Prosafe

Q3 2022 Results

3 November 2022

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

Operations, HSSE and backlog

- High quarterly activity with all 6 active vessels in operation
- Utilisation of 77.3%, highest Q3 level since 2016
- Good operating and HSSE performance on all vessels
- Backlog of USD 293 million at quarter end, with potential Petrobras award after quarter end

Financials

- Revenue of USD 63.6 million
- EBITDA of USD 24.2 million, highest since Q3 2019
- Good cash conversion in quarter with cash flow from operations of USD 24.5 million
- Liquidity of USD 74.5 million at quarter end

Market and outlook

- The North Sea market is expected to be weak in 2023 with low visibility and opportunities moving from 2023 to 2024
- Capex and modification costs for ongoing and new contracts will impact EBITDA and liquidity in 2023
- Favourable outlook in core Brazil and North Sea markets. Increasing tender activity and ongoing client discussions for 2024 and into 2027

Prosafe

Operations

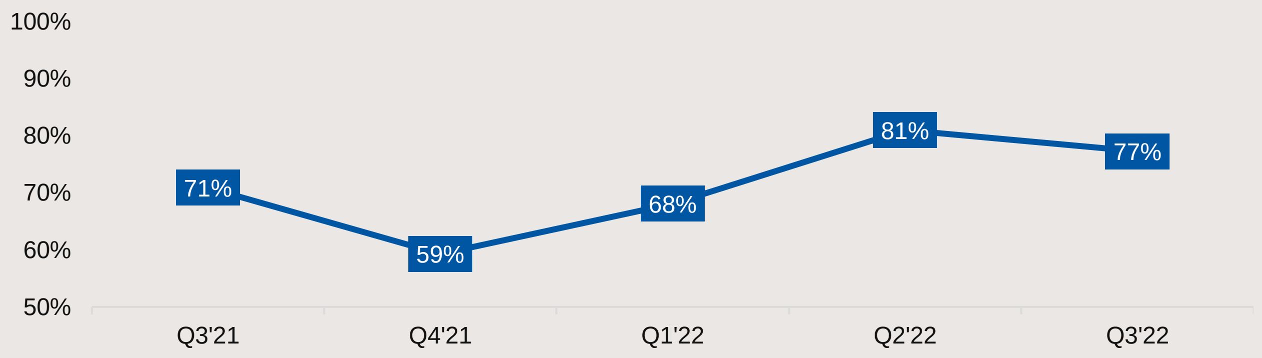
Prosafe

Good operations in the quarter

- High quarterly activity with all 6 active vessels in operation and utilisation of 77.3%
- Good operating and HSSE performance
- Safe Boreas: Commenced contract with a UK client
- Safe Zephyrus: Operated for bp at ETAP in the UK North Sea since 22 January 2022
- Safe Caledonia: Operated for TotalEnergies at the Elgin platform in the UK since 7 March 2022
- Safe Eurus and Notos: Continued work for Petrobras in Brazil
- Safe Concordia: Completed operations in Trinidad and Tobago. Laid-up pending new work or next firm contract in US GoM

Recent operations

Fleet utilisation (%)

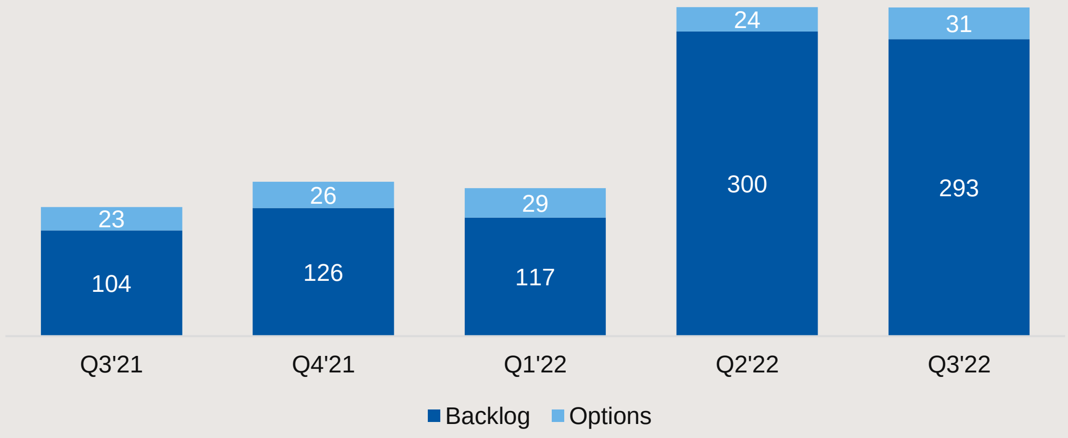


Prosafe

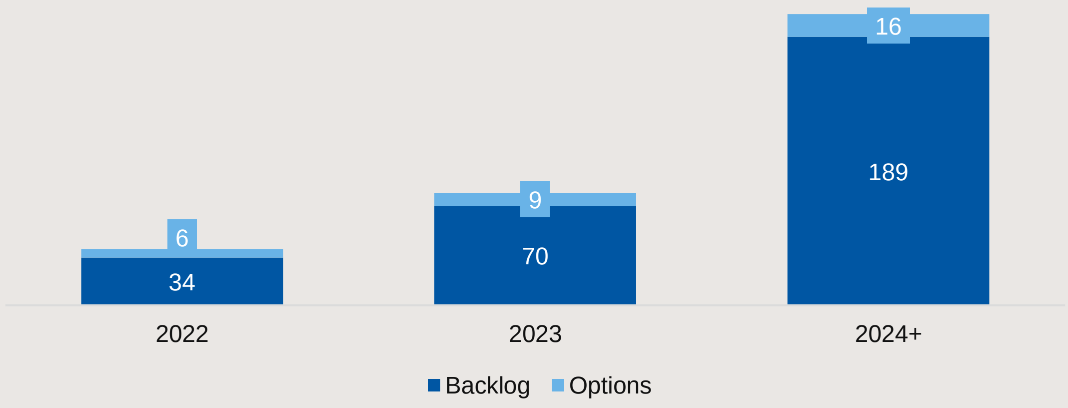
Backlog stable since Q2, tripled last 12 months

- Backlog of USD 293 million at end Q3
  - bp exercised a one-month option for Safe Zephyrus
  - The UK client for Safe Boreas exercised the first 15-day option. The vessel is now off-hire
  - Signed USD 33 million contract + options for Safe Concordia in the US Gulf of Mexico
- After quarter end, submitted the most competitive bid in a 650-day tender for Petrobras in Brazil
  - Plan to use Safe Zephyrus
  - Contract value of USD 73 million if finally confirmed by client

Order backlog (USD million)



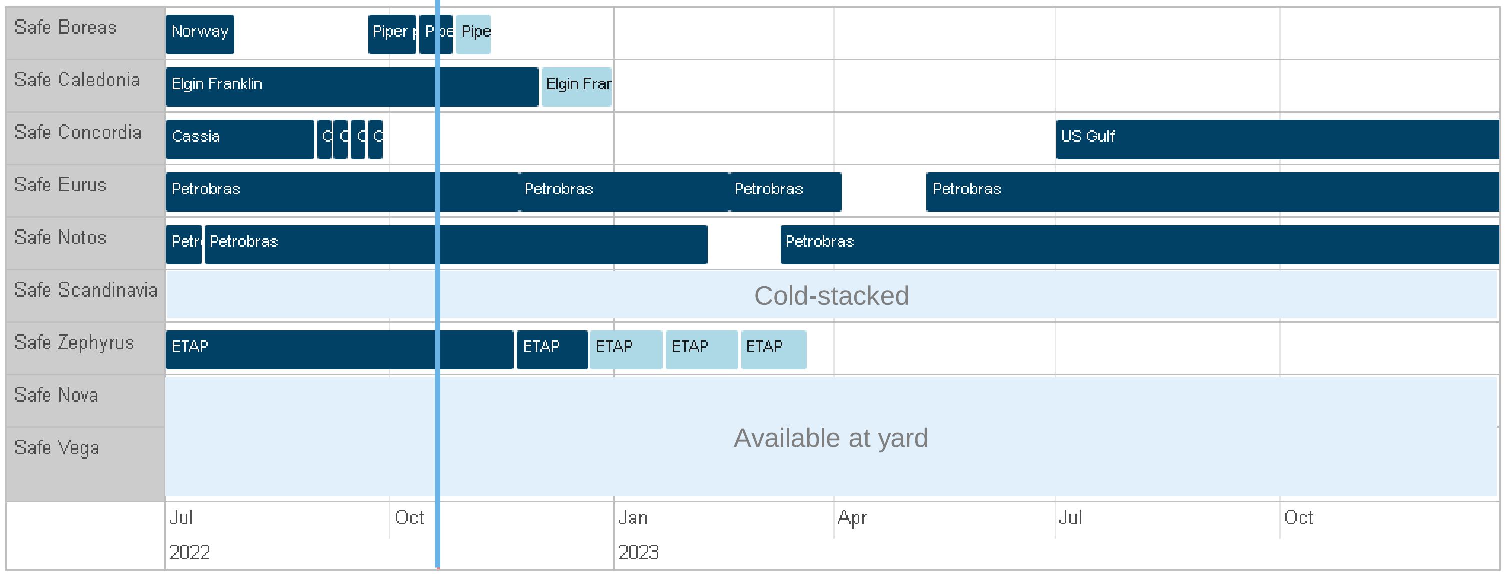
Expected phasing of order backlog (USD million)



Prosafe

All active vessels working during 2022

Contract overview



Comment

- Prosafe remains focused on securing further work for its vessels in 2023
- Outlook for 2024 is positive with signs that clients are accelerating tender processes
- Overall favourable demand outlook in core Brazilian and North Sea markets

2023 operational items

- Safe Notos: ~30 days off-hire in Q1 for hull cleaning and Petrobras contract modifications, expected capex[1] of USD ~2 million and all-in opex of USD ~3 million during hull off-hire period
- Safe Eurus: ~30 days off-hire in Q2 for hull cleaning, accelerated SPS and Petrobras contract modifications, expected capex[1] of USD ~6-7 million and opex of USD ~3 million during off-hire period

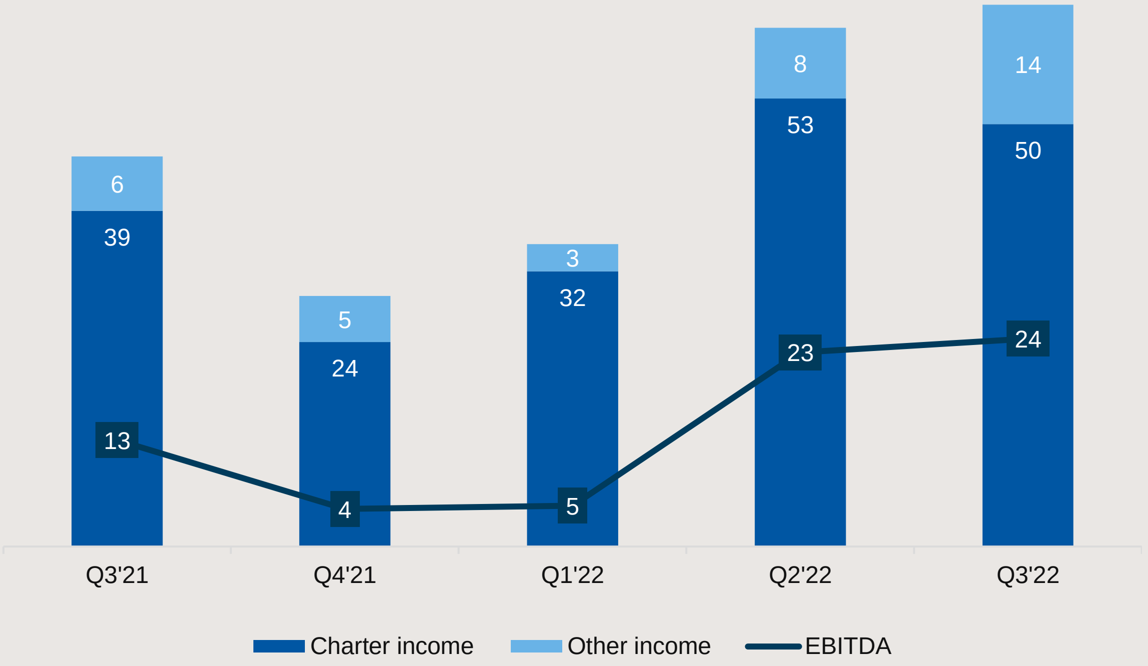
1) Capex includes annual maintenance capex

Financials

Increased activity driving revenues and EBITDA

- Charter income of USD 50 million in Q3 , driven by improved utilisation and higher day rates
  - Utilisation in Q2-Q3 generally higher than rest of the year due to North Sea summer season
- Other income of USD 14 million, reflecting mainly reimbursables with low-margin*
- Good project execution and cost control
- EBITDA of USD 24.2 million, highest since Q3 2019

Operating revenues and EBITDA (USD million)



* Other income also includes USD 5.8 million of withholding tax recoverable which was passed through to the client

Prosafe

Income statement

- Lower net financial costs reflect reduced interest expenses and decreased other financial items after completion of the 2021 financial restructuring
- Higher taxes from operations in Trinidad and Tobago for Concordia

(Unaudited figures in USD million)	Q3 2022	Q3 2021	9M 2022	9M 2021	FY 2021
Operating revenues	63.6	45.8	160.0	111.7	141.1
Operating expenses	(39.4)	(33.3)	(108.2)	(91.1)	(116.2)
Operating results before depreciation	**24.2**	**12.5**	**51.8**	**20.6**	**24.9**
Depreciation	(7.5)	(8.1)	(21.8)	(25.5)	(33.0)
Impairment	0.0	0.0	0.0	(41.7)	(41.7)
Operating profit/(loss)	**16.7**	**4.4**	**30.0**	**(46.6)**	**(49.8)**
Interest income	0.3	0.0	0.3	1.0	1.0
Interest expenses	(5.0)	(7.9)	(12.4)	(36.1)	(37.9)
Other financial items	0.5	(4.6)	(2.3)	(26.9)	1 017.7
Net financial items	**(4.2)**	**(12.5)**	**(14.4)**	**(62.0)**	**980.8**
Profit/(Loss) before taxes	**12.5**	**(8.1)**	**15.6**	**(108.6)**	**931.0**
Taxes	(2.6)	(0.8)	(7.0)	(1.5)	(3.1)
Net profit/(loss)	**9.9**	**(8.9)**	**8.6**	**(110.1)**	**927.9**
EPS	**1.13**	**(101.15)**	**0.98**	**(1 251.32)**	**263.27**
Diluted EPS	**1.12**	**(101.15)**	**0.97**	**(1 251.32)**	**263.27**

Prosafe

Balance sheet

- Total assets of USD 503 million at end Q3 2022
- Cash position increased to USD 74.5 million from USD 57.6 million at Q2 2022 on operational cashflow
- Equity ratio increased to 8.6% from 7% in Q2
- Q3 NIBD[1)] of USD 348 million. whereof USD 3 million is short-term debt
- YoY NIBD reduction and the positive equity ratio are due to the year-end 2021 financial restructuring and good 2022 operating performance

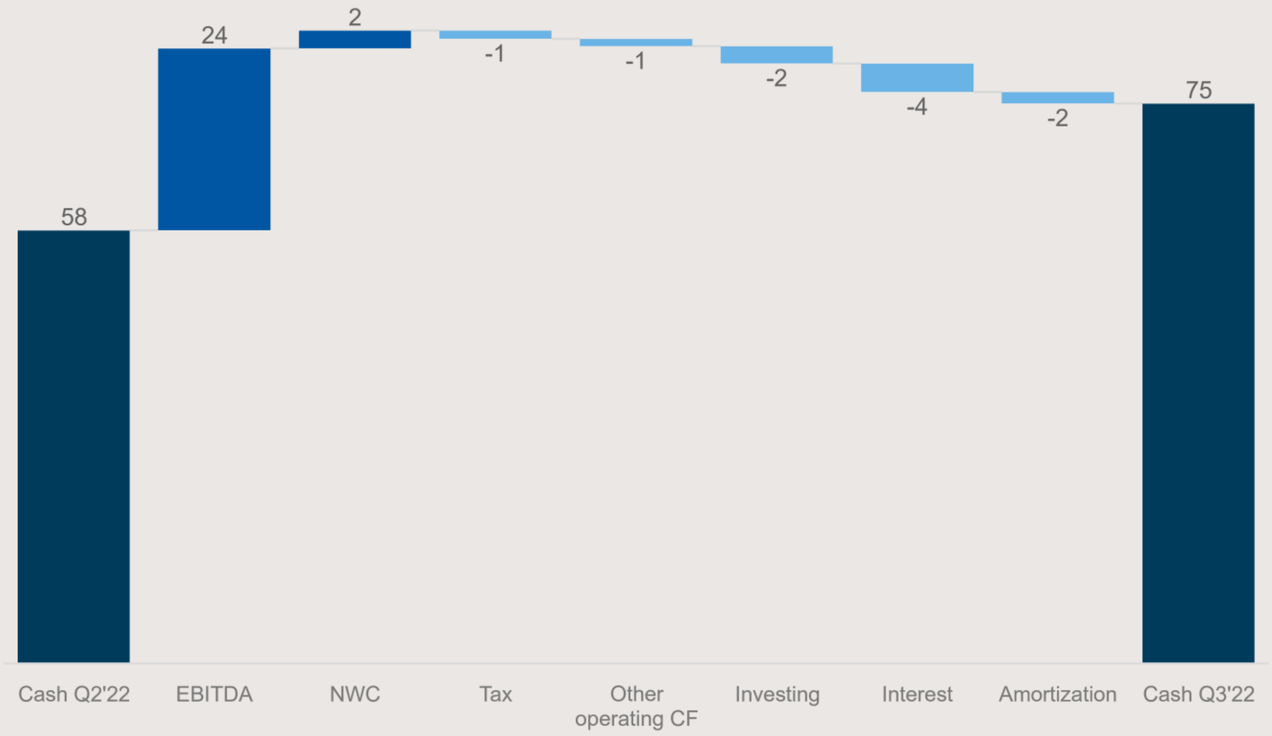
(Unaudited figures in USD million)	30.09.22	30.09.21	31.12.21
Vessels	383.2	400.4	397.0
Other non-current assets	1.3	2.4	2.2
Total non-current assets	**384.5**	**402.8**	**399.2**
Accounts and other receivables	39.8	38.0	17.6
Other current assets	4.4	1.8	2.1
Cash and deposits	74.5	107.1	73.9
Total current assets	**118.7**	**146.9**	**93.6**
Total assets	**503.2**	**549.7**	**492.8**
Share capital	12.4	9.7	497.5
Other equity	30.9	(1 069.5)	(461.2)
Total equity	**43.3**	**(1 059.8)**	**36.3**
Interest-free long-term liabilities	1.7	2.1	2.2
Interest-bearing long-term debt	419.3	80.1	422.4
Total long-term liabilities	**421.0**	**82.2**	**424.6**
Accounts and other payables	18.5	22.3	20.3
Tax payable	17.2	9.2	10.7
Current portion of long-term debt	3.2	1 495.8	0.9
Total current liabilities	**38.9**	**1 527.3**	**31.9**
Total equity and liabilities	**503.2**	**549.7**	**492.8**

1) Net Interest-bearing is equal to Interest-bearing debt less liquidity. NIBD is reduced by a USD 14.2 million fair value adjustment of which USD 3.8 million is short term

Strong cash conversion

- Strong cash conversion with operating cash flow of USD 24.5 million
- Maintenance capex of USD 2.6 million in quarter
- Significantly reduced interest expenses after the completion of the financial restructuring last year
- Cash position of USD 75 million at quarter end

Cash flow in the quarter (USD million)

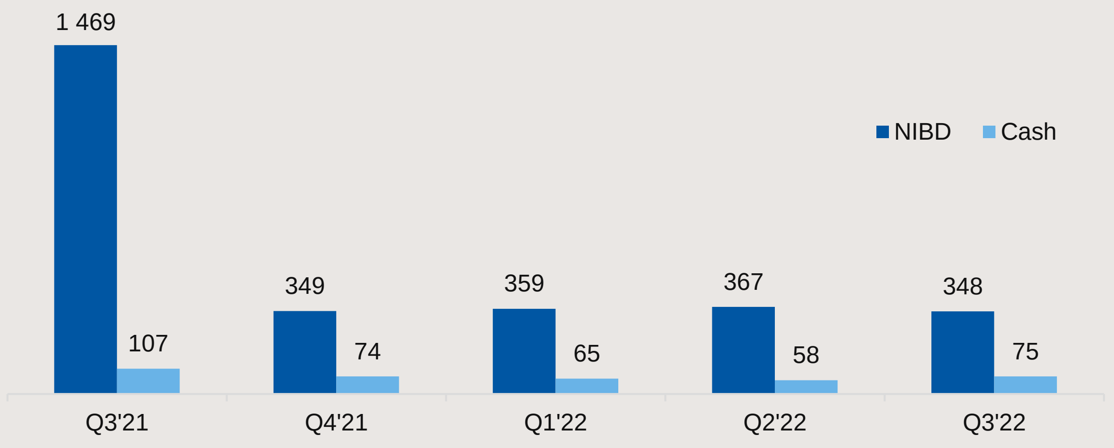


Prosafe

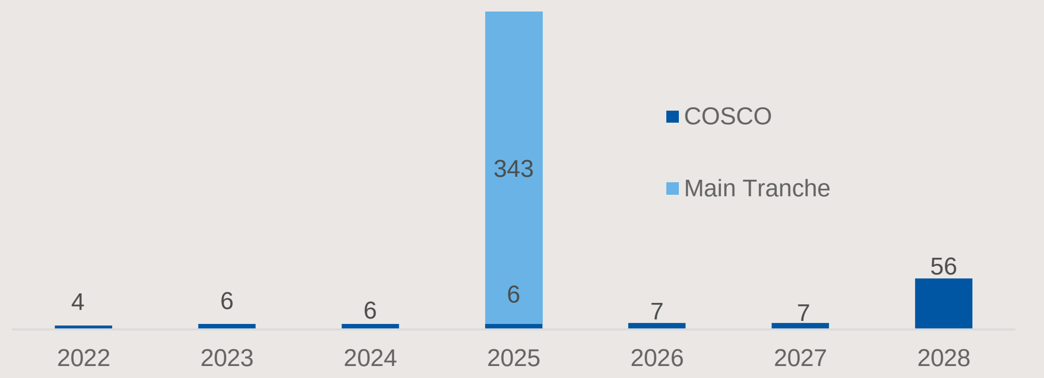
Financially restructured with first major maturity end-2025

- Favourable terms on debt facilities with limited fixed amortization and low interest rate
  - Main-tranche: 2.5% + Libor / SOFR, maturing 31 December 2025*
  - COSCO (Safe Eurus): 0% (increasing to 2% in 2026)
  - COSCO minimum amortization of USD 6 million
  - Liquidity covenant at end 2023 of USD 23 million
  - Year-end cash sweep if 12 month forward looking liquidity balance >USD 67 million

NIBD development (USDm)



Debt maturity profile (USDm)

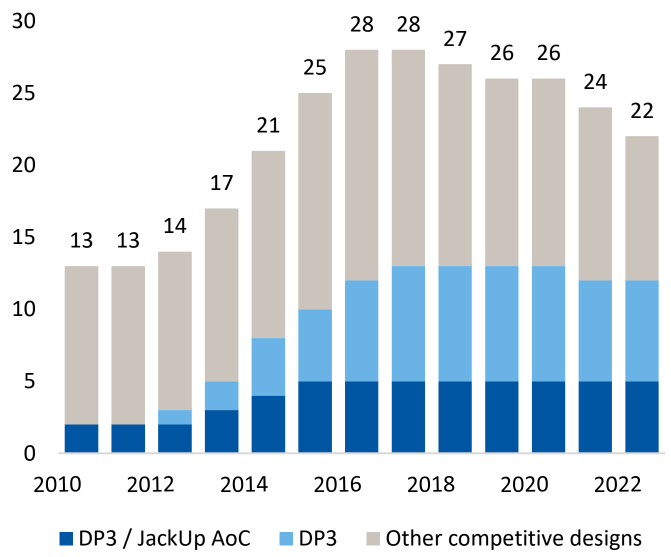


*Change from LIBOR to SOFR may result in a minor increase in the 2.5% margin in Credit Adjustment Spread

Market and outlook

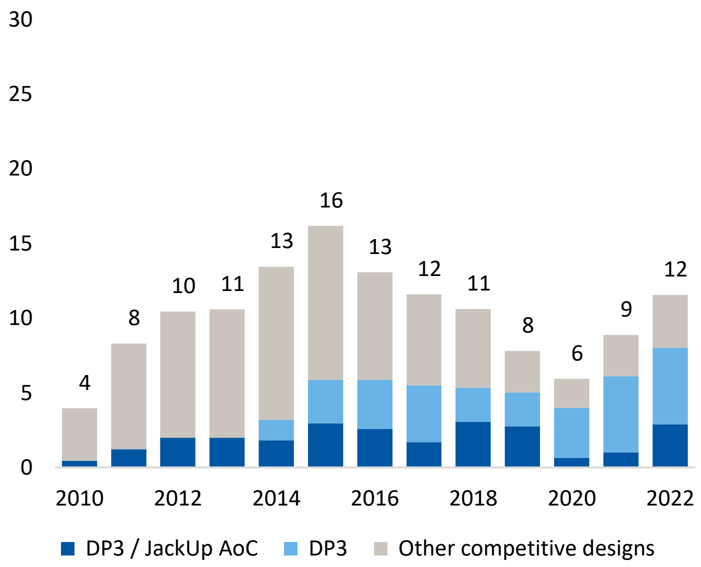
Significant tightening of market balance, especially for DP3 and equivalent

Declining fleet[1]



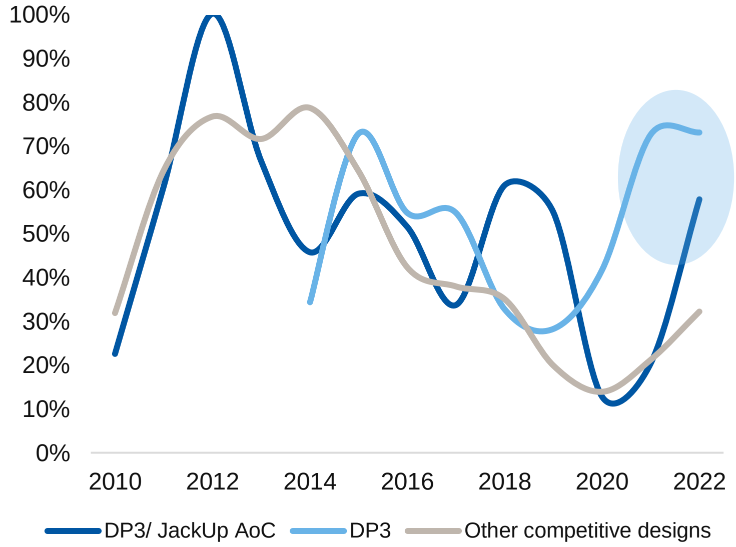
- Scrapping of older less competitive vessels
- Limited orderbook with Prosafe controlling the high specification vessels:
  - 2x DP3 semis (Safe Nova and Safe Vega)
  - Non-DP3 vessels in orderbook: 1 monohull and 1 jack-up

Increasing demand (# of vessel years)[1]



- High activity in 2022
- Increased oil and gas activity reflecting the early phase of a likely new long-term investment cycle

Global accommodation market vessel utilisation[2]



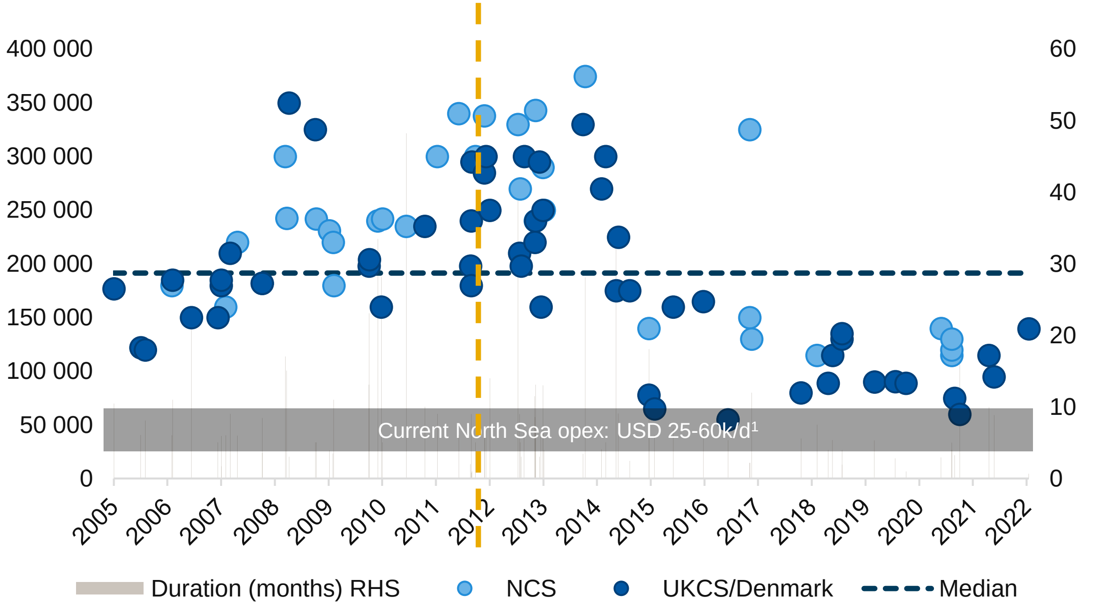
- Market utilisation of high specification accommodation vessels increasing to over 70%
- Peak utilisation in 2011-14 period of ~70%

1) *DP3 = DP3 semis or equivalent. Excluding Mexico vessels. DP3 / Jackup AoC = DP vessels with Acknowledgement of Compliance for Norway operation and includes Haven Jack-up*
2) Source: Prosafe, excluding Mexico

Prosafe

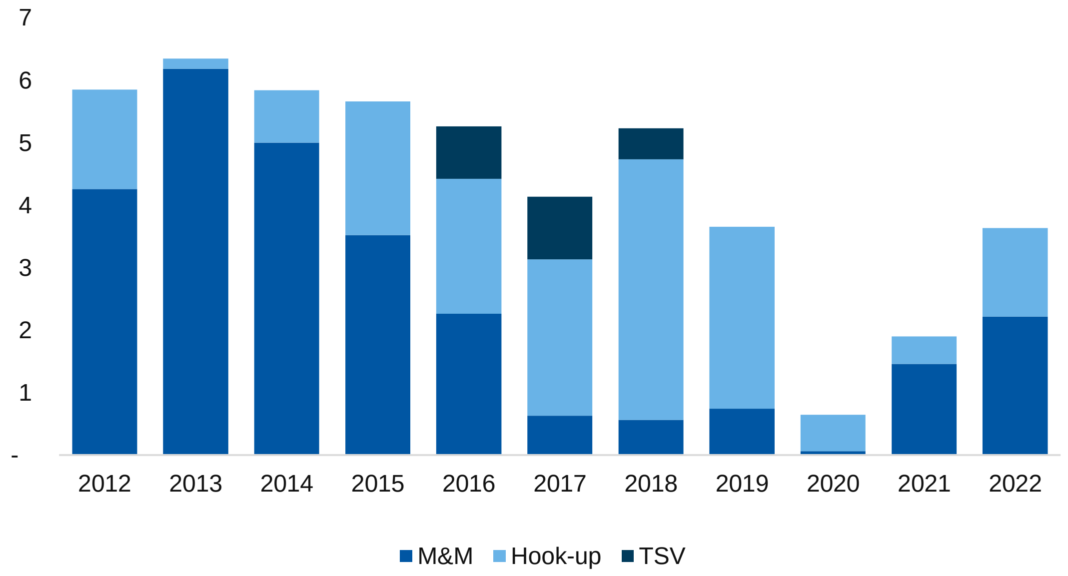
North Sea day rates improving, key trigger increased hook-up jobs

North Sea day rate development (USD/d)



- Day rates in 2022 of USD 100k to 140k depending on vessel and term
- Usually, shorter contracts ranging between 3-12 months in North Sea

North Sea activity (# of vessel years)

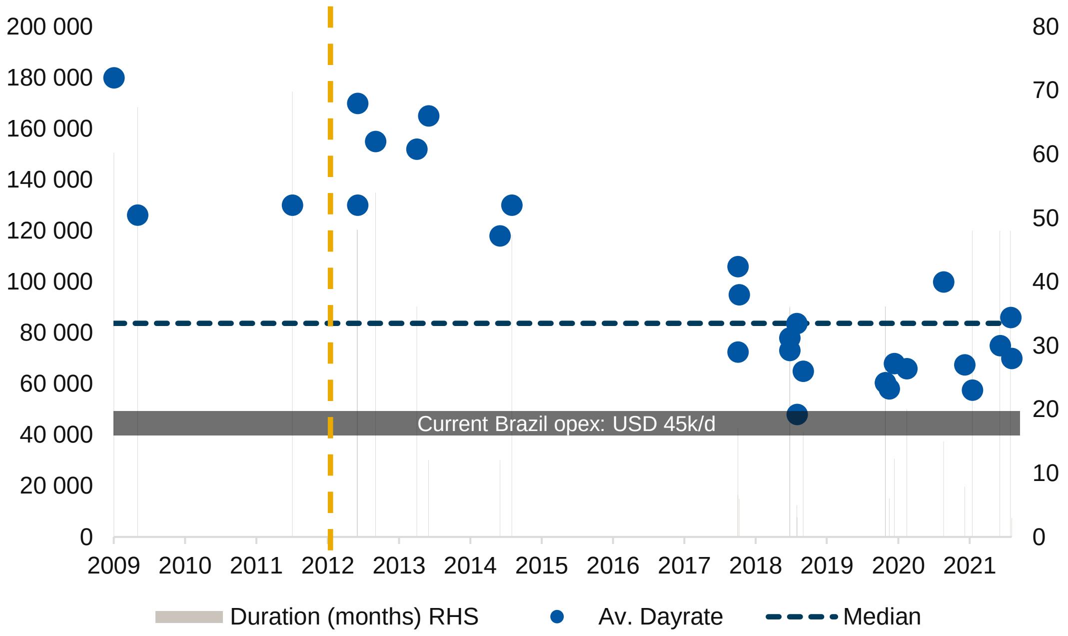


- Positive demand outlook
  - Higher maintenance and tie-back activity in the UK
  - Hook-up operations in Norway, particularly from 2024 and 2025 onwards
- Some opportunities are moving from 2023 to 2024

1) Depends on region and if the vessel is moored, DP or non-DP

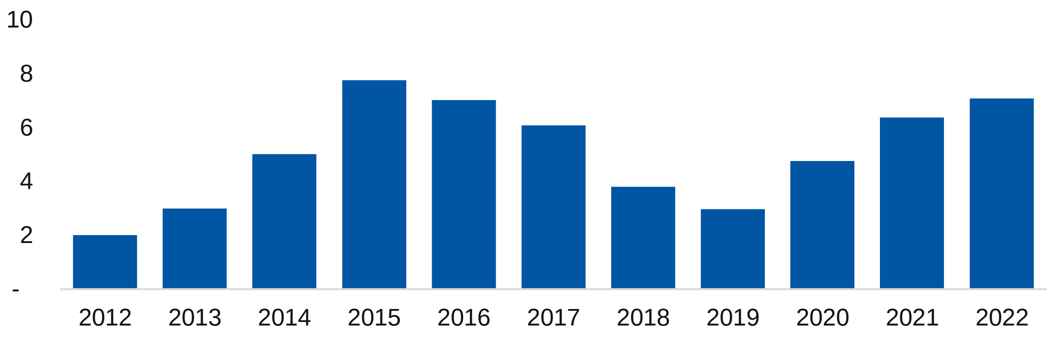
New FPSOs coming into Brazil lead to higher demand

Brazil day rate development (USD/d)

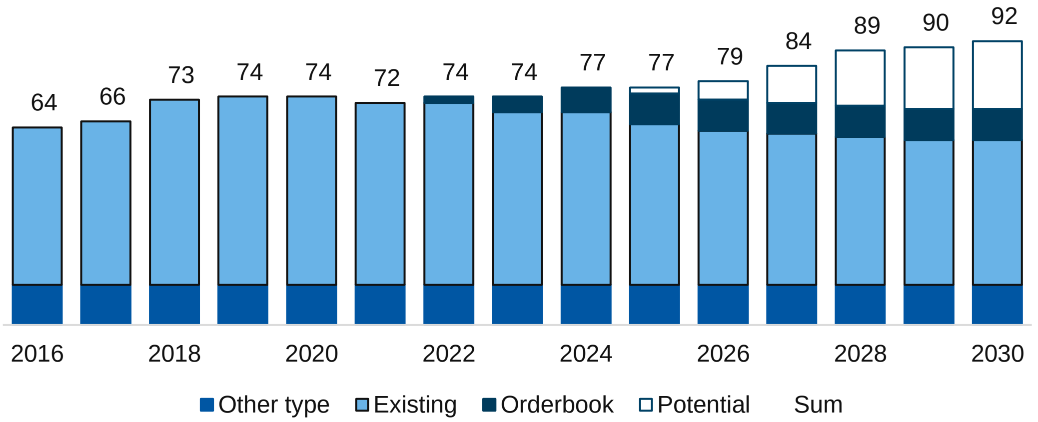


- Prosafe the most competitive bidder in latest tender at USD 112.5k per day, pending confirmation by Petrobras
- Long-term contracts of 2-4 years with Petrobras
- FPSOs require maintenance after ~2-5 years – new FPSOs in 2016/17 driving demand today
- New FPSOs have larger topsides than existing units with expected increased maintenance requirements

Brazil activity (# of vessel years)



Number of installations in Brazil – FPSOs and platforms



Source: Prosafe, Clarksons

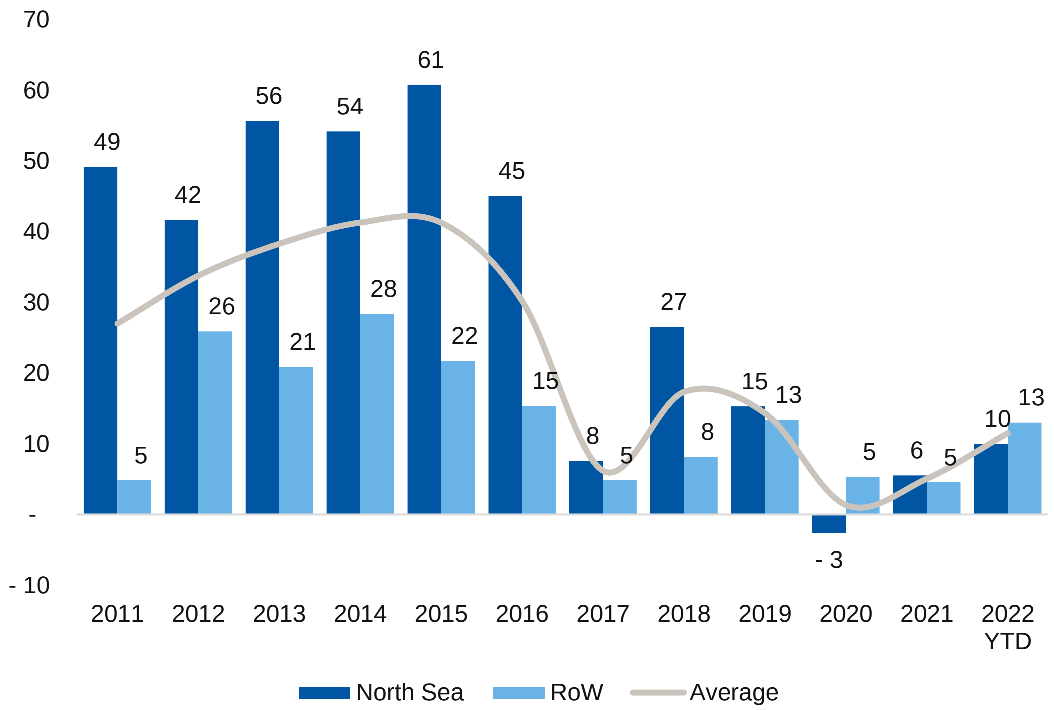
Prosafe

Indicative earnings potential in an improving market

Current fleet EBITDA potential

USD million	Indicative 2022	Average[1] 2011-22	Average[1] 2011-16	Peak[1] 2014/15
EBITDA/vessel	13	22	35	41
# of vessels on long-term charter in Brazil	2	2	2	2
# remaining fleet	4	5	5	5
EBITDA ex. long term charters	52	110	175	205
EBITDA Safe Eurus & Safe Notos	24	24	24	24
Selling, General & Administrative (SG&A)[2]	-16	-16	-16	-16
Illustrative EBITDA	**60**	**118**	**184**	**213**

Historical EBITDA/vessel[1] for Prosafe vessels per region



Assumptions

- One vessel (Safe Scandinavia), is cold stacked, and would require reactivation capex of USD ~20 million
- Excludes newbuilds Nova and Vega

1) Excluding Mexico and Safe Scandinavia during TSV operation
2) Current 2022 run—rate SG&A

Prosafe

Summary

Prosafe

Summary

- On target for 2022 with high activity linked to tie-back and life extension projects
- North Sea is expected to be weak in 2023 with low visibility and opportunities moving from 2023 to 2024
- Capex and modification costs for ongoing and new contracts will impact EBITDA and liquidity in 2023
- Favourable outlook in core Brazil and North Sea markets going forward
- Increasing tender activity and ongoing client discussions in the North Sea for 2024 and into 2027

Prosafe

Supplementary Information

Preparing for two new contracts in 2023

Safe Concordia – US GoM

- 330-day firm contract + 6 monthly options, commencing July-October 2023. Low probability of securing work in period prior to contract
- Firm day rate of USD 93,500, OPEX USD 45-55k per day. Standby rate of USD 28,000 from 01 August 2023 until commencement. Value of options USD 19 million
- Off hire cost of approximately 15-25k per day prior to start-up in US GoM, including costs related to ramp-up and mobilization
- Expected capex of USD ~5-6 million before contract start

Safe Zephyrus – Brazil

- 650-day contract subject to final contract with Petrobras, commencing 2023. Target to start contract Q2 2023
- Day rate of USD 112,500, OPEX estimated at USD 45-50k per day
- Off hire costs of approximately 40-50k per day prior to start-up in Brazil, including costs related to ramp-up and mobilization
- Expected capex of USD ~9-11 million before contract start. Capex will improve ability to use vessel both in Brazil and North Sea

Prosafe

Newbuild status:
Safe Nova and Safe Vega

- Prosafe has option to take delivery of the only two DP3 newbuild semis available at yard
  - 500 POB and well suited for Petrobras requirements
  - Long-term contracts at higher than prevailing day rates required to justify delivery
  - Ongoing dialogue with the yard on how to facilitate delivery in expected future Petrobras tenders
- Typhoon in late September caused material damage that must be repaired prior to delivery
  - The yard in process of estimating timeline of repairs

Actively reducing fuel consumption and emissions

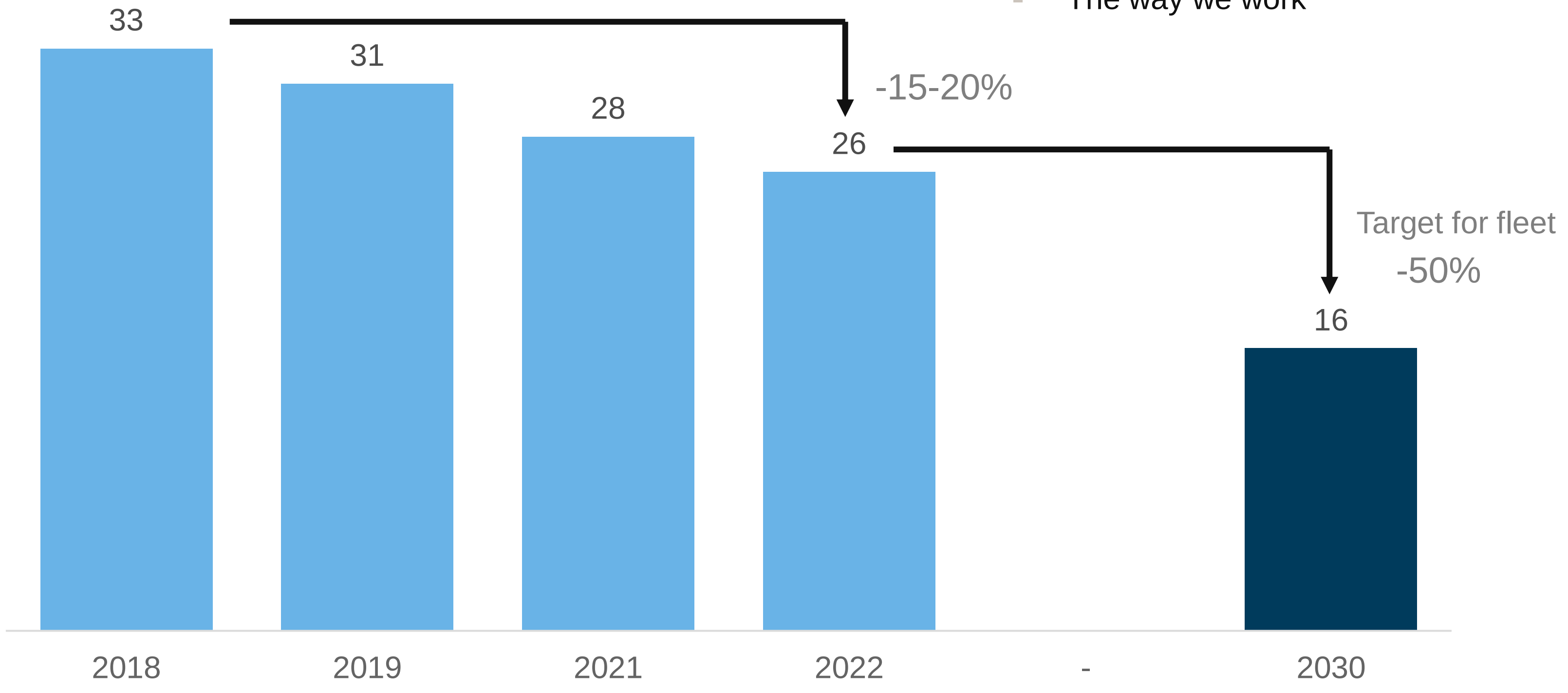
Indicative fuel consumption (m3/d)

What has been done:

- 2+1 engine configuration
- ISO 50.001 certified (Boreas and Zephyrus)
- Advisory software installed

Next priorities:

- HVAC-systems
- Power generation / hybridization
- The way we work



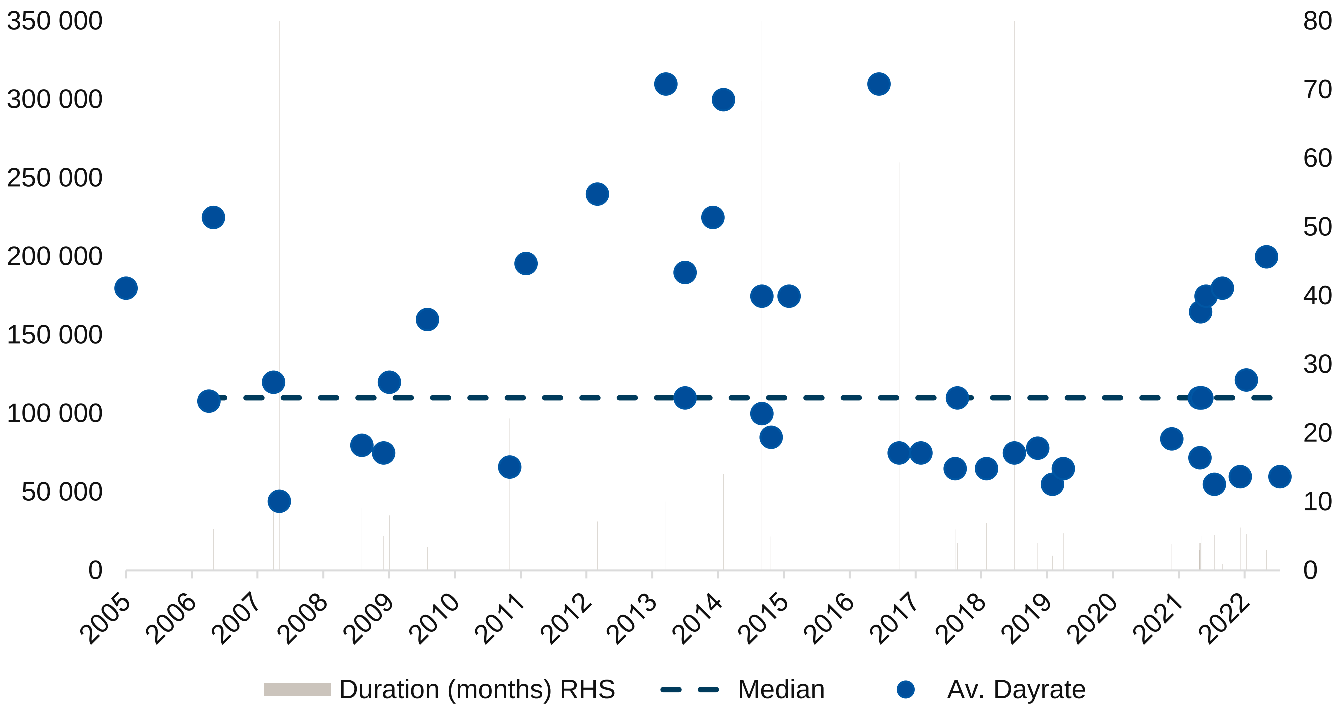
Comments

- Target of 50% fuel and CO_2 reduction by 2030
- Solutions that reduce consumption and costs
- Initiatives implemented on Safe Boreas to be applied to the whole fleet

Prosafe

Rest of World contract overview

RoW day rate development (USD/d)



Comments

- Large variation in contract rates on global basis
- Highest rates in Australia due to operating cost and mobilization
- Rates in Americas have recently been in USD 90k to 125k per day depending on region and term

Prosafe

Analytical information

Item	2022 (USDm)	2023 (USDm)	Comment
SG&A	~16		In a tightening market SG&A is likely to increase somewhat
Depreciation	~28		Straight line depreciation
Interest expense	~20		Exposed to rising interest rates
Tax	~ 2		Norwegian deferred tax assets of USD 1.9 bn, local and contract specific taxes.
Net working capital build	~25		Ramp up of activity, expect 10-15% of sales over time
Maintenance / contract specific capex	~10	~23-28	Increased capex in 2023 for Eurus, Notos, Concordia, Zephyrus

Prosafe

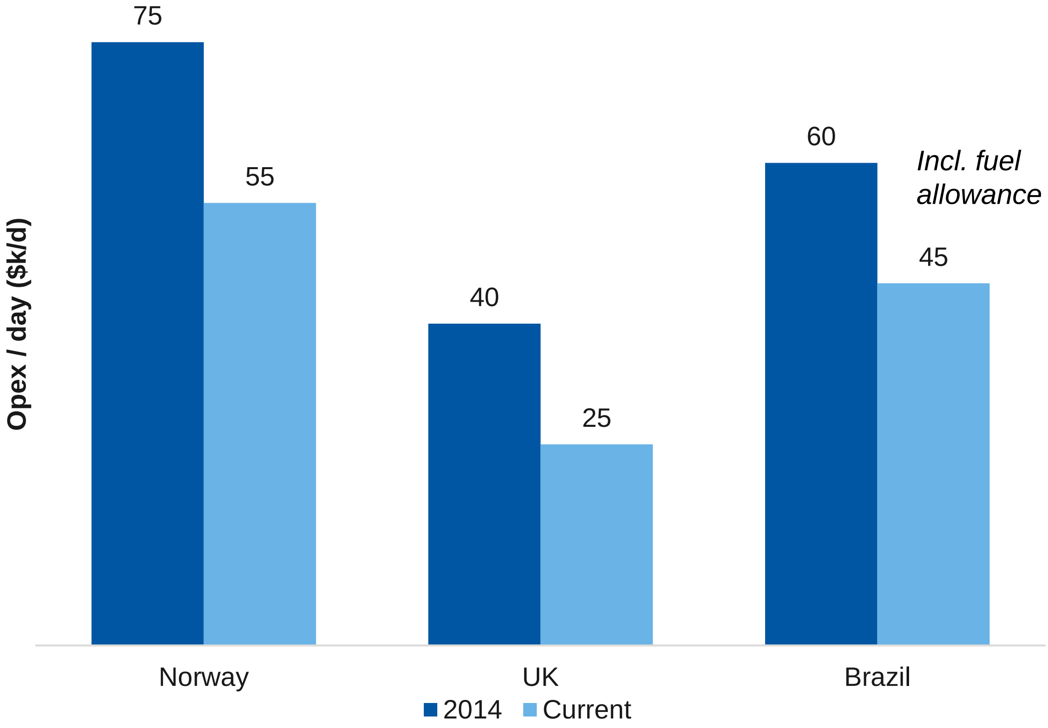
Prosafe recent firm period fixtures

Vessel	Client	Award date	Start	Finish	# months	Region	Positioning	Work type	Day rate	Total Award
Safe Concordia	Confidential	Oct-22	Jul/Oct-23	Jun/Sept-24	11	US GoM	DP	HUC	$93 500	$33 364 900
Safe Eurus	Petrobras	Jun-22	Mar-23	Mar-27	48	Brasil	DP	M & M	$86 000	$125 560 000
Safe Boreas	RepsolSinopec	Jun-22	Sep-22	Oct-22	1	UKCS	DP	M & M	$139 500	$3 729 500
Safe Notos	Petrobras	May-22	Oct-22	Sep-26	48	Brasil	DP	M & M	$75 000	$109 500 000
Safe Concordia	bp	Feb-22	Mar-22	Aug-22	5	Trinidad	DP	HUC	$121 500	$19 440 000
Safe Notos	Petrobras	Nov-21	Nov-21	Jul-22	8	Brasil	DP	M & M	$67 500	$16 200 000
Safe Caledonia	TotalEnergies	Oct-21	Mar-22	Dec-22	9	UKCS	Moored	M & M	$95 000	$26 340 000
Safe Zephyrus	bp	Sep-21	Jan-22	Nov-22	10	UKCS	DP	M & M	$115 000	$35 960 000
Safe Boreas	CNOOC	Jan-21	Apr-21	Jul-21	3	UKCS	DP	HUC	$75 000	$8 500 000
Safe Concordia	McDermott	Dec-20	Jul-21	Oct-21	4	Trinidad	DP	HUC	$84 000	$10 828 000
Safe Notos	Petrobras	Nov-20	Nov-20	Nov-21	12	Brasil	DP	M & M	$68 000	$25 363 000
Safe Boreas	ConocoPhillips	Oct-20	May-22	Jul-22	3	NCS	DP	Tie-in	$140 000	$13 600 000
Safe Caledonia	TotalEnergies	Jul-19	Mar-21	Aug-21	5	UKCS	Moored	M & M	$90 000	$15 580 000
Safe Eurus	Petrobras	May-19	Nov-19	Nov-22	36	Brasil	DP	M & M	$73 100	$80 044 500
Safe Zephyrus	Shell	Dec-18	Feb-21	Aug-21	4	UKCS	DP	M & M	$138 000	$17 770 000

Source: Prosafe

Estimated OPEX per region and vessel

Historical opex per day



Current opex per day

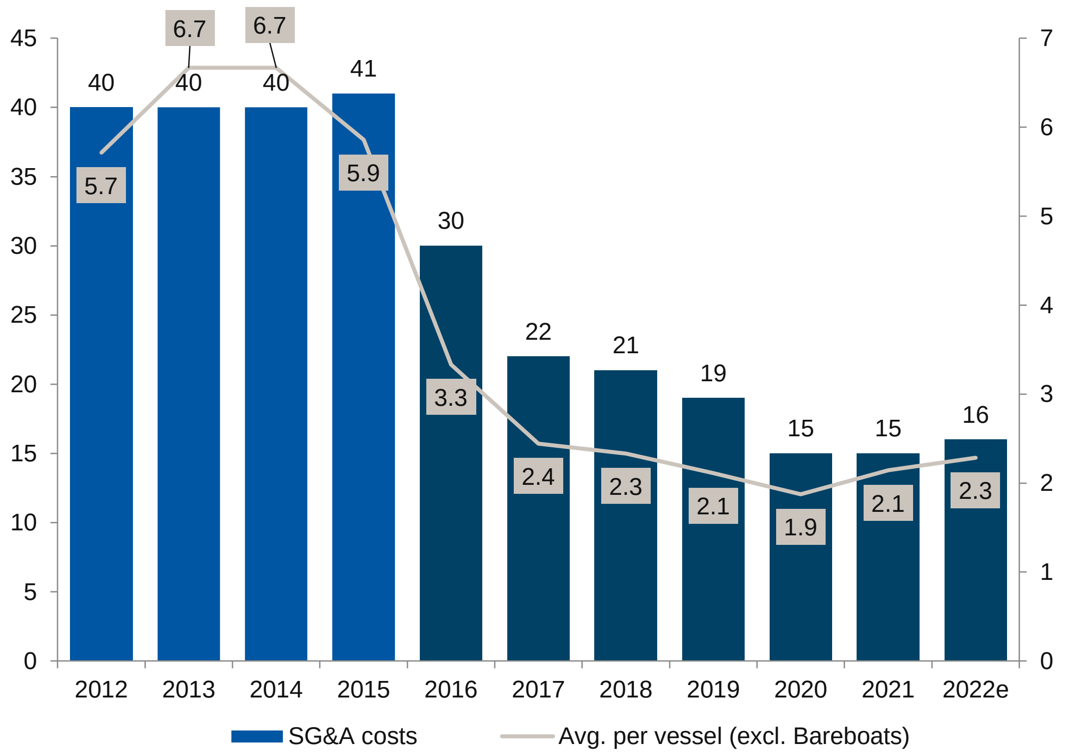
UK (DP – Boreas/Zephyrus)	$35 – 40k/d
UK (Moored - Caledonia)	$25 - $30k/d
Brazil	$45 – 50k/d (incl. fuel)
Norway (DP – Boreas/Zephyrus)	$55 – 60k/d
RoW (Concordia)	$35 – 45k/d
US GoM (Concordia)	$45 – 55k/d
Scandinavia (cold)	$2.5 - 3k/d
Stacking (warm)**	$8 – 15 k/d

- OPEX/day was significantly reduced as market weakened
- Increasing inflationary pressure and supply chain challenges may impact negatively OPEX/day in the future
- A tight market usually results in inflationary pressure on input factors and might result in costs as well

* UK comparison reflects cost of moored vessel. ** Ramp-up and ramp-down of approx. 3 - 4 weeks before and after contract at full operational cost. Stacking cost highly dependent on time in lay-up and region

Significant cost improvements since 2015

SG&A[1] cost development (USDm)



- Significant cost improvement since 2015 has been driven by
  - Reduction in number of active vessels (from 14 to 7)
  - Reduced onshore headcount (from ~150 to 60)
  - Adapting cost structure to be more flexible
  - Newbuild & lifetime extension projects in years 2012-2016 now completed
- Ongoing measures to further improve cost picture
  - Greater efficiency through data and systems
  - Improved ramp-up and down philosophy
  - Further outsourcing of non-core activities
- Costs likely to increase in future due to inflationary pressure as well as increased activity

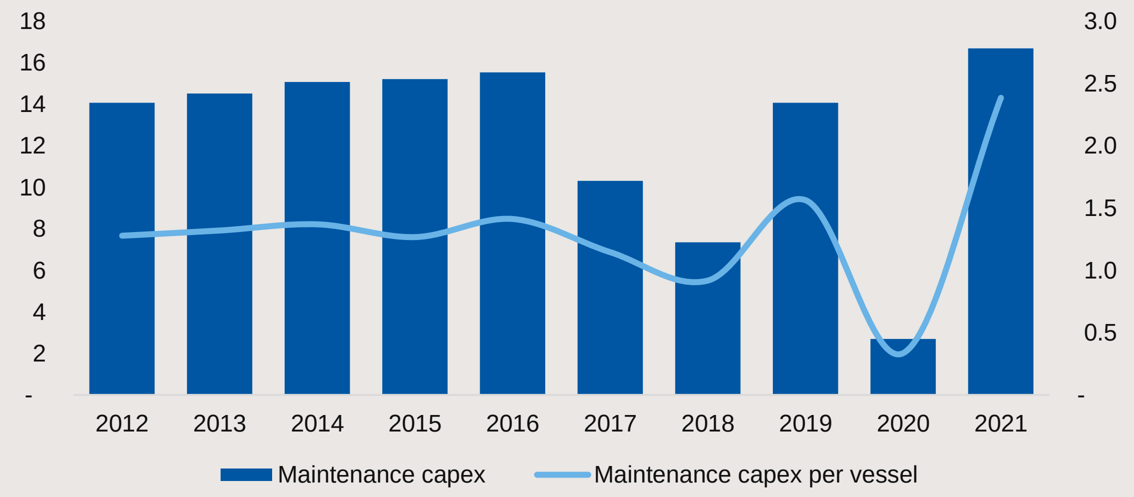
1) Excluding one-off costs

Prosafe

Historic SPS and maintenance capex

- Maintenance capex of ~$1-2m per vessel per year
- 5-year SPS cost of USD 4 to 5 million per vessel
- SPS usually takes 1-2 months to complete and is targeted to be completed in offhire season in North Sea
- Reactivation of Safe Scandinavia is estimated to require USD ~20 million depending on delivered for accommodation or TSV

SPS and maintenance capex (USDm)[1]



SPS Schedule

	2022	2023	2024	2025	2026
Boreas					
Zephyrus					
Eurus					
Notos					
Caledonia					
Concordia					
Scandinavia		*Currently layup*			

1) 2021 includes USD 11 for SPS for Boreas and Zephyrus

Prosafe

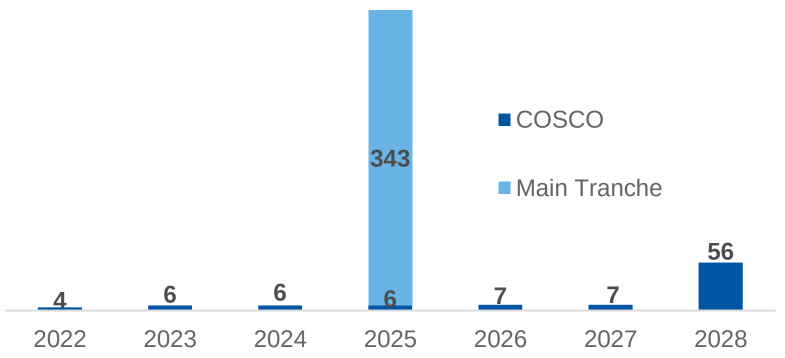
Outstanding debt

Two tranches

	Main tranche	COSCO Sellers Credit
Outstanding debt	$343m (250m + 93m Notos)	$93m
Pledged vessels	Boreas, Zephyrus, Caledonia, Concordia, Scandinavia, Notos	Eurus
Interest rate	LIBOR/SOFR* + 2.5%	0% (increase to 2% from 2026)
Amortizations	Cash sweep above $67m forecasted liquidity on 12-month forward basis	50-50 EBITDA split. Minimum $6m/year, $7m/year from Q3 2026
Maturity	2025	~Q3 2028 or when debt reach ~$50m
PCG	PSE fully liable	$60m
Financial Covenant	2022 cash > $18 million 2023 cash > $23 million 2024 cash > $28 million	

Newbuilds (Nova and Vega) could be added to the COSCO silo

Debt maturity profile



Ringfenced structure with annual upstreaming to main tranche. Cash flow on COSCO tranche coming from Safe Eurus which is contracted with Petrobras to 2027

*Change from LIBOR to SOFR may result in a minor increase in the 2.5% margin in Credit Adjustment Spread

Prosafe

Tax

- Prosafe SE is a permanent tax resident in Norway. As of end 2021, the company has deferred tax asset of approximately USD 1.9 billion, which can be utilized as tax deduction in the future and not recognised in the accounts.
- 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.
- Prosafe has an outstanding tax enquiry with UK HMRC that is yet to be concluded. Prosafe has provided for USD 8 million in the accounts to cover the exposure.

Prosafe

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

Head office:

Forusparken 2
N-4031 Stavanger
Norway

prosafe.com