



5 May 2021

Q1 2021 results and business update

Disclaimer

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Agenda

- **Update on the financial restructuring process**
- Highlights
- Financial results
- Commercial update & Summary



Update on financial restructuring process

- Prosafe confirms that the company and its lenders are making good progress and are close to reaching agreement on terms which have the support from a very significant majority of its lenders. Although it is too early to conclude or reveal the full details of the solution, it is expected to include a significant balance sheet recapitalization involving an equitization of debt.
- As part of the ongoing process with lenders, Prosafe has filed for moratorium in Singapore with the support of more than 95% of the lenders. The purpose is to facilitate protection of going concern value, pending finalization of the term sheet negotiations with its major creditors and, thereafter, implementation of the agreed solution.
- While the process is ongoing, the company will continue to defer making payments of scheduled instalments and interests under its USD 1,300 million and USD 144 million facilities. Similarly, payment of the final instalment owed and due under the seller credit to Cosco for the Safe Notes remains as reported on 14 April 2020 subject to ongoing discussions with Cosco and lenders.
- Prosafe aims to complete the refinancing process on a consensual basis as soon as possible and will revert with further information in due course. Pending outcome of the process, the company continues to operate on a business-as-usual basis to protect and create value through challenging market conditions.

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Highlights – Q1 2021

- The company and its lenders are making good progress and are close to reaching an agreement. Meanwhile, the company operates on a business- as-usual basis.
- Prosafe lost the Westcon court case in the Gulating Court of Appeal and is considering an appeal to the Supreme Court.
- Operating status and financial results:
 - Utilisation of 25.7% in Q1 (32.7%)
 - Reported EBITDA of USD 10.1 million negative (USD 1.1 million positive)
 - Impairment change of USD 40.7 million plus approximately USD 13.8 million of other financial costs made due to the outcome of final Westcon judgement
 - Cash flow from operations was USD 7.6 million negative (USD 13 million negative)
- Liquidity reserve of USD 141.7 million (USD 183.6 million).
- Operations & Commercial – increasing activity:
 - Safe Zephyrus completed its SPS and commenced the contract for Shell in the UK
 - Safe Caledonia commenced the contract for Total UK
 - Safe Notos completed its SPS and recommenced the contract for Petrobras in Brazil
 - Safe Boreas completed its SPS and commenced the contract for CNOOC in the UK on 20th April 2021
 - Safe Concordia is preparing for contract in Trinidad & Tobago commencing July 2021
 - Ongoing tenders in Brazil and North Sea



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Income statement

(Unaudited figures in USD million)

	Q1	
	2021	2020
Operating revenues	16	25
Operating expenses	(26)	(24)
Operating results before depreciation	(10)	1
Depreciation	(8)	(18)
Impairment	(41)	(811)
Operating (loss) profit	(59)	(828)
Interest expenses	(14)	(19)
Other financial items	(17)	(8)
Net financial items	(31)	(27)
(Loss) Profit before taxes	(90)	(854)
Taxes	(0)	(1)
Net (Loss) Profit	(90)	(855)
EPS	(1.02)	(9.72)
Diluted EPS	(1.02)	(9.72)

- Fleet utilisation at 25.7% (Q1 2020: 32.7%).
- Lower operating revenues mainly due to lower utilisation and lower average day rate.
- Reported EBITDA was USD 10 million negative(USD 1 million positive). The decrease in EBITDA was mainly due to lower revenues.
- Operating expenses remained almost the same level vs Q1 last year ~ in consideration of lower utilisation, operating expenses seem high for the quarter ~mainly due to approximately USD 9 million of costs related to getting four vessels ready for the contracts commencement.
- Lower depreciation due to the lower carrying value of assets following the impairments made in Q1 last year.
- The loss of the Westcon court case resulted in an impairment charge of USD 41 million and approximately USD 14 million charged to other financial costs.

Balance sheet

(Unaudited figures in USD million)	31.03.21	31.03.20
Vessels	415	437
New builds	1	1
Other non-current assets	3	2
Total non-current assets	419	440
Cash and deposits	142	184
Other current assets	25	16
Total current assets	167	200
Total assets	586	639
Share capital	9	9
Other equity	(1,048)	(868)
Total equity	(1,039)	(859)
Interest-free long-term liabilities	2	41
Interest-bearing long-term debt	80	77
Total long-term liabilities	82	118
Other interest-free current liabilities	95	36
Current portion of long-term debt	1,447	1,344
Total current liabilities	1,542	1,380
Total equity and liabilities	586	639
Key figures:		
Working capital	(1,376)	(1,181)
Liquidity reserve	142	184
Interest-bearing debt	1,528	1,421
Net Interest-bearing debt	1,386	1,237
Book equity ratio	(177.4)%	(134.4)%

- Total assets of USD 586 million.
- **Liquidity reserve** per Q1 2021 of **USD 142 million**.
- The increase in interest-free current liabilities was mainly due to the provision provided for the loss of Westcon case.
- Interest-bearing debt increased mainly due to accumulated interest expenses and termination of swaps during 2020.
- Book equity was USD 1,039 million negative per Q1 2021.

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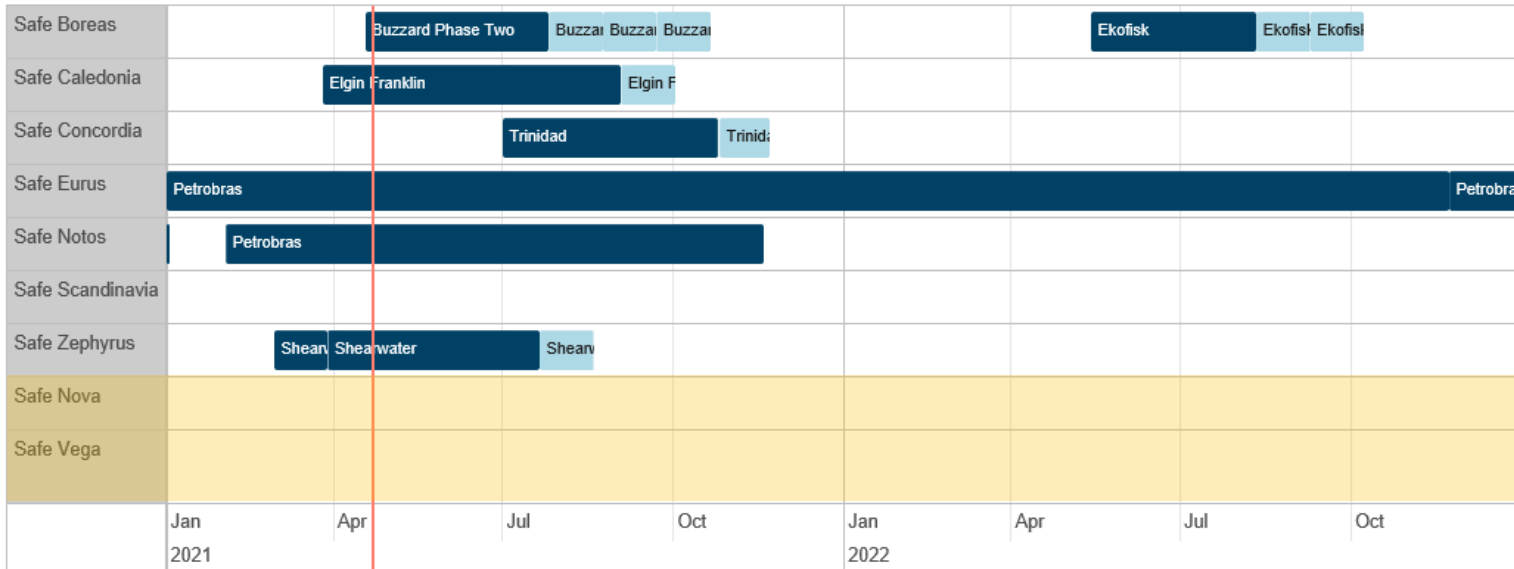
Update on the Westcon judgement

Reference to press release from 15th April 2021:

- In March 2018, the Stavanger District Court decided that Westcon must pay Prosafe NOK 344 million plus interest and NOK 10.6 million in legal costs. Westcon filed an appeal, and Prosafe filed a counter appeal in May 2018.
- In April 2021, the Gulating Court of Appeal has decided that Prosafe shall pay to Westcon NOK 302,510,457 plus interest and legal costs, in sum about NOK 465 million.
- The disappointing and surprising judgement implies full payment to Westcon of the amount claimed.
- Compared to the judgement in the first instance by the Stavanger District Court, the result in the Gulating Court of Appeal is a complete reversal of the result.
- Prosafe is considering an appeal to the Supreme Court.

Fleet status: Contracts, wins and extension

Contract backlog



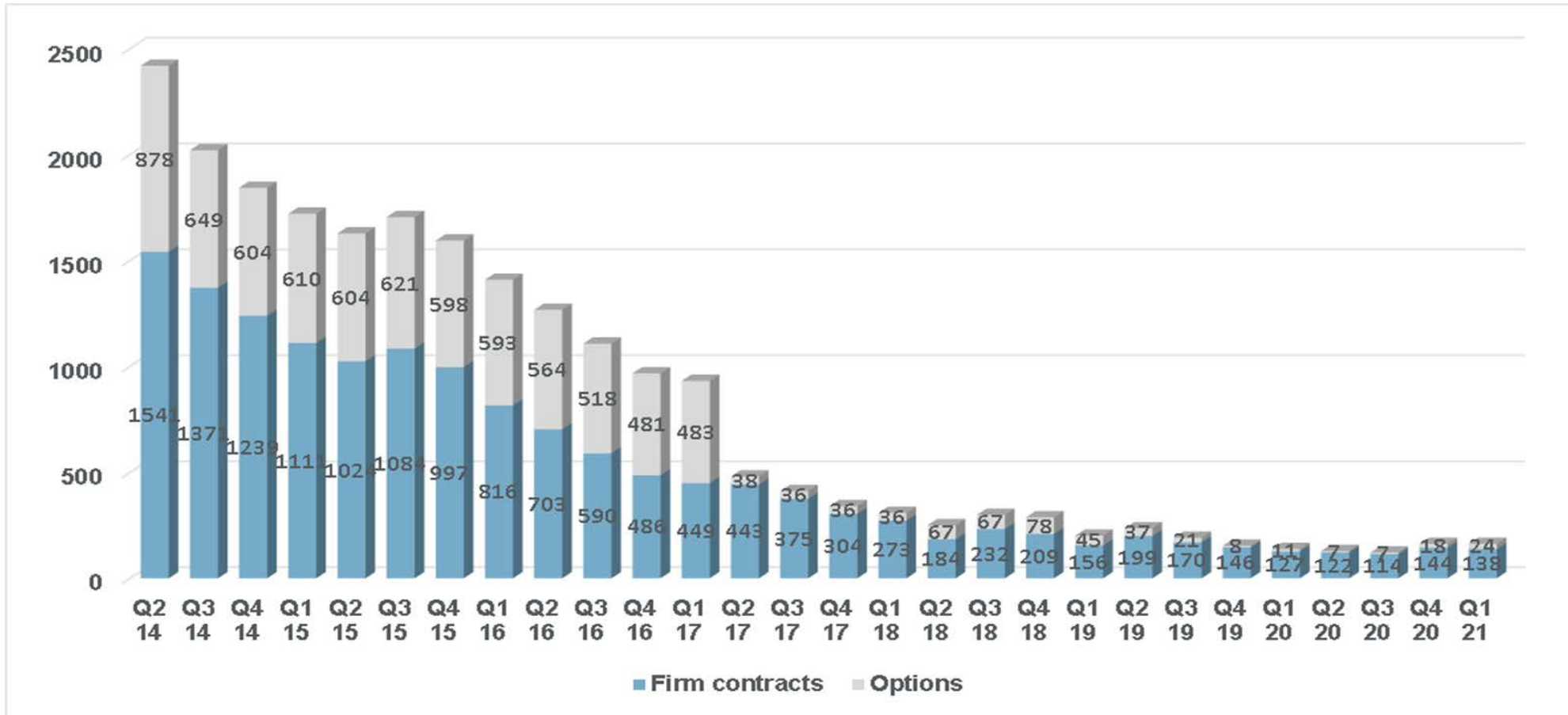
Safe Vega and Safe Nova – newbuilds at yard

- Initiatives in process to strengthen ESG profile
- Fleet enhancement remains on the agenda

Contracting update

- Safe Concordia:** contract in Trinidad from July 2021
- Safe Notos:** on contract with Petrobras through to mid-November 2021 with 30-day SPS time-out in January 2021
- Safe Eurus:** on contract with Petrobras
- Safe Boreas or Safe Zephyrus:** 90-day contract with an option of up to 60 days and start-up in Q2 2022 on the Norwegian Continental Shelf
- Safe Zephyrus:** commenced a 145-day contract with Shell in late February
- Safe Boreas:** Commenced a 100-day contract with CNOOC at Buzzard in the UK
- Safe Caledonia:** commenced a 162-day contract with Total in late March 2021 with options to extend within 30 days
- Regalia:** sale for recycling concluded on 12 April

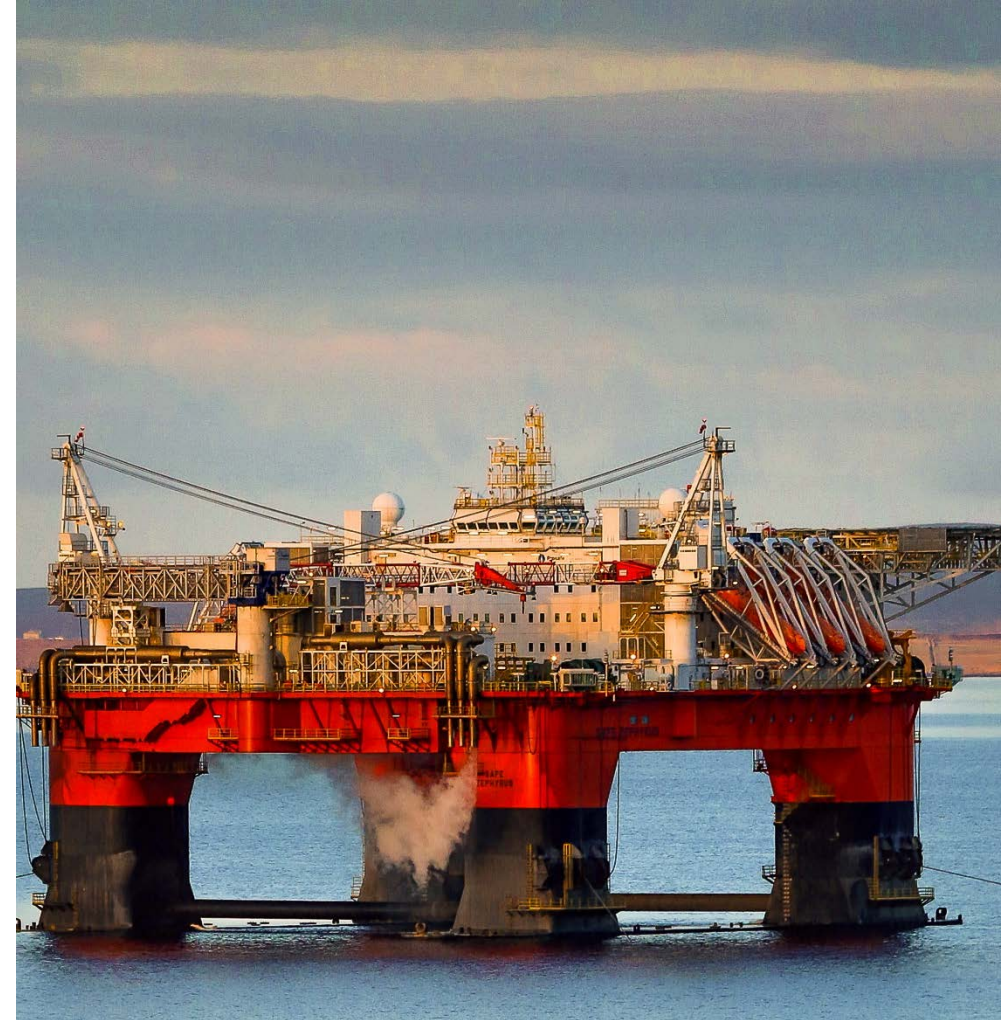
Order backlog per end Q1 2021 (USD million)



- Order backlog per Q1 2021 was USD 138 million, which was slightly higher than per Q1 2020 of USD 127 million

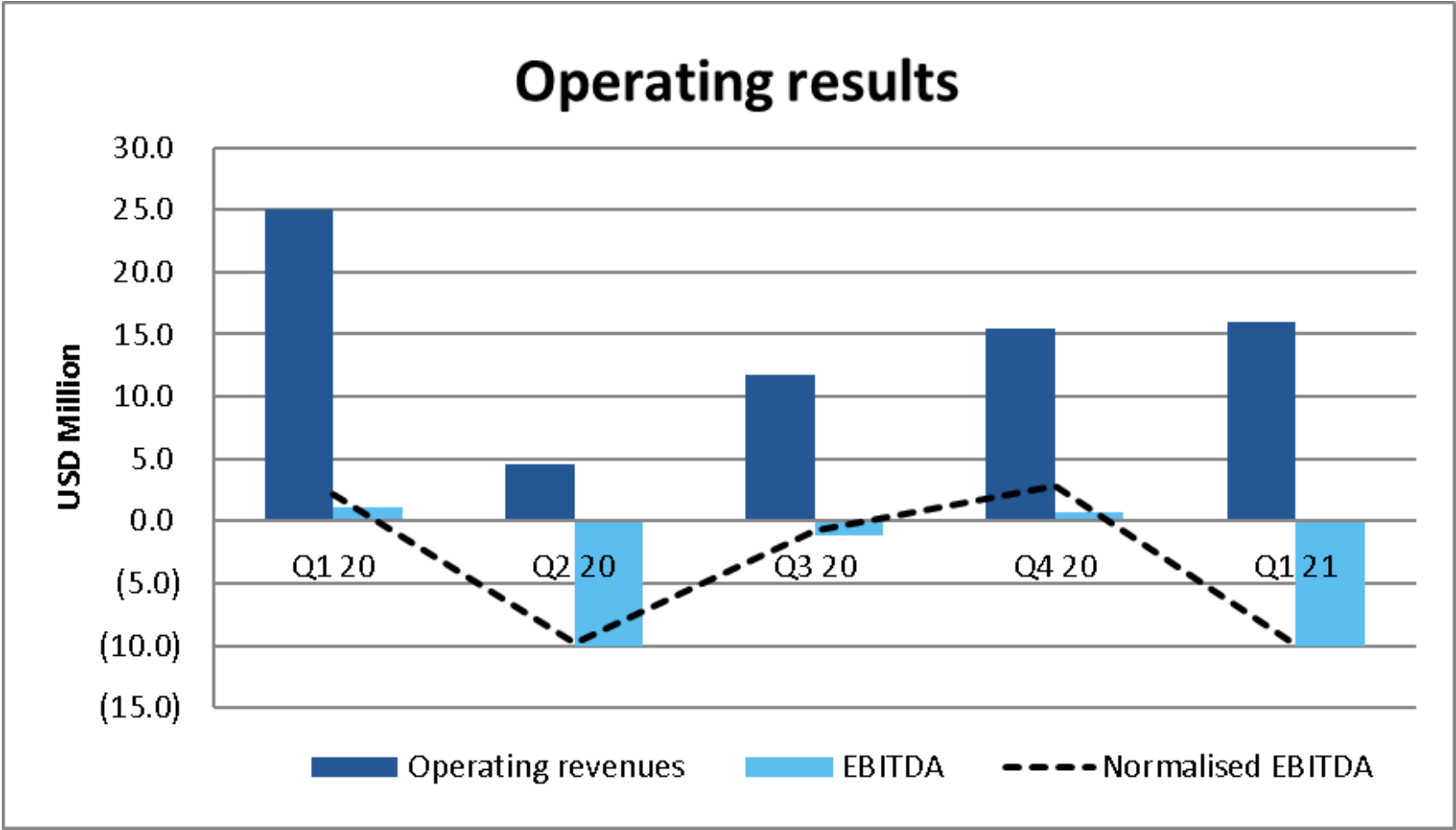
Summary

- Prosafe continues to make good progress with its lenders and is close to reaching an agreement on terms which have support from a very significant lender majority.
 - The company's objective is to have formal support from a sufficient amount of creditors required for implementation by June.
 - Although it remains too early to conclude or reveal the full details, it is expected that such solution will imply a significant balance sheet recapitalization, including a debt equitization with minimal recovery for current shareholders.
 - Meanwhile, the company operates on a business- as-usual basis.
- Prosafe lost the Westcon court case in the Gulating Court of Appeal and is considering an appeal to the Supreme Court.
- Liquidity reserve of USD 141.7 million (USD 183.6 million).
- 6 of 7 vessels will be on contract during 2021.
- Ongoing bids in Brazil and North Sea.
- Initiatives in process to strengthen ESG profile.
- Fleet enhancement remains on the agenda.

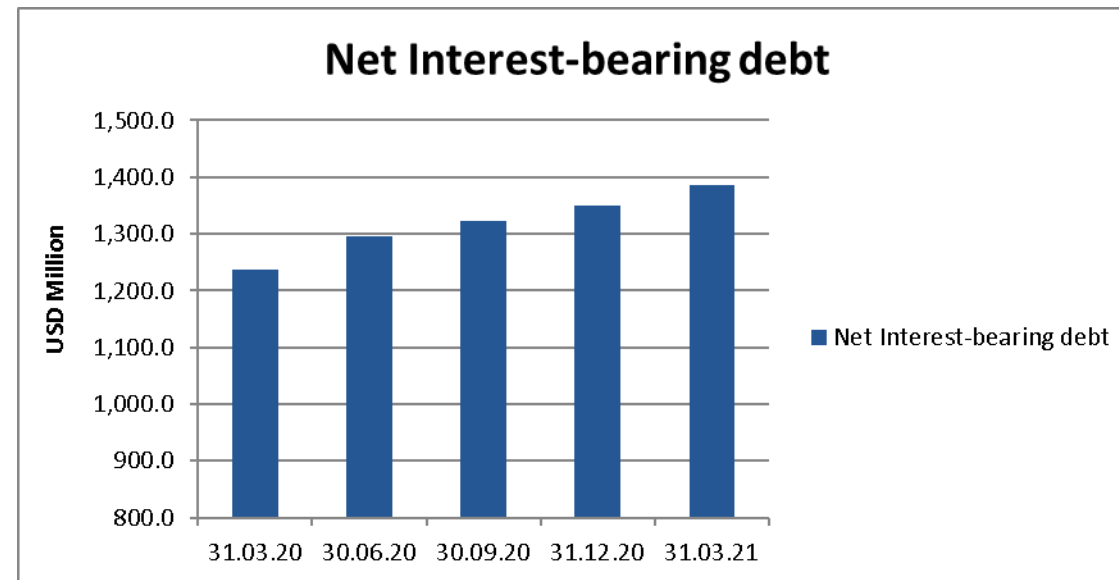
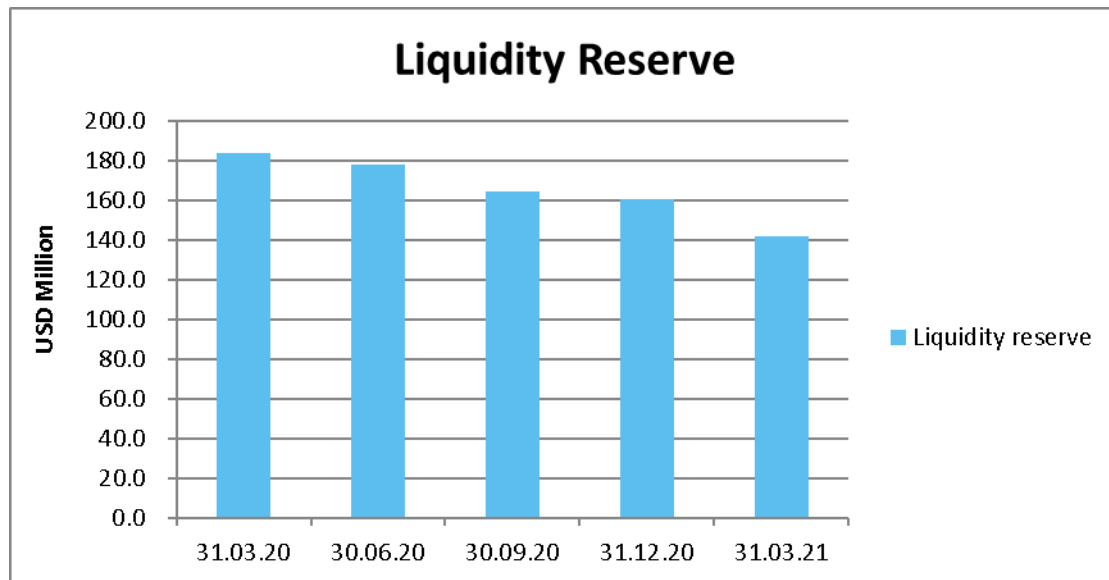


Appendix

Development of operating results



Liquidity reserve & Net interest-bearing debt



Operating revenue

(USD million)	Q1 21	Q1 20	Q4 20	2020
Charter income	15.1	24.4	13.3	53.0
Other income	0.9	0.6	2.2	3.7
Total	16.0	25.0	15.5	56.7