



# INTERIM REPORT



## Q4 2023

# Floatel International Ltd

**Oslo – February 27, 2024** – Floatel International Ltd (“Floatel”) presents its consolidated financial statements for the fourth quarter of the financial year 2023.

### Highlights:

- Events during the quarter:
  - Floatel Endurance underwent its second special periodic survey whilst idle in Skipavika, Norway awaiting the start of the assignment at the AkerBP Skarv FPSO in March 2024.
  - Floatel Triumph on charter for Shell at the Prelude FPSO until November 22, 2023.
  - Floatel Victory on charter throughout the quarter for Chevron at the Anchor field in the US Gulf of Mexico and the contract has been extended to April 2, 2024.
  - The Group signed two letters of intents for contracts to be executed in 2025 and 2026.
- Status update as of the reporting date:
  - Floatel Endurance is on its way to AkerBP Skarv where its assignment starts March 1, 2024.
  - Floatel Reliance is idle in Tenerife in the Canary Islands, awaiting the next assignment.
  - Floatel Superior idle in Skipavika, awaiting its assignment on the UK continental shelf starting mid-April 2024.
  - Floatel Triumph enroute the North Sea for thruster overhaul in Norway before starting the Shell Shearwater contract in the UK in May 2024.
  - Floatel Victory is on charter for Chevron at the Anchor field in the US.
  - The Group has been awarded the following contracts after the reporting period:
    - The letter of intent in respect of Floatel Victory is now firm 15-months assignment to provide Maintenance and Safety Unit (MSU) support alongside Equinor Peregrino FPSO offshore Brazil.
    - For Floatel Superior to provide services to Equinor at Åsgard B, Norway, the contract is for six months with the right for Equinor to extend and will start March/April 2025.
    - For Floatel Triumph to provide services to an undisclosed client offshore Australia in 2026, the contract will commence in Q2-2026 and has a 80-days firm period with client having the right to extend.
    - Floatel Endurance has received a letter of intent with an undisclosed North Sea client to provide services in 2025 and 2026.
- The fourth quarter fleet utilization was 40% (60% for the comparable period last year). The total firm contract backlog (excluding options) was approximately USD 390 million as of December 31, 2023, and USD 219 million as of December 31, 2022.
- Revenues for the fourth quarter of 2023 were USD 25.6 million (USD 49.3 million for the comparable period in 2022).
- Recurring EBITDA for the fourth quarter of 2023 amounted to USD 2.4 million (USD 20.2).
- Total assets as of December 31, 2023, amounted to USD 699 million (USD 684 million as of December 31, 2022).
- As of December 31, 2023, cash and cash equivalents were USD 63.5 million (USD 16.4 million), as USD 100 million super senior bonds replaced the revolving credit facility in March 2023.
- As of December 31, 2023, total book equity amounted to USD 340 million (USD 372 million).

**Summary of business activities during the fourth quarter of 2023**

*Floatel Superior*

Floatel Superior was idle in Skipavika Norway in the fourth quarter and is still in Skipavika at the reporting date.

INEOS 90-day charter to provide accommodation support at the Unity platform starts in April 2024 and the Vår Energi charter in Norway starts in August 2024.



*Floatel Superior alongside Vår Energi Balder FPSO.*

*Floatel Reliance*

Floatel Reliance is idle in Tenerife in the Canary Islands, awaiting the next assignment. The vessel is actively marketed for new charters and reactivation is under consideration.



*Floatel Reliance is idle in Tenerife, Canary Islands.*

*Floatel Victory*

Floatel Victory in operation for Chevron at the Anchor field in the US Gulf of Mexico during the quarter. The charter has been extended and ends on April 2, 2024.

The assignment at the Equinor Peregrino FPSO offshore Brazil commences in late May 2024 and is for fifteen months. Option to extend the assignment after the firm period has been granted.



*Floatel Victory alongside Chevron Anchor FPSO Gulf of Mexico.*

*Floatel Endurance*

Floatel Endurance was idle in Skipavika, Norway during the quarter and undergoing special periodic survey. The next assignment is the Aker BP Skarv project on the Norwegian Continental Shelf which starts March 1, 2024.

Cenovus awarded the Group a 2-3-month charter for Floatel Endurance to provide accommodation support at the White Rose field in Canada starting in the summer of 2025.



*Floatel Endurance at the Johan Sverdrup, Phase II project.*

*Floatel Triumph*

The Shell Prelude charter ended November 22, 2023, and the Floatel Triumph is enroute the North Seas for thruster overhaul in Norway and the Shell Shearwater assignment which commences early May 2024. The charter is for five months with the option for Shell to extend.

Floatel Triumph will after completing the Shell Shearwater contract return to Australia and an assignment with Inpex at the Ichthys field which commences in the spring of 2025.



*Floatel Triumph in operation for Shell, Prelude, in Australia.*

## Financial development

### Revenue and operating results for the fourth quarter of 2023

USD 25.6 million (USD 49.3 million) in total consolidated Revenues and USD 20.2 million (USD 29.2 million) in total Operating and Administrative expenses before depreciation resulted in quarterly EBITDA of USD 5.5 million (USD 20.1 million), USD 3.1 million (USD -0.1 million) refer to non-recurring items.

USD 10.9 million (USD 11.7 million) in total Depreciation and impairment, included in the Cost of providing services and Administrative expenses, resulted in USD -5.4 million quarterly Operating result (USD 8.3 million).

Net Finance income and costs were in the quarter USD -7.3 million (USD -5.6 million). The net result for the fourth quarter was USD -13.1 million (USD 2.6 million).

The committed work backlog as of December 31, 2023, excluding options was approximately USD 390 million (USD 219 million).

### Financial position as of December 31, 2023

Total assets were USD 699 million (USD 684 million as of December 31, 2022). Total non-current assets were USD 577 million (USD 602 million), while Net working capital totalled USD 27 million (USD 29 million).

The Group's Cash and cash equivalents totalled USD 63 million (USD 16 million) after the revolving credit facility was replaced by a USD 100 million super senior bond on March 27, 2023. Total equity at the end of the period was USD 340 million (USD 372 million).

Interest-bearing debt totalled USD 322 million (USD 268 million), of which USD 0 million is reported as the current portion (USD 0 million). In the reported Total interest-bearing debt, prepaid borrowing expenses of USD 2.9 million (USD 1.7 million) are included. The expenses amortize over the life of the facilities. The Net interest-bearing debt totalled USD 258 million (USD 252 million).

The Group complies with all its financial covenants as of December 31, 2023, and on the reporting date.

## Market outlook

Utilisation for the worldwide fleet of semi-submersible accommodation support vessels (ASV) was 63% in Q4 2023 (77% in Q4 2022). In comparison, Floatel International's utilisation was 40% (60%). The global ASV fleets' full-year utilisation in 2023 was 64% (78%), while the Group's full-year utilisation was 51% (62%).

The direct impact of the macroeconomic and geopolitical situation, including heightened risks of a recession and the conflicts in Ukraine and the Middle East, has been limited for the Group. Furthermore, energy demand is expected to remain resilient which continues to drive demand for our services. Oil price is expected to remain volatile amidst the uncertain economic and geopolitical backdrop.

After the improved performance in 2022, it was a soft year in 2023, with limited additional demand expected in 2024, especially in the North Sea. The market therefore remains partly oversupplied, so relatively modest near-term charter rate increases are expected.

We believe the increase in demand for offshore accommodation services will come in 2025, slightly later than previously estimated. This belief is based on visible and predicted higher customer activity levels, evidenced by current client discussions and tender activity. This, and coupled with the reduced supply, will likely result in higher utilisation and, with some time lag, higher charter rates.

Additionally, the shift in the energy discussion towards renewable sources has created a debate about energy composition for the future; however, the transition to a renewable world is likely to take time.

The globally operating, purpose-built, semi-submersible accommodation fleet presently comprises twenty vessels including two vessels yet to be delivered whereof seventeen vessels have been built since 2005. The remaining older vessels are expected to exit the market in the coming years.

**Significant events after the end of the reporting period**

Floatel Victory has been awarded an assignment to provide Maintenance and Safety Unit (MSU) support alongside Equinor's Peregrino Floating Production Storage and Offloading Unit (FPSO) offshore Brazil. The MSU assignment is for fifteen months with a commencement date on site in the second quarter 2024. Option to extend the assignment after the firm period has been granted.

A contract has been signed with Equinor Energy AS for provision of Floatel Superior for Åsgard B in 2025. The contract will commence March/April 2025 for a duration of 6 months with Equinor having the option to extend.

A contract has been signed with an undisclosed client for provision of Floatel Triumph offshore Australia. Commencement of this contract will be in Q2 2026 for a firm duration of 80 days with the client having the right to extend.

Floatel Endurance has received a letter of intent from an undisclosed North Sea client to provide services in 2025 and 2026.

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Oslo – February 27, 2024  
The Board of Directors of Floatel International Ltd

### Condensed consolidated Income Statement

Figures in USD thousands	Notes	Q4 - 2023	Q4- 2022	2023	2022
Revenues	5	25 644	49 291	138 152	177 606
Cost of providing services*	4,7	-25 682	-34 734	-125 604	-141 019
<b>Gross result</b>		<b>-38</b>	<b>14 557</b>	<b>12 548</b>	<b>36 587</b>
Administrative expenses *	4,7	-4 768	-4 456	-17 118	-16 376
Other gains/losses	4	-625	-1 769	1 129	2 153
<b>Operating result</b>	<b>4</b>	<b>-5 431</b>	<b>8 332</b>	<b>-3 441</b>	<b>22 364</b>
Finance income	6	792	103	2 417	162
Finance cost	6	-8 115	-5 676	-29 914	-23 662
<b>Finance income and costs - net</b>	<b>6</b>	<b>-7 323</b>	<b>-5 573</b>	<b>-27 497</b>	<b>-23 500</b>
<b>Result before income taxes</b>		<b>-12 754</b>	<b>2 759</b>	<b>-30 938</b>	<b>-1 136</b>
Income tax expense		-371	-169	-2 091	-2 095
<b>Result attributable to owners of Floatel International Ltd</b>		<b>-13 125</b>	<b>2 590</b>	<b>-33 029</b>	<b>-3 231</b>
Earnings per share, basic (USD)		-0,12	0,02	-0,31	-0,03
Earnings per share, diluted (USD)		-0,12	0,02	-0,31	-0,03

\* Includes effects related to non-recurring items, see note 4

### Condensed consolidated Statement of Comprehensive Income

Figures in USD thousands	Q4 - 2023	Q4- 2022	2023	2022
<b>Net result</b>	<b>-13 125</b>	<b>2 590</b>	<b>-33 029</b>	<b>-3 231</b>
<b>Items that are or may be reclassified as profit or loss</b>				
Foreign currency translation - foreign operations	782	622	457	-462
<b>Other comprehensive income</b>	<b>782</b>	<b>622</b>	<b>457</b>	<b>-462</b>
<b>Total comprehensive income</b>	<b>-12 343</b>	<b>3 212</b>	<b>-32 572</b>	<b>-3 693</b>

**Condensed consolidated Statement of Financial Position**

Figures in USD thousands	Notes	2023-12-31	2023-09-30	2022-12-31
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment	7.1	569 220	573 896	595 490
Right-of-use assets	7.2	1 076	217	480
Intangible assets	7.3	2 372	2 302	2 206
Financial investments	11	<u>4 507</u>	<u>4 382</u>	<u>3 827</u>
<b>Total non-current assets</b>		<b>577 175</b>	<b>580 797</b>	<b>602 003</b>
<b>Current assets</b>				
Inventory		28 535	26 552	27 858
Trade receivables		19 400	17 213	17 405
Tax receivables		1 377	1 396	1 382
Other current receivables		9 150	21 073	19 404
Cash and cash equivalents		<u>63 476</u>	<u>63 709</u>	<u>16 428</u>
<b>Total current assets</b>		<b>121 938</b>	<b>129 943</b>	<b>82 477</b>
<b>Total assets</b>		<b><u>699 113</u></b>	<b><u>710 740</u></b>	<b><u>684 480</u></b>
<b>Equity and liabilities</b>				
<b>Equity</b>				
Share capital		2 144	2 144	2 144
Additional Paid in capital		348 102	348 102	348 102
Other reserves		1 164	382	707
Retained earnings incl. Result of the year		<u>-11 705</u>	<u>1 420</u>	<u>21 324</u>
<b>Total equity</b>		<b>339 705</b>	<b>352 048</b>	<b>372 277</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Other long term liabilities		724	0	118
Interest-bearing debt	8	321 747	318 951	268 494
Provisions	9	<u>3 157</u>	<u>5 986</u>	<u>5 167</u>
<b>Total non-current liabilities</b>		<b>325 628</b>	<b>324 937</b>	<b>273 779</b>
<b>Current liabilities</b>				
Trade payables		9 920	9 096	7 611
Tax liabilities		3 398	3 224	2 923
Other current liabilities		<u>20 462</u>	<u>21 435</u>	<u>27 890</u>
<b>Total current liabilities</b>		<b>33 780</b>	<b>33 755</b>	<b>38 424</b>
<b>Total equity and liabilities</b>		<b><u>699 113</u></b>	<b><u>710 740</u></b>	<b><u>684 480</u></b>

**Condensed consolidated Statements of Changes in Equity**

Figures in USD thousands	Share capital	Additional paid in capital	Other reserves	Retained earnings	Total equity
<b>Equity 2020-12-31</b>	<b>2 144</b>	<b>325 568</b>	<b>2 241</b>	<b>-483 293</b>	<b>-153 340</b>
<b>Total comprehensive income</b>					
Net result for the period	0	0	0	503 663	503 663
Other comprehensive income	0	-5	-1 072	0	-1 077
Share subscriptions and warrants	0	22 539	0	4 185	26 724
<b>Equity 2021-12-31</b>	<b>2 144</b>	<b>348 102</b>	<b>1 169</b>	<b>24 555</b>	<b>375 970</b>
<b>Total comprehensive income</b>					
Net result for the period	0	0	0	-3 231	-3 231
Other comprehensive income	0	0	-462	0	-462
<b>Equity 2022-12-31</b>	<b>2 144</b>	<b>348 102</b>	<b>707</b>	<b>21 324</b>	<b>372 277</b>
<b>Total comprehensive income</b>					
Net result for the period	0	0	0	-33 029	-33 029
Other comprehensive income	0	0	457	0	457
<b>Equity 2023-12-31</b>	<b>2 144</b>	<b>348 102</b>	<b>1 164</b>	<b>-11 705</b>	<b>339 705</b>

### Condensed consolidated Cash Flow Statement

Figures in USD thousands	Q4 - 2023	Q4- 2022	2023	2022
<b>Cash flow from operating activities</b>				
Operating result	-5 431	8 332	-3 441	22 364
Interest received	792	103	2 417	162
Interest paid	-2 858	-1 670	-16 430	-13 220
Income tax paid	-218	309	-1 704	-1 007
Adjustment for depreciation and impairment	10 923	11 738	43 574	44 095
Adjustments for other non-cash related items	-3 450	731	-6 301	1 673
<b>Total cash flow from operations before changes in working</b>	<b>-242</b>	<b>19 543</b>	<b>18 115</b>	<b>54 067</b>
Changes in inventories	-877	726	-677	-3 186
Changes in trade receivables	-2 187	5 715	-1 995	-5 030
Changes in trade payables	824	533	2 309	1 546
Other changes in working capital	9 206	-2 348	6 506	-5 507
<b>Cash flow from operating activities</b>	<b>6 724</b>	<b>24 169</b>	<b>24 258</b>	<b>41 890</b>
<b>Cash flow from investing activities</b>				
Payments for property, plant and equipment	-6 278	-436	-17 285	-5 586
<b>Net cash flow from investing activities</b>	<b>-6 278</b>	<b>-436</b>	<b>-17 285</b>	<b>-5 586</b>
<b>Net cash flow from operations</b>	<b>446</b>	<b>23 733</b>	<b>6 973</b>	<b>36 304</b>
<b>Cash flow from financing activities</b>				
Repayment of debt	-	-10 000	-55 000	-32 330
Proceeds from debt	-	-	100 000	-
Other financial items paid	-695	-351	-4 501	-1 603
<b>Net cash flow from financing activities</b>	<b>-695</b>	<b>-10 351</b>	<b>40 499</b>	<b>-33 933</b>
<b>Cash flow for the period</b>	<b>-249</b>	<b>13 382</b>	<b>47 472</b>	<b>2 371</b>
Cash and cash equivalents, beginning of period	63 709	2 947	16 428	14 433
Currency effect on cash	16	99	-424	-376
<b>Cash and cash equivalents, end of Period</b>	<b>63 476</b>	<b>16 428</b>	<b>63 476</b>	<b>16 428</b>

### Key Financials

Figures in USD thousands	Q4 - 2023	Q4- 2022	2023	2022
Recurring (adjusted) EBITDA	2 356	20 164	35 060	71 019
Recurring EBITDA margin	9,2%	40,9%	25,4%	40,0%
Equity ratio	48,6%	54,4%	48,6%	54,5%
Net Working Capital *	26 702	29 166	26 702	29 166
Net interest-bearing debt	258 271	252 066	258 271	252 066
Total number of ordinary shares	107 165 289	107 165 289	107 165 289	107 165 289
Average number of ordinary shares	107 165 289	107 165 289	107 165 289	107 165 289
Average number of ordinary shares (diluted)	107 165 289	107 165 289	107 165 289	107 165 289



## Notes to the interim report

### 1. General information

Floatel International Ltd (“the Company”) is a limited liability company incorporated in 2006 under the laws of Bermuda, with its principal place of business in Norway. Floatel International Ltd. and its subsidiaries (“the Group”) provide offshore accommodation and construction support services to the global oil and gas industry. The Group currently operates five semi-submersible accommodation vessels. They were delivered in 2010 (2), 2013, 2015, and 2016. The Company’s address is Dronning Eufemias gate 8, 0191 Oslo, Norway.

### 2. Basis of presentation

The accompanying condensed consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standard Board (IASB), including IAS 34 Interim Financial Reporting.

The financial statements are prepared on a going-concern basis. The direct impact of the macroeconomic and geopolitical situation, including heightened risks of a recession and the conflict in Ukraine, has had and is expected to have limited, if any, negative impact on the Group going forward. The Company refinanced its revolving credit facility with USD 100 million new super senior bonds in March 2023. The Company considers the financial position and liquidity of the Group to be sound. Cash flow from operations, combined with the available liquidity, is expected to be more than sufficient to finance the Group in the coming year.

These interim financial statements should be read in conjunction with the Company’s Audited Consolidated Financial Statements as of December 31, 2022. In the opinion of the Company, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included.

### 3. Significant accounting policies

The accounting policies adopted in preparing the interim financial statements are consistent with those followed in preparing the Company’s Audited Consolidated Financial Statements and accompanying notes for the financial year ending December 31, 2022.

#### New and updated accounting standards

No IFRS or IFRIC interpretations that are not yet effective are expected to have a material impact on the Group.

#### 4. Operating result

Figures in USD thousands	Q4 - 2023	Q4 - 2022	2023	2022
Revenue	25 644	49 291	138 152	177 606
Operating expenses	-18 144	-23 037	-87 966	-93 043
Administrative expenses - normal	-4 519	-4 321	-16 255	-15 697
Other gains/losses	<u>-625</u>	<u>-1 769</u>	<u>1 129</u>	<u>2 153</u>
<b>Recurring (adjusted) EBITDA</b>	<b>2 356</b>	<b>20 164</b>	<b>35 060</b>	<b>71 019</b>
Non-recurring effects *	<u>3 136</u>	-94	<u>5 073</u>	<u>-4 560</u>
<b>EBITDA</b>	<b>5 492</b>	<b>20 070</b>	<b>40 133</b>	<b>66 459</b>
Depreciation	-10 923	-11 738	-43 574	-44 095
<b>Operating result</b>	<b>-5 431</b>	<b>8 332</b>	<b>-3 441</b>	<b>22 364</b>

\* Non-recurring effects refer to material matters outside the ordinary course business and/or refer to previous financial years such as restructuring expenses, reversal of old provisions and expenses incurred in connection matters with referred to in note 10, legal issues.

#### 5. Revenues

Figures in USD thousands	Q4- 2023	Q4- 2022	2023	2022
Charter revenues	16 612	39 032	99 198	133 692
Other revenues	158	1 833	436	1 953
Catering and rechargeable expenses	6 810	7 359	29 880	31 608
Mobilisation/demobilisation fees	<u>2 064</u>	<u>1 067</u>	<u>8 638</u>	<u>10 353</u>
<b>Revenues</b>	<b>25 644</b>	<b>49 291</b>	<b>138 152</b>	<b>177 606</b>

In the North Sea, operators typically plan their offshore maintenance and modification activities from April to October due to weather, especially for shorter contracts of less than six months, such as planned shutdowns. This circumstance means higher utilisation of the accommodation fleet in the said period.

#### 6. Finance income and cost

Figures in USD thousands	Q4- 2023	Q4- 2022	2023	2022
Interest gain	792	103	2 417	162
Exchange rate difference	-245	431	-517	-241
Interest expense	-6 855	-5 496	-26 182	-20 764
Other financial cost	<u>-1 015</u>	<u>-611</u>	<u>-3 215</u>	<u>-2 657</u>
<b>Net finance income and cost</b>	<b>-7 323</b>	<b>-5 573</b>	<b>-27 497</b>	<b>-23 500</b>

## 7. Non-current assets

### 7.1. Property, plant, and equipment

Figures in USD thousands	2023-12-31	2023-09-30	2022-12-31
Opening balance acquisition cost	1 631 008	1 631 008	1 627 175
Purchases during the year	16 964	10 716	5 012
Retirements	-6 529	-6 220	-927
Currency revaluation	<u>72</u>	<u>-75</u>	<u>-252</u>
<b>Closing acquisition cost</b>	<b>1 641 515</b>	<b>1 635 429</b>	<b>1 631 008</b>
Opening balance depreciation	-491 693	-491 693	-449 280
Depreciation for the period	-43 016	-32 262	-42 655
Retirements	6 306	6 182	0
Currency revaluation	<u>-67</u>	<u>65</u>	<u>242</u>
<b>Closing balance depreciation</b>	<b>-528 470</b>	<b>-517 708</b>	<b>-491 693</b>
Opening balance impairment	-543 825	-543 825	-543 825
Retirements	-	-	927
Impairment loss for the year*	<u>—</u>	<u>—</u>	<u>-927</u>
<b>Closing balance impairment</b>	<b>-543 825</b>	<b>-543 825</b>	<b>-543 825</b>
<b>Net book value end of period</b>	<b>569 220</b>	<b>573 896</b>	<b>595 490</b>

\* Impairment of 927 KUSD in 2022 relates to the retirement of previous year's purchases made but not used for a special periodic survey.

The Company has performed an impairment assessment of the recoverable values of its vessels in accordance with IFRS based on the value in use. Each vessel is a cash-generating unit. The new assessments resulted in no impairment charges, and no impairment charges were recorded during 2023.

As stated above, the recoverable amounts have been determined by calculating the valuation in use (ViU). Impairments are made in the accounts for vessels with ViU less than their net book value. The ViU calculations are based on a long-term forecast until the end of each vessel's useful life. The main assumptions in the computations are charter rates, utilisation, operating expenses, and capital expenditures. The present value of the estimated cash flows from the cash-generating units is based on the following inputs:

- Utilisation - Utilisation subject to upgrade capital expenditure and related yard stays is estimated to be 65% from 2028.
- The revenues until 2027 are based on current contracts and estimated new agreements reflecting present market conditions for each vessel. Assumptions reflect gradual improvement and return to stabilised market conditions from the year 2024 and onwards.
- Operating expenses reflect present levels adjusted for long-term inflation. Capital expenditure is based on a life-cycle asset plan for each vessel, which accounts for special periodic surveys, thruster overhauls, expected mid-life upgrades and refurbishments at appropriate intervals, and regular maintenance expenditure.
- 11.0% (10.5% in 2022) discount rate equal to the weighted average cost of capital (WACC), and approximately 2% long-term growth rate (inflation) has been assumed.

## 7.2. Right to use assets

Figures in USD thousands	2023-12-31	2023-09-30	2022-12-31
Opening balance aquisition cost	1 187	1 187	1 370
Additions	1 058	0	0
Modifications	-1 187	0	0
Currency revaluation	<u>44</u>	<u>-49</u>	<u>-183</u>
<b>Closing aquisition cost</b>	<b>1 102</b>	<b>1 138</b>	<b>1 187</b>
Opening balance depreciation	-707	-707	-424
Depreciation for the period	-310	-251	-351
Modifications	992	0	0
Currency revaluation	<u>-1</u>	<u>37</u>	<u>68</u>
<b>Closing balance depreciation</b>	<b>-26</b>	<b>-921</b>	<b>-707</b>
<b>Net book value end of period</b>	<b>1 076</b>	<b>217</b>	<b>480</b>

## 7.3. Intangible assets

Figures in USD thousands	2023-12-31	2023-09-30	2022-12-31
Opening balance aquisition cost	4 307	4 307	4 390
Purchases during the year	322	292	523
Currency revaluation	<u>189</u>	<u>-183</u>	<u>-606</u>
<b>Closing aquisition cost</b>	<b>4 818</b>	<b>4 416</b>	<b>4 307</b>
Opening balance depreciation	-2 101	-2 101	-2 246
Depreciation for the period	-248	-101	-161
Currency revaluation	<u>-97</u>	<u>88</u>	<u>306</u>
<b>Closing balance depreciation</b>	<b>-2 446</b>	<b>-2 114</b>	<b>-2 101</b>
<b>Net book value end of period</b>	<b>2 372</b>	<b>2 302</b>	<b>2 206</b>

## 8. Interest-bearing debt

Figures in USD thousands	2023-12-31	2023-09-30	2022-12-31
1st Lien cash pay bonds	100 000	100 000	100 000
1st Lien PIK pay bonds *	100 000	100 000	100 000
1st Lien PIK interest bonds *	20 000	20 000	10 000
PIK bonds effective interest adjustment *	4 689	2 213	5 150
Super senior secured bonds	100 000	100 000	-
Revolving credit facility	-	-	55 000
Less prepaid financing fees	<u>-2 942</u>	<u>-3 262</u>	<u>-1 656</u>
<b>Interest-bearing debt</b>	<b>321 747</b>	<b>318 951</b>	<b>268 494</b>

\* The accounts are prepared using effective interest for the 1st Lien PIK pay bond and the 1st Lien Interest bond (the "PIK bonds") combined. The PIK bonds are presented with their respective nominal value so the adjustment is reported separately.

1<sup>st</sup> lien senior secured cash pay bond (ISIN NO0010950868), 1<sup>st</sup> lien senior secured PIK pay bond (ISIN NO0010950876), and 1<sup>st</sup> lien senior secured PIK interest bond (ISIN NO0010950884), all mature September 24, 2026. The maturity date of the super senior secured bonds (ISIN NO0012862673) is March 23, 2026. None of the bonds carry scheduled amortisation and shall be redeemed at par on their respective maturity date.

1<sup>st</sup> lien senior secured cash pay bond interest is 6% p.a. and paid annually. 1<sup>st</sup> lien senior secured PIK pay bond nominal interest rate is 10% p.a. converted annually to 1<sup>st</sup> lien senior secured PIK interest bonds. The PIK interest bonds have a 0% interest rate. Super senior secured bonds' interest is 11.25% p.a. and is paid quarterly.

## 9. Legal issues/Claims and litigations

As a result of the Group's global presence, the individual companies in the Group will, from time to time, be subject to tax investigations and tax audits from tax authorities as well as disputes, litigations, and other legal issues in the ordinary course of business in countries where the Group operates. There are ongoing investigations/legal processes in the Group, and the risks have individually been reported as a contingent liability or provision to the extent required. No cases are deemed material to be disclosed separately other than the ones below.

The Norwegian tax authority has ongoing tax investigations regarding transfer pricing and employee compensation and benefits. Draft assessments have been received in 2023, and final assessments are pending at the reporting date. Relevant, if any, risk-adjusted amounts are included in the accounts. The accepted employee compensation and benefits amount was paid during the first quarter of 2023.

Seamen working on the Group's vessels on the Norwegian continental shelf have brought class actions against the employing Group company for not receiving compensation for quarantine periods during the COVID pandemic. The Group does not agree with the employees' stance that they are entitled to salary during quarantine periods and has contested the class actions claims. Previous years' provision in the matter has, in the light of the verdict by the first instance court in the first of many similar cases, which was completely in the employer's favour, been reversed in its entirety.

A Brazilian first-instance court ruled in November 2022 in favour of the plaintiff regarding an alleged breach of a contractual non-solicitation provision in 2014. The ruling has been appealed as there was just cause, in the Company's opinion, for the crew to continue to work on board the vessel since the crewing agency had not fulfilled its obligations toward the Group, our client, the employees, and the Brazilian authorities. However, it cannot be ruled out that the decision may stand after the appeal and a risk adjusted provision has been recorded in the account.

## 10. Forward-looking statements

This report contains forward-looking statements. These statements are based on various assumptions, including the Company management's examination of historical operating trends. Factors that, in the Company's view, could cause actual results to differ materially from the forward-looking statements contained in this report include but are not limited to the following:

- (i) The competitive nature of the offshore accommodation service industry.
- (ii) Oil and gas prices.
- (iii) Changes in economic conditions or political events.
- (iv) COVID-19 pandemic and force majeure events.
- (v) Government regulations.
- (vi) Changes in the spending plans of our clients.
- (vii) Changes in Floatel's operating expenses, including crew salaries.
- (viii) Insurance.
- (ix) Repair and maintenance.

## **11. Related party transactions**

Through Kepinvest Holdings Pte Ltd., Keppel Ltd. (formerly known as Keppel Corporation Ltd.) owns 49.9 % of the Company. During the fourth quarter of 2023, the Group had limited transactions with Keppel Ltd. and its subsidiaries, amounting to less than 0.1 million USD.

The Company subscribed in 2021 for USD 3.3 million in fixed dividend preference shares in Floatel Interessenter AS, Norway, a company controlled by management and thereby a non-controlling investment by the Company. The dividend will be payable as and when approved by Floatel Interessenter's Board of Directors. Floatel Interessenter AS is a 10% shareholder in the Company. This amount is included in the balance sheet under financial investments.



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