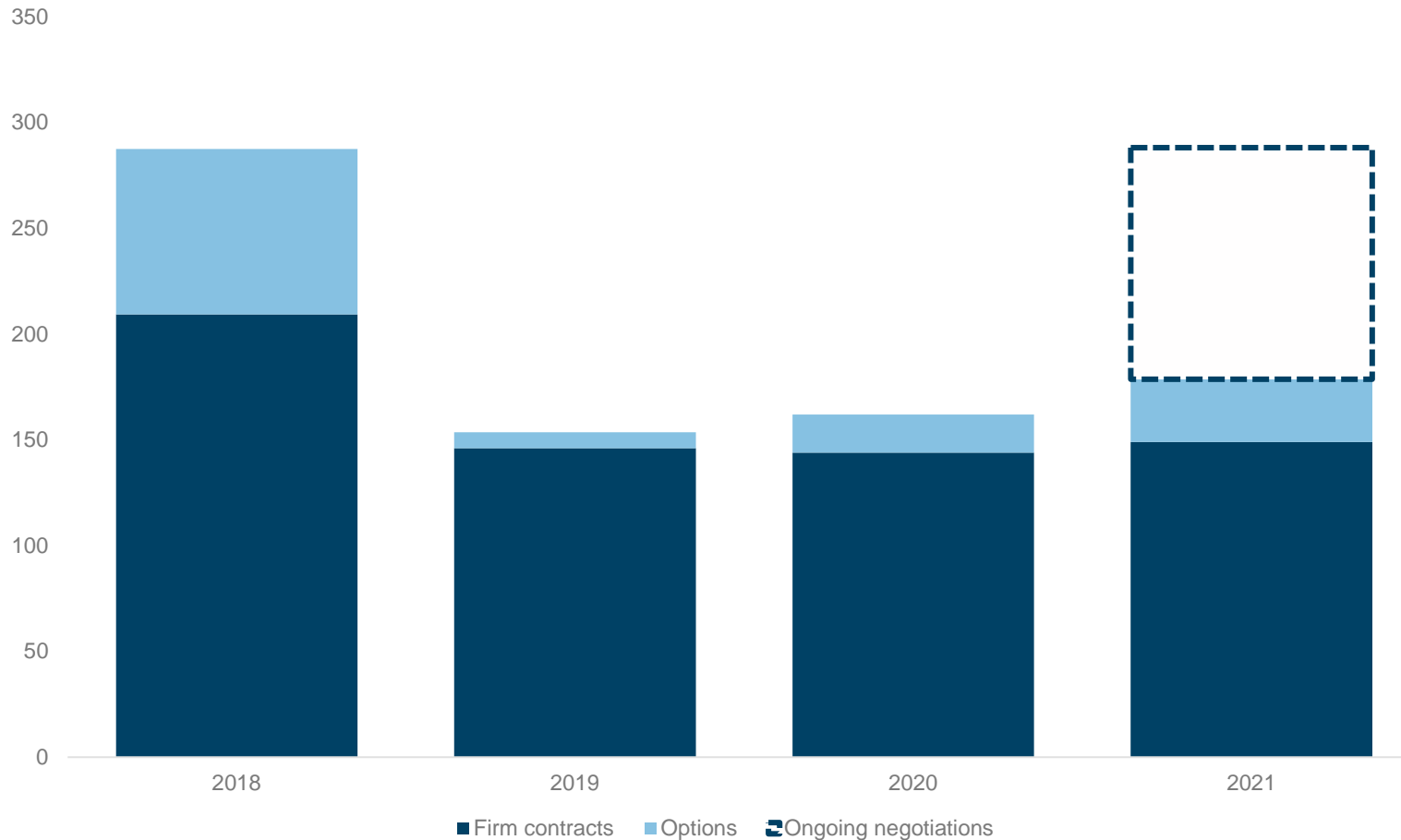
- **Safe Boreas:** In the yard preparing for a 90-day contract with an option of up to 60 days and start-up in Q2 2022 on the NCS
- **Safe Caledonia:** Currently at stand-by in-field waiting to commence a 270-day contract plus one 30-day option early-March 2022
- **Safe Concordia:** The current contract in Trinidad has been extended and is presently firm through 10 March 2022 with options through to 24 March 2022. bp has chartered the vessel in direct continuation at the Cassia C platform with a firm duration of approximately 160 days through to and including 31 August 2022. In addition, bp has 4 x one-week options.
- **Safe Eurus:** On contract with Petrobras
- **Safe Notos:** The contract with Petrobras has been extended through to mid-July 2022. Prosafe was the frontrunner in a recent Petrobras auction for a new 4-year contract. Post-auction process is ongoing
- **Safe Scandinavia:** being actively marketed
- **Safe Zephyrus:** On 22 January 2022, the vessel commenced a 10-month firm contract with 4 x one-month options with bp for operations at ETAP in the UKCS
- The delivery date of Safe Nova and Safe Vega was initially 31 August 2021, however, Prosafe has not requested delivery and Safe Nova and Safe Vega were not in deliverable condition such that COSCO was not entitled tender delivery. The Company is in dialogue with COSCO about extending the options to take delivery of Safe Nova and Safe Vega



# Order backlog improving and anticipated to further improve

- Ongoing discussions with Petrobras on new contract for Notos

## Order backlog (USD million)\*



\*Indicative order backlog based on year end 2021, recent awards and anticipated awards

## Ongoing commercial processes

- **Order backlog increasing and potentially set to grow significantly pending Brazil**
- **Safe Notos: Prosafe frontrunner in recent Petrobras auction in January 2022 for a new 4-year contract. Post auction process ongoing**
- **Safe Concordia: Awarded contract with bp on Cassia in Trinidad & Tobago in direct continuation of current contract. Improved financials**
- A further 3 long-term bids coming up in Brazil for commencement 2023
- Well above 50% of options have historically been called. Several examples of all options called and contracts even running well beyond initial period including options

# Oil & gas will play a key role in the energy transition

## Outlook

The process of adapting to the energy transition will be complex and time consuming.

Oil & gas is a key contributor in all IEA's scenarios for future energy consumption.

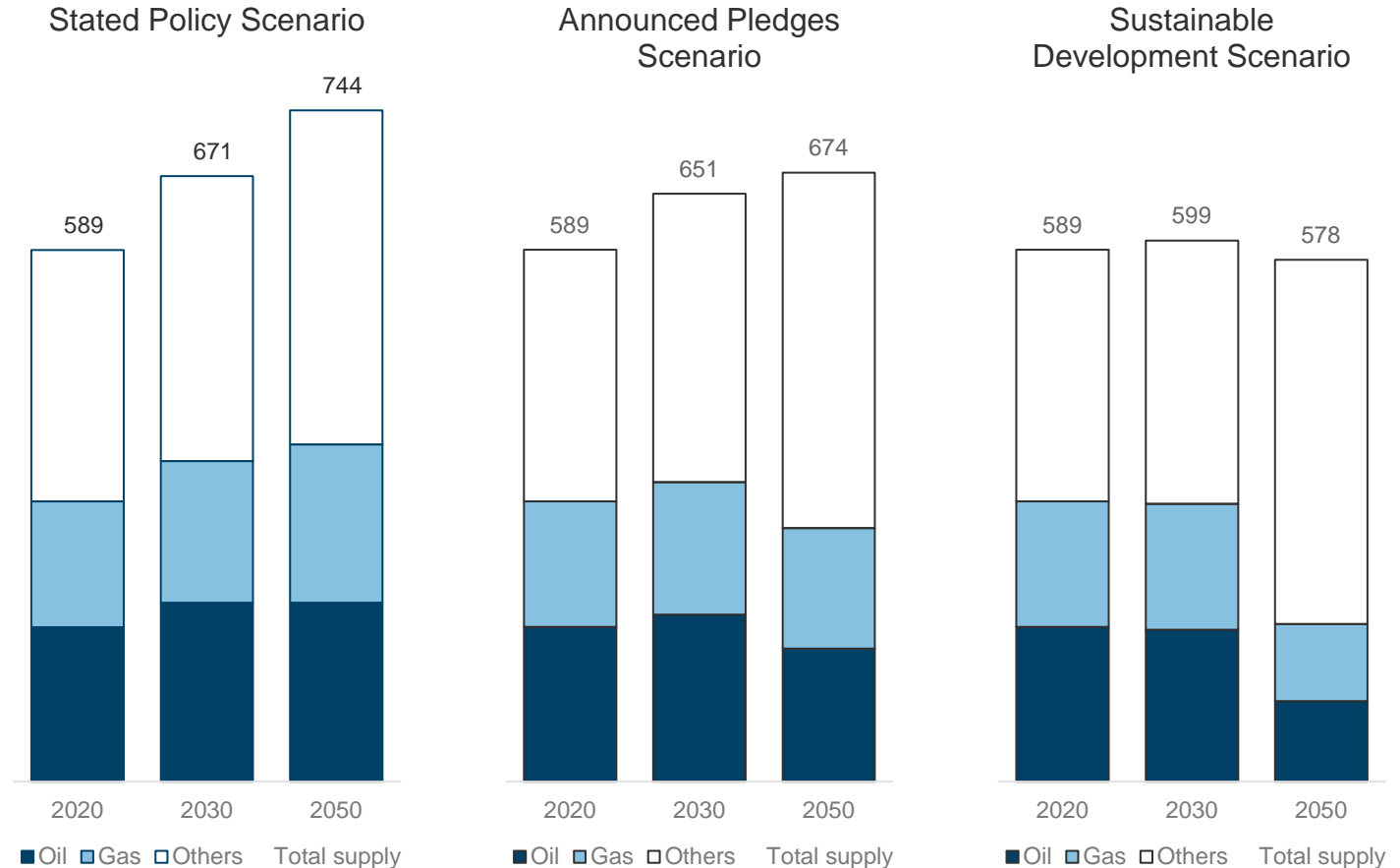
### Key challenges:

- Oil & gas reservoirs deplete naturally as they are produced
- The "easy" barrels are produced first and are gone

### Key implications:

- We need new discoveries and field developments
- Maximizing production from existing assets
- Maintaining existing infrastructure

## Global energy supply according to IEA (EJ)

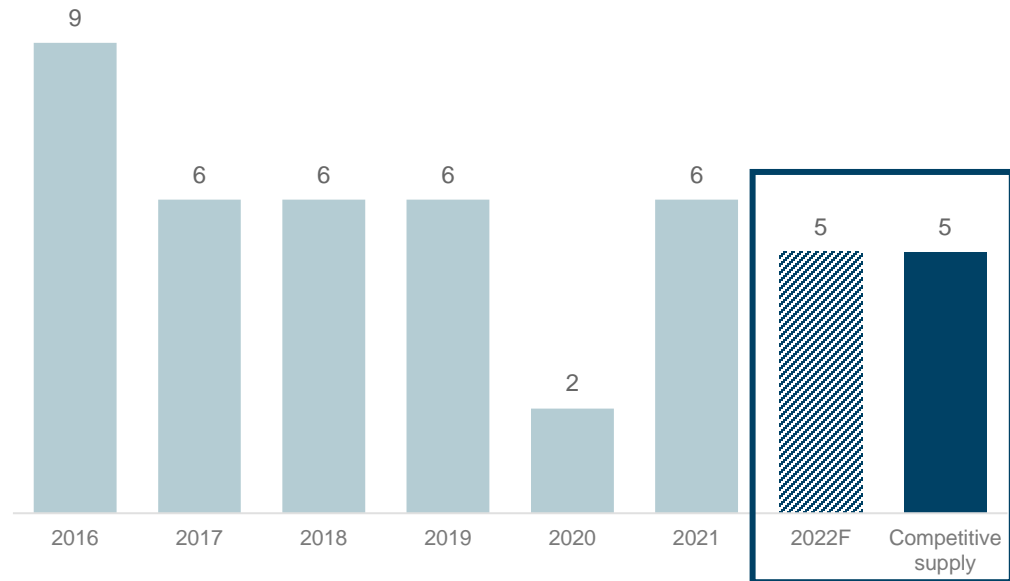


Gas includes unabated and natural gas with CCUS

# Markets tightening in Brazil and the North Sea

- Positive indicators in North Sea and several new FPSOs coming on stream in Brazil

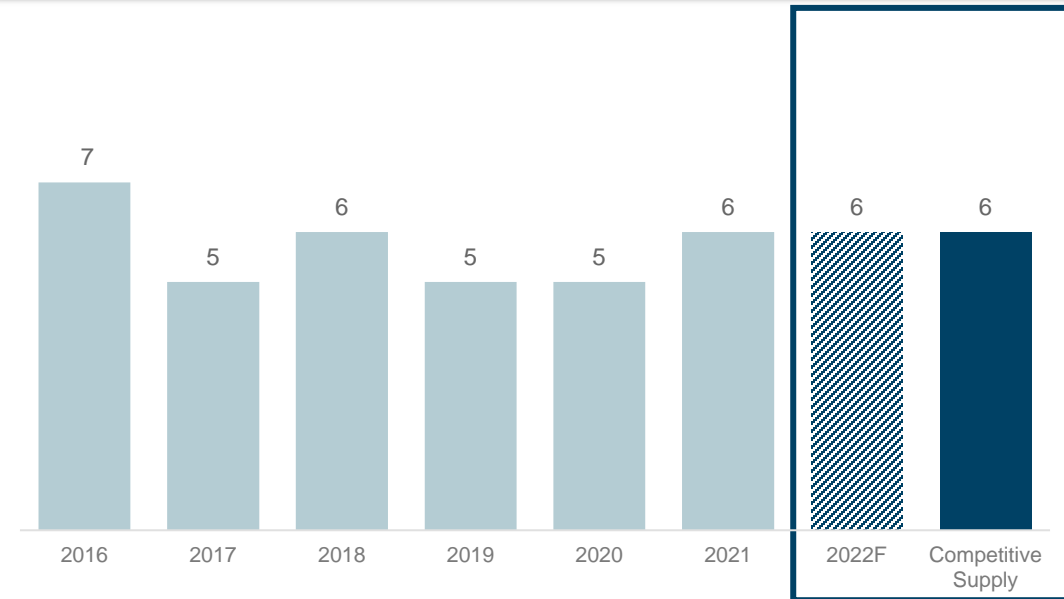
North Sea: # vessels working\*



- North Sea market tightening as all five competitive vessels are booked for work in 2022
- Only less competitive vessels available (stacked vessels including Safe Scandinavia)
- A lot activity coming: APA round, eletricification, CCS

\*Excluding vessels on contract in other regions. 2022: semis following Petrobras technical qualifications

Brazil: # vessels working\*



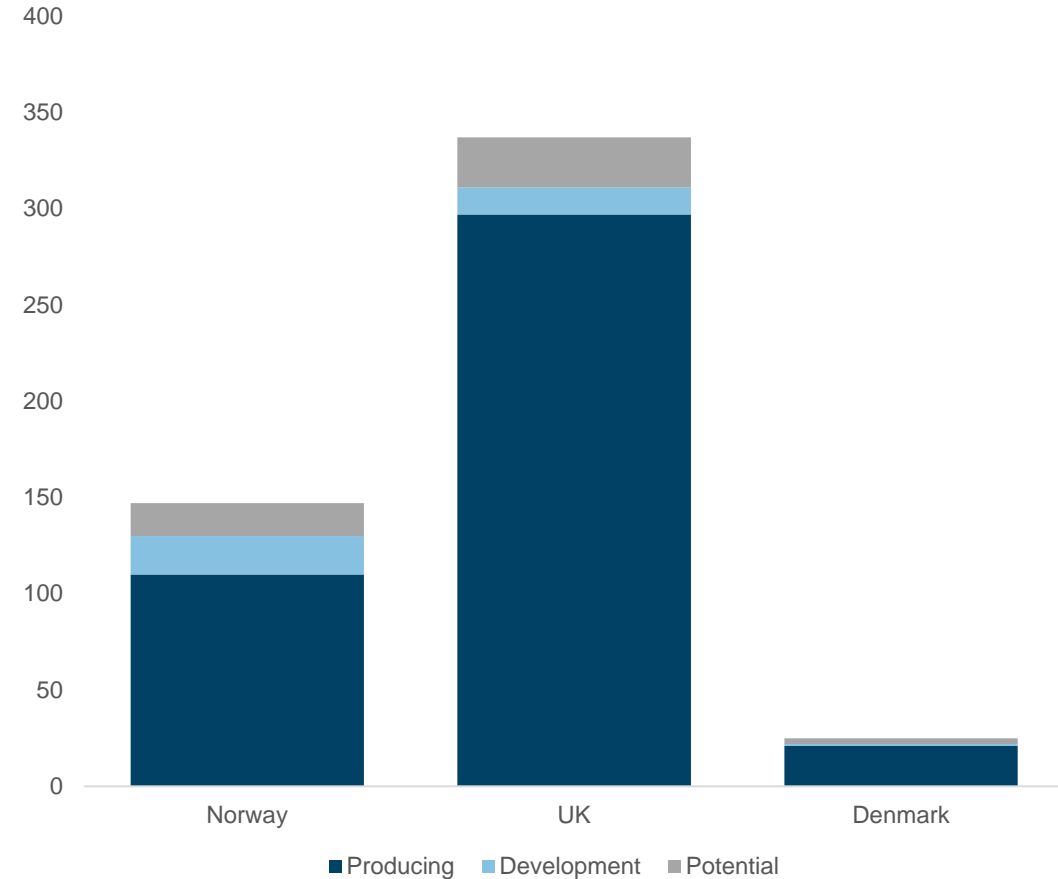
- Brazilian market tightening as activity is picking up
- Petrobras is the largest client and its fleet of flotels (UMS) will increase from 5 to at least 6 next year based on the recent and announced tenders. Petrobras' current technical requirement effectively limits supply to newer and traditional DP3 semi-submersibles
- Several new tenders announced
- Remaining available supply is stacked and/ or less competitive units

# North Sea market: High 2022 activity. Positive indicators

## North Sea

- The NCS will continue to be attractive driven by cost competitiveness, low emissions, and long-term oriented regulators
- Norwegian activity is increasing after the introduction of the tax package; More than 35 developments underway (primarily subsea)
- Long-term view positive as illustrated by the recent APA round in Norway, where more than 50 licenses were awarded to more than 20 operators. Stable regulatory regime.
- Electrification and Carbon Capture Storage (CCS) may add activity going forward

## # Fields in production (source: Spinergie)

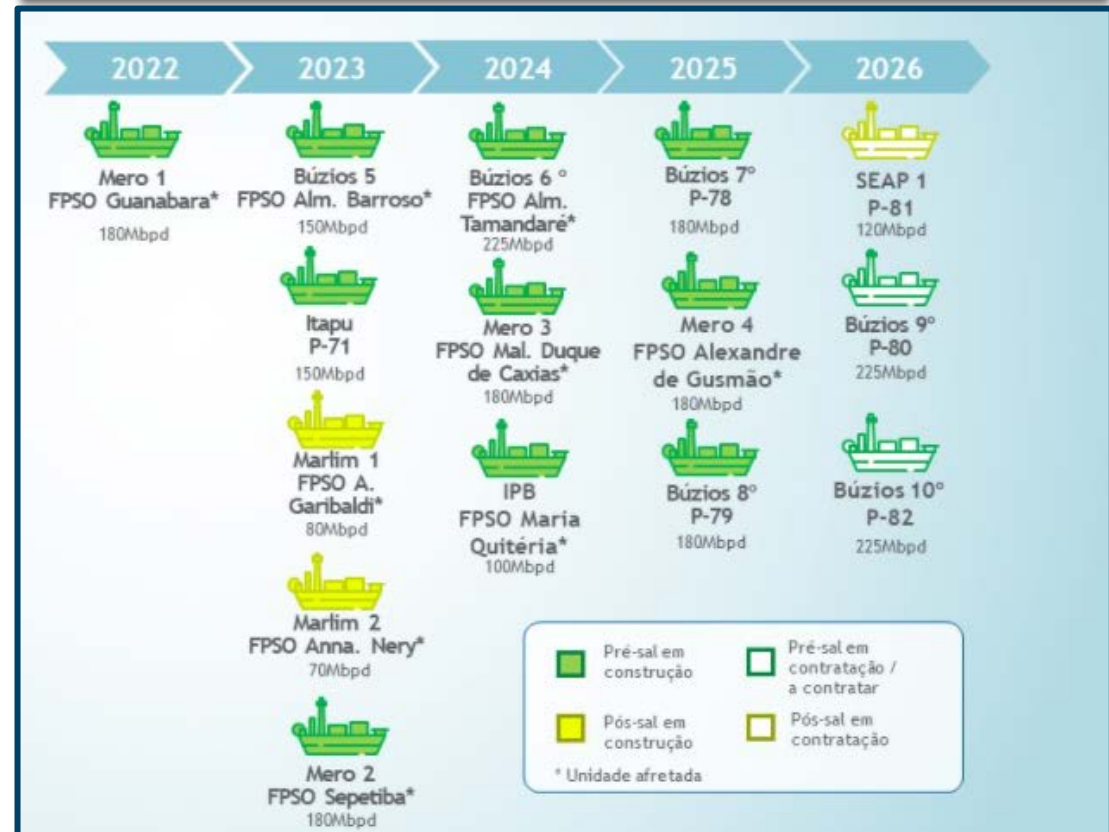


# Brazil: Increasing activity and focus on high end vessels

## Brazil

- 20 new FPSOs announced & planned to be installed over the next years
- Some of existing fleet to be phased out but large potential in life-extension projects
- New FPSOs have additional topside weight & equipment (up to 60% to current FPSOs) and less space to carry out maintenance
- Brazilian authorities are increasingly auditing asset integrity management of all FPSO operators in Brazil
- Corrosive environment requiring continuous maintenance

## Brazil FPSO Projects 2022 – 2025 (Source: Petrobras)





# Our strategic priorities

- A Will drive consolidation of the offshore accommodation industry
- B Will continue to strive for best performance on safety and costs
- C Will continue to strive for commercial outperformance
- D Will actively address GHG emissions on our vessels

# Recap: Revitalized and well positioned



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## **Positive long term market indicators – Prosafe is well positioned for the recovery**

- ✓ Oil & gas required to be an integral part of energy supply in the long term
- ✓ Prosafe is primarily exposed to producing fields which will benefit from investments and focus on enhanced recovery, competitive lifting costs, tie backs, etc.

## **Tightening market in North Sea and Brazil**

- ✓ All modern semis in operation in 2022 and limited remaining capacity
- ✓ New license awards, several FPSOs on stream etc.
- ✓ New tenders coming up in Brazil