SECOND QUARTER AND FIRST HALF REPORT 2022

(Figures in brackets refer to the corresponding period of 2021)

EBITDA[1] for the second quarter was USD 22.8 million (USD 18.1 million), reflecting a higher activity level and the highest quarterly fleet utilisation rate of 81.0 per cent (65.8 per cent) since Q3 2015. Liquidity[2] at the end of the quarter was USD 57.6 million. Two Brazil and one UK contracts were secured, adding approximately USD 240 million in backlog.

Recent highlights

Fleet utilisation and financial results:

- The highest quarterly fleet utilisation of 81.0 per cent (65.8 per cent) since Q3 2015
- EBITDA of USD 22.8 million for the quarter (USD 18.1 million)
- Cash flow from operations in Q2 was USD 0.4 million (negative USD 21.9 million). In the quarter, an increase in working capital, driven by increased accounts receivable due to improved vessel activity, offset the improved operating result
- Liquidity of USD 57.6 million (USD 119.9 million) at quarter end
- Book equity improved by 36% from last quarter

Operations and commercial:

- 5 out of 7 vessels were in full operation throughout the quarter, while Safe Boreas was working part of the quarter
- Good operating performance and zero incidents in the quarter
- Two four-year contracts were awarded by Petrobras to Safe Notos and Safe Eurus, and a short duration contract was secured for Safe Boreas in the UK, adding approximately USD 240 million in backlog
- After the quarter end, BP Trinidad and Tobago LLC exercised all four weeks of options for the Safe Concordia

Operations

The fleet utilisation rate in the second quarter of 2022 was 81.0 per cent (Q2 2021: 65.8 per cent), with five out of seven vessels in full operation throughout the quarter. Safe Boreas was working part of the quarter while Safe Scandinavia remains idle. This is the highest quarterly utilisation since Q3 2015.

Safe Zephyrus has been operating for bp at ETAP in the UK North Sea since 22 January 2022 on a 10-month contract with up to four months of options.

Safe Caledonia has been operating for TotalEnergies at the Elgin platform in the UK since 7 March 2022. The vessel will be on contract until December 2022 with one 30-day option.

Safe Boreas commenced a contract on the Norwegian Continental Shelf on 1 May 2022. The contract had a firm duration of three months, and the client informed that neither of the two one-month options would be exercised. On 15 June 2022, Safe Boreas was awarded a contract by a UK client to support

[1] EBITDA = operating result before depreciation, amortisation, interests and taxes
[2] Liquidity = cash and deposits

a platform shutdown in the UK North Sea. The firm duration of the contract starting September 2022 is 21 days with up to 30 days of options. Safe Boreas is currently located quayside in Norway in anticipation of start-up in September in the UK.

Safe Eurus has been providing safety and maintenance support to Petrobras in Brazil since November 2019 and the contract has a firm duration until February 2023. On 25 May 2022, Safe Eurus was awarded a four-year contract with Petrobras aiming to commence around end of March 2023 following on from the expiry of her current contract.

Safe Notos has been operating for Petrobras in Brazil since December 2016. On 4 May 2022, Safe Notos was awarded a four-year contract by Petrobras with commencement on 18 July, in direct continuation of the previous contract.

Safe Concordia was in full operation during the quarter in Trinidad and Tobago. On 27 July 2022, the client exercised all four weeks of options, taking the contract through September 2022.

Safe Scandinavia is laid up in Norway and is being marketed broadly.

Financials

Second quarter 2022

EBITDA for the second quarter was USD 22.8 million (USD 18.1 million). The increase in EBITDA was mainly due to higher revenues, partially offset by higher operating expenses. Higher revenues and higher operating expenses were driven by higher fleet utilisation. Activity level was very high as five out of seven vessels were in full operation throughout the quarter, and Safe Boreas was working part of the quarter.

Depreciation was USD 7.0 million (USD 9.2 million) in the quarter.

Operating profit for the second quarter amounted to USD 15.8 million (USD 7.8 million). The improvement in operating result was mainly due to the increase in EBITDA and lower depreciation.

Interest expenses amounted to USD 4.0 million (USD 14.2 million). Lower interest expenses are a result of the significant debt reduction following the successful completion of the financial restructuring in December 2021.

Other financial items were USD 1.1 million positive (USD 5.5 million negative). Positive other financial items in this quarter were mainly due to currency gain, while higher other financial costs in Q2 2021 were mostly due to costs associated to the financial restructuring.

Net profit equalled USD 10.6 million (net loss of USD 11.2 million) in the quarter.

Cash flow from operations was USD 0.4 million in the quarter (negative USD 21.9 million). The improvement in operating cashflow was mainly due to better operating results and improved working capital.

Total assets at 30 June amounted to USD 494.7 million (USD 579.3 million). Total liquidity at the end of the quarter was USD 57.6 million (USD 119.9 million). The decrease in total assets was mostly due to depreciation of vessels and a reduction in the cash balance. The decrease in cash position from last year was mainly due to repayment of debts and refinancing costs, which were mainly a consequence of the financial restructuring, partially offset by cash generated from operations.

At the end of the quarter, net interest-bearing debt equalled USD 366.5 million (USD 1,422.4 million) and the book equity ratio was 7 per cent (negative 181.1 per cent). As indicated previously, the major reduction in net interest-bearing debt and positive equity ratio were mainly the outcome of the successful completion of the restructuringin December 2021. In this quarter, the Company has reduced the nominal value of its shares from EUR 50 to EUR 1.25 per share. As a result, there was a reduction in share capital by USD 485.1 million and a corresponding increase in retained earnings.

Year-to-date 2022

Fleet utilisation was 74.6 per cent (44.8 per cent). EBITDA YTD amounted to USD 27.6 million (USD 8.0 million). The increase in EBITDA was mainly due to higher revenue partially offset by higher operating expenses which were driven by an increase in vessel activity.

Depreciation and impairment amounted to USD 14.3 million (USD 59.1 million). The higher value last year was mainly due to a one-off impairment loss of USD 40.7 million recognised in Q1 2021 which was driven by the judgement of the Westcon dispute case in the Gulating Court of Appeal.

Operating profit equalled USD 13.3 million (operating loss of USD 51.1 million). The increase in operating result was mainly due to the increase in EBITDA and lower depreciation and impairments.

Net financial costs YTD amounted to USD 10.2 million (USD 49.4 million). Lower net financial costs this year were mainly due to lower interest expenses and lower other financial costs, which were both a consequence of the finalisation of the Westcon dispute, as well as the significant debt reduction following the successful completion of the financial restructuring in December 2021.

Net loss YTD equalled USD 1.3 million (net loss of USD 101.2 million).

Outlook

The general outlook has improved significantly as the oil price has recovered from low levels, and developments in the energy market are anticipated to lead to a multi-year increase in oil and gas investments. Demand for offshore accommodation vessels is mainly driven by maintenance, modification and life extension of existing oil and gas infrastructure. It is further anticipated that the industry's focus on the energy transition, including electrification and other emission reducing investments, will be positive for offshore accommodation demand over time.

Activity level is high in 2022. Prosafe has at least 6 of 7 vessels on contract for all or parts of the year. During the first half of 2022, Prosafe added significant backlog, increasing the total order backlog to USD 300 million, and expects further increases in the future based on active tendering activity.

Visibility of contract opportunities in the North Sea beyond 2022 remains low. This is generally in line with traditional contracting patterns in the North Sea where contracts normally materialize 6 to 12 months prior to commencement. Favourable tax-packages should lead to increased activity in Norway in the future, especially from 2024. The current long-term contracts in Brazil give Prosafe a certain earnings visibility in the future. The Company expects there to be an increase in the number of contract opportunities in Brazil. In light of the different characteristics between the key markets in Brazil and the North Sea, Prosafe retains its portfolio strategy with some vessels on long-term contracts and others available for opportunities as they arise for example in the North Sea.

The offshore accommodation market has improved due to a gradual improvement in the demand for accommodation vessels. Due to poor profitability over the past years, there has also been limited investment into the offshore accommodation sector and several older vessels have been recycled. Prosafe does not anticipate any growth in the supply of accommodation vessels in the foreseeable future and the Company will seek to play an active role in any future consolidation of the market. The Company may also consider adjacent business development opportunities within energy sector niches as well as other ocean industries where Prosafe can on a sustainable basis create superior shareholder value.

The Board of Directors emphasizes that valuations in the financial statements and forward-looking statements contained in this report are based on various assumptions made by management, which could depend on factors beyond its control, and are subject to risks and uncertainties. Accordingly, actual results may differ materially.

Responsibility statement from the Board and CEO

We confirm to the best of our knowledge that the condensed set of financial statements for the period 1 January to 30 June 2022 has been prepared in accordance with IAS 34 – Interim Financial Reporting, and gives a true and fair view of the Prosafe Group's assets, liabilities, financial position and result for the period. We also confirm to the best of our knowledge that the financial review includes a fair review of important events that have occurred during the first six months of the financial year and their impact on the financial statements, any major related parties' transactions, and a description of the principal risks and uncertainties for the remaining six months of the financial year.

18 August 2022
The Board of Directors of Prosafe SE

………………………..
Glen O. Rødland
Non-executive Chairman

………………………..
Alf C. Thorkildsen
Deputy Chairman

………………………..
Birgit-Aagaard Svendsen
Non-executive Director

………………………..
Nina Udnes Tronstad
Non-executive Director

……………………….
Halvard Idland
Non-executive Director

…………………………
Jesper Kragh Andresen
CEO

CONDENSED CONSOLIDATED INCOME STATEMENT

(Unaudited figures in USD million)	Q2 2022	Q2 2021	6M 2022	6M 2021	Full Year 2021
Operating revenues	60.9	49.9	96.4	65.9	141.1
Operating expenses	(38.1)	(31.8)	(68.8)	(57.9)	(116.2)
Operating results before depreciation	**22.8**	**18.1**	**27.6**	**8.0**	**24.9**
Depreciation	(7.0)	(9.2)	(14.3)	(17.4)	(33.0)
Impairment	0.0	(1.1)	0.0	(41.7)	(41.7)
Operating profit/(loss)	**15.8**	**7.8**	**13.3**	**(51.1)**	**(49.8)**
Interest income	0.0	1.0	0.1	1.0	1.0
Interest expenses	(4.0)	(14.2)	(7.4)	(28.2)	(37.9)
Other financial items	1.1	(5.5)	(2.9)	(22.2)	1,017.7
Net financial items	**(2.9)**	**(18.7)**	**(10.2)**	**(49.4)**	**980.8**
Profit/(Loss) before taxes	**12.9**	**(10.9)**	**3.1**	**(100.5)**	**931.0**
Taxes	(2.3)	(0.3)	(4.4)	(0.7)	(3.1)
Net profit/(loss)	**10.6**	**(11.2)**	**(1.3)**	**(101.2)**	**927.9**
EPS	**1.20**	**(127.29)**	**(0.15)**	**(1,150.17)**	**263.27**
Diluted EPS	**1.20**	**(127.29)**	**(0.15)**	**(1,150.17)**	**263.27**

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Unaudited figures in USD million)	Q2 2022	Q2 2021	6M 2022	6M 2021	Full Year 2021
Net profit/(loss) for the period	**10.6**	**(11.2)**	**(1.3)**	**(101.2)**	**927.9**
Foreign currency translation	(1.9)	0.9	(1.0)	0.4	(2.3)
Pension remeasurement	0.0	0.0	0.0	0.0	(0.1)
Other comprehensive income	**(1.9)**	**0.9**	**(1.0)**	**0.4**	**(2.4)**
Total comprehensive income	**8.7**	**(10.3)**	**(2.3)**	**(100.8)**	**925.5**

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Unaudited figures in USD million)	30.06.22	30.06.21	31.12.21
Vessels	389.3	407.3	397.0
New builds	0.0	0.0	0.0
Other non-current assets	1.6	2.5	2.2
Total non-current assets	**390.9**	**409.8**	**399.2**
Cash and deposits	57.6	119.9	73.9
Other current assets	46.2	49.6	19.7
Total current assets	**103.8**	**169.5**	**93.6**
Total assets	**494.7**	**579.3**	**492.8**
Share capital	12.4	9.1	497.5
Other equity	22.0	(1,058.4)	(461.2)
Total equity	**34.4**	**(1,049.3)**	**36.3**
Interest-free long-term liabilities	1.9	2.2	2.2
Interest-bearing long-term debt	421.1	80.6	422.4
Total long-term liabilities	**423.0**	**82.8**	**424.6**
Other interest-free current liabilities	34.3	84.1	31.0
Current portion of long-term debt	3.0	1,461.7	0.9
Total current liabilities	**37.3**	**1,545.8**	**31.9**
Total equity and liabilities	**494.7**	**579.3**	**492.8**

KEY FIGURES IN CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Unaudited figures in USD million)	30.06.22	30.06.21	31.12.21
Total assets	494.7	579.3	492.8
Working capital	66.5	(1,376.3)	61.7
Liquidity reserve	57.6	119.9	73.9
Interest-bearing debt	424.1	1,542.3	423.3
Net Interest-bearing debt	366.5	1,422.4	349.4
Book equity	34.4	(1,049.3)	36.3
Book equity ratio	7.0%	(181.1)%	7.4%

Notes:

1. Working capital = Currents Assets-Current Liabilities
2. Liquidity = Cash and deposits
3. Net Interest-bearing debt = Interest-bearing debt - Cash and deposits
4. Book equity ratio = (Book equity / Total asset) * 100

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

(Unaudited figures in USD million)	Note	Q2 2022	Q2 2021	6M 2022	6M 2021	Full Year 2021
Profit/(Loss) before taxes		12.9	(10.9)	3.1	(100.5)	931.0
Gain from extinguishment of debt		0.0	0.0	0.0	0.0	(1,030.5)
(Gain)/Loss on sale of non-current assets		0.0	(0.8)	0.5	(0.9)	(1.0)
Depreciation		7.0	9.2	14.3	17.4	33.0
Impairment		0.0	1.1	0.0	41.7	41.7
Financial income		0.0	(1.0)	(0.1)	(1.0)	(1.0)
Financial costs		4.0	14.2	7.4	28.2	37.9
Share-based payment expense	3	0.4	0.0	0.4	0.0	0.0
Change in working capital		(25.5)	(35.4)	(28.5)	(15.6)	14.6
Other items from/(used in)operating activities		1.2	1.9	2.0	1.1	(1.0)
Taxes received/(paid)		0.4	(0.2)	0.9	(0.1)	(1.3)
Net cash flow from/(used in) operating activities		**0.4**	**(21.9)**	**0.0**	**(29.7)**	**23.4**
Acquisition of tangible assets		(0.5)	(1.8)	(6.5)	(12.2)	(17.3)
Net proceeds from sale of tangible assets		0.0	1.4	0.0	1.5	1.6
Interests received		0.0	1.0	0.1	1.0	1.0
Net cash flow (used in)/from investing activities		**(0.5)**	**0.6**	**(6.4)**	**(9.7)**	**(14.7)**
Repayment of interest-bearing debt		(0.6)	(0.5)	(1.2)	(1.0)	(77.6)
Refinancing cost		(3.5)	0.0	(3.5)	0.0	(17.5)
Interests paid		(2.9)	0.0	(5.2)	0.0	0.0
Net cash flow used in financing activities		**(7.0)**	**(0.5)**	**(9.9)**	**(1.0)**	**(95.1)**
Net cash flow		**(7.1)**	**(21.8)**	**(16.3)**	**(40.4)**	**(86.4)**
Cash and deposits at beginning of period		64.7	141.7	73.9	160.3	160.3
Cash and deposits at end of period		**57.6**	**119.9**	**57.6**	**119.9**	**73.9**

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(Unaudited figures in USD million)	Note	Q2 2022	Q2 2021	6M 2022	6M 2021	Full Year 2021
Equity at beginning of period		**25.3**	**(1,039.0)**	**36.3**	**(948.5)**	**(948.5)**
Share based payment	3	0.4	0.0	0.4	0.0	0.0
New share issue		0.0	0.0	0.0	0.0	59.3
Comprehensive income for the period		8.7	(10.3)	(2.3)	(100.8)	925.5
Equity at end of period		**34.4**	**(1,049.3)**	**34.4**	**(1,049.3)**	**36.3**

NOTE 1: GENERAL INFORMATION

Prosafe SE is a public limited company domiciled in Stavanger, Norway. Prosafe SE is listed on the Oslo Stock Exchange with ticker code PRS. The consolidated financial statements for the second quarter of 2022 were authorised for issue in accordance with a resolution of the Board of Directors on 18 August 2022. The accounting figures are unaudited.

NOTE 2: ACCOUNTING PRINCIPLES

This interim financial report has been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU IAS 34 Interim Financial Reporting. The accounting principles adopted are consistent with those of the previous financial year.

NOTE 3: Employee Share Based Payment

On 11 May 2022, the Company initiated a long-term incentive program where executive management and selected employees were granted options to subscribe for ordinary shares of the Company.

The fair value of an option granted was estimated using the Black Scholes option-pricing model and the transactions are accounted for as equity-settled share-based payment. The key terms and conditions are as follows

	Executive Management	**Selected Employees**
Number of share options issued	250,000	100,000
Commencement date	10 February 2022	11 May 2022
Grant date	11 May 2022	11 May 2022
Fair value at grant date	NOK 98.85	NOK 42.40
Share price at grant date	NOK 178.00	NOK 178.00
Exercise price	NOK 83.00	NOK 178.00

The options are vested equally over 24, 36 and 48 months from commencement date, respectively. Any options not exercised 60 months after the commencement date will be cancelled.

A share-based payment expense of USD 0.4 million was recognised for this quarter (USD 0.4 million for the 6 months ended 30 June 2022). As at 30 June 2022, a total of 350,000 options are issued, each option allowing the holder to subscribe to one ordinary share in the Company.

NOTE 4: SUBSEQUENT EVENTS

Long-term incentive program for Executive Management team

As part of the Company's long-term incentive program approved by the General Meeting on 11 May 2022, the Board of Directors has granted the CFO, Reese McNeel, who joined the company on 01 August 2022, 100,000 options. The options earlier granted to the previous DCEO & CFO, Stig H. Christiansen, were cancelled in connection with his resignation.

The long-term incentive program covers the following main terms:

- Reese McNeel, CFO: 100,000 options
- Strike: Closing price on 19 August 2022
- Duration: The options will vest with 1/3 after 24 months, 1/3 after 36 months and 1/3 after 48 months. Any options not exercised at the date 60 months after 19 August 2022 will be cancelled.