

# Interim report January – March 2024

Floatel International Ltd

The Floatel International Group ("the Group") was established in 2006 to satisfy market demand for a new generation of offshore flotels. The vision of the Group is to own and operate a modern, safe, and reliable flotel fleet. Since 2021, the Group has its head office and the parent company its principal place of business in Norway.

# Q1 2024

## Status update as of reporting date

Floatel Endurance is on charter for AkerBP Skarv where its assignment started March 2, 2024.

Floatel Reliance is idle in Tenerife in the Canary Islands, awaiting the next assignment.

Floatel Superior on charter for Ineos on the UK continental shelf where the assignment started April 15, 2024.

Floatel Triumph in operations at the Shell Shearwater platform in the UK where the charter started on May 1, 2024.

Floatel Victory is back in Brazil and provide maintenance and safety unit support to Equinor alongside the Peregrino FPSO, assignment commenced May 25, 2024.

## January - March

- Fleet utilization was 28% (48% in Q1 2023). The total firm contract backlog (excluding options) was approximately USD 437 million as of March 31, 2024, compared with USD 197 million as of March 31, 2023.
- Revenues were USD 17.0 million in the quarter (USD 29.3 million same period last year).
- Recurring EBITDA amounted to USD -6.7 million (6.2).
- Total assets amounted to USD 692 million (712).
- Cash and cash equivalents were USD 51.3 million (61.0).
- Total book equity amounted to USD 315 million (360).

## Significant events during the quarter:

- Floatel Endurance completed its second special periodic survey and started the assignment at the AkerBP Skarv FPSO on March 2, 2024.
- Floatel Triumph arrived at the yard in Norway on March 8, 2024, for thruster overhaul and preparation for the charter at Shell Shearwater on the UK continental shelf.
- Floatel Victory on charter throughout the quarter for Chevron at the Anchor field in the US Gulf of Mexico and the contract ended March 31, 2024.
- The Group has been awarded the following contracts
  - Floatel Victory has been awarded an assignment to provide maintenance and safety unit support to Equinor in Brazil. The assignment is for fifteen months and started May 25, 2024.
  - Contracts have been signed with Equinor for provision of Floatel Superior at Åsgard B and Oseberg in Norway. The Åsgard contract will start Q2 2025 for a duration of 6 months and the Oseberg contract is a call-off contract for at least 5 months in direct continuation with Åsgard and to be declared before November 1, 2024.
  - An 80-day contract has been signed with an undisclosed client for provision of Floatel Triumph in Australia. Contract will start in Q2 2026.
  - Floatel Endurance has received a letter of intent from an undisclosed North Sea client to provide services in 2025 and 2026.
- A new senior secured USD 350 million bond issue, carrying a coupon of 9.75% was successfully placed on March 22, 2024. Net proceeds will be used to refinance all existing outstanding bonds and general corporate purposes.



## Market outlook

Utilisation for the worldwide fleet of semi-submersible accommodation support vessels (ASV) was 69% in Q1 2024 (63% in Q1 2023). In comparison, Floatel International's utilisation was 28% (48%). The global ASV fleets' full-year utilisation in 2023 was 64%, while the Group's 2023 full-year utilisation was 51%.

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.

2024 will be a better year, after the soft 2023, however with limited additional demand for execution in 2024. We see an increase in demand for offshore accommodation services from 2025. This belief is based on visible and predicted higher customer activity levels, evidenced by current client discussions and tender activity. This, coupled with the reduced supply, will likely result in higher utilisation and rates.

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

After the announcement March 22, 2024, regarding the successful placement of a new senior secured bond issue, the refinancing of all existing bonds were completed April 16, 2024.

Cenovus has extended the firm period for Floatel Endurance at the White Rose field offshore Canada to 95 days plus the right for the client to extend the charter.

Inpex has extended the assignment for Floatel Triumph to provide accommodation and related services at the Ichthys field commencing Q1-2025 to 7 months plus options for the client to extend the charter.

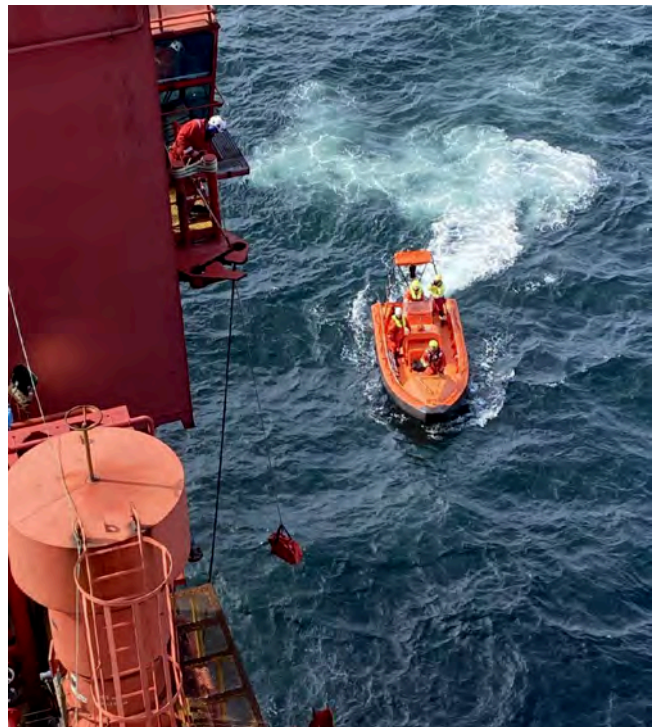
## CEO comment

We are pleased with securing four new contracts during the quarter ensuring good contract coverage and performance into 2026 and the successful placement of the new USD 350 million senior secured bond will create financial stability to continue to develop the business.

The quarter was otherwise focused on getting the fleet ready for upcoming new charters and involved transit and/or activation of three out of four active units. All projects has gone as planned both from timing and cost perspectives.

The active fleet will now be on assignment for most of the remaining year ensuring good financial outcome and we continue to try to fill the few remaining gaps we have in our fleet schedule the coming years.

*Peter*



# Summary of business activities Q1 2024



## Floatel Endurance

Completed its second 5-year special periodic survey in the quarter before starting the assignment for AkerBP at the Skarv field on March 2, 2024. The firm period ends in October 2024 with the right for the client to extend.

Has been awarded a 3-month charter by Cenovus to provide accommodation support at the White Rose field offshore Canada starting in the summer of 2025, 10-month charter by AkerBP for the Yggdrasil project on the Norwegian continental shelf commencing in 2026 and a letter of intent from an undisclosed North Sea client to provide services in 2025 and 2026.



## 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 Superior

Idle Skipavika, Norway during the quarter. Ineos 90-day charter at started on April 15, 2024, and the Vår Energi charter in Norway starts in September 2024.

Has been awarded a 6-month charter by Equinor to provide accommodation support at the Åsgard field in Norway starting in the spring of 2025, followed by a 5-to-8-month potential charter at the Oseberg field and 10-month charter by AkerBP for the Yggdrasil project in Norway starting in 2026.



## Floatel Triumph

Enroute to the North Sea until March 8, 2024, when she arrived at the yard in Norway for thruster overhaul.

Shell Shearwater charter started May 1, 2024. The charter is for five months with the option for Shell to extend.

The vessel will after the completion of the Shell Shearwater contract return to Australia and an assignment with Inpex at the Ichthys field which commences in the spring of 2025 and a charter for an undisclosed client in 2026.



## Floatel Victory

In operation during the quarter for Chevron at the Anchor field in the US Gulf of Mexico and the contract ended March 31, 2024.

The assignment at the Equinor Peregrino Floatel Production, storage and offloading unit offshore Brazil commenced May 25, 2024, and is for fifteen months. Options to extend the assignment after the firm period has been granted.

## FLEET ACTIVITY DURING LAST 4 QUARTERS

	2023									2024		
	A	M	J	J	A	S	O	N	D	J	F	M
Floatel SUPERIOR												
Floatel RELIANCE												
Floatel VICTORY												
Floatel ENDURANCE												
Floatel TRIUMPH												

# Financial development

The Company placed on March 22, 2024, new USD 350,000,000, 9.75% per annum senior secured bonds with ISIN NO0013188102 maturing April 2029. The proceeds were used to prepay and cancel existing bonds on April 16, 2024, and the remaining proceeds will be used for general corporate purposes. An application will be made to list the bonds on Oslo Børs during the year.

## Revenue and operating result for the first quarter of 2024

Three out of four active vessel were in transit/activated for new work resulting in USD 17.0 million (USD 29.3 million) in consolidated Revenues and USD 23.7 million (USD 23.1 million) in Operating and Administrative expenses before depreciation and therefore quarterly recurring EBITDA of USD -6.7 million (USD 6.2 million), which was in line with expectations.

USD 10.8 million (USD 10.8 million) in total Depreciation, included in the Cost of providing services and Administrative expenses, resulted in USD -17.5 million quarterly Operating result (USD -4.6 million).

Cash flow from operating activities amounted to USD 5.3 million (USD 4.1 million) and Cash flow from investing activities (Capex) amounted to USD -17.4 million (USD -1.3 million) resulting in Net cash flow from operations of USD -12.2 million (USD 2.8 million).

Net Finance income and costs were in the quarter USD -6.5 million (USD -7.2 million) with the effects of the refinancing coming in April 2024. The net result for the first quarter was USD -24.3 million (USD -12.3 million).

The current orderbook at the end of the reported period based on committed work was approximately USD 437 million (USD 197 million), excluding options .

## Financial position as of March 31, 2024

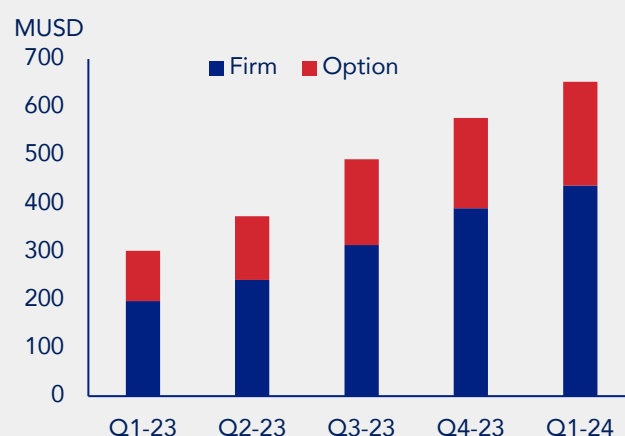
Total assets were USD 692 million (USD 712 million as of March 31, 2023). Total non-current assets were USD 583 million (USD 592 million), while Net working capital totalled USD 26.7 million (USD 27.0 million).

The Group's Cash and cash equivalents totalled USD 51.3 million (USD 61.0 million) with the effects of the refinancing impacting the cash balance in April 2024. Total equity at the end of the period was USD 315 million (USD 360 million).

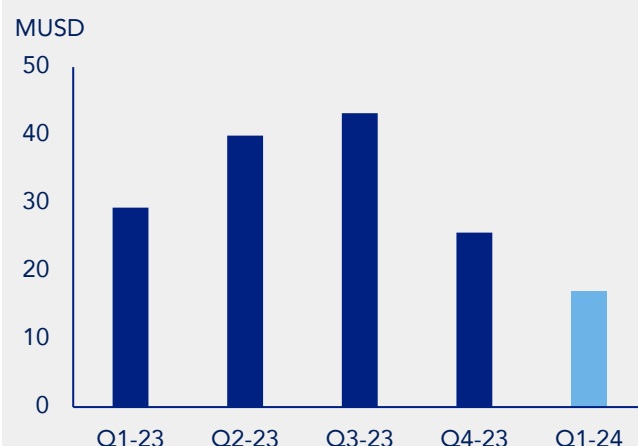
Interest-bearing debt was USD 325 million (USD 314 million), of which USD 0 million is reported as the current portion (USD 0 million). The increase refer to new PIK Interest bonds from capitalized interest. Prepaid borrowing expenses of USD 2.6 million (USD 3.5 million) are included. The expenses amortize over the life of the facilities. The Net interest-bearing debt totalled USD 273 million (USD 253 million). Amounts refer to previous bonds as the refinancing was completed in April.

The Group complies with all its financial covenants as of March 31, 2024, and on the reporting date.

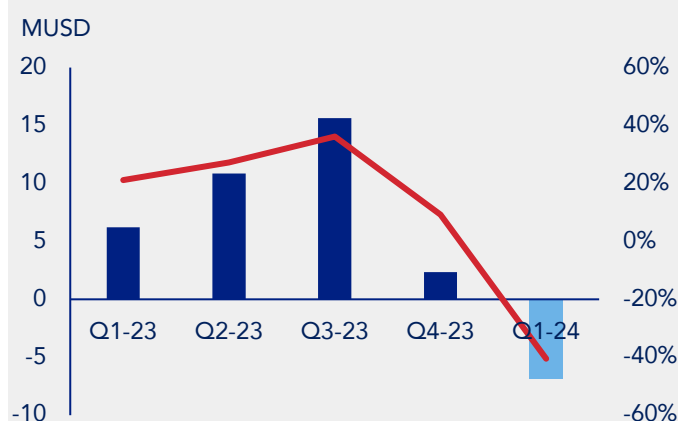
## Orderbook by quarter



## Revenue by quarter



## EBITDA and margin (%) by quarter



## Condensed consolidated income statement

Figures in USD thousands	Notes	Q1 2024	Q1 2023	2023
Revenue	5	16 968	29 342	138 152
Cost of providing services*	4,7	-30 800	-31 406	-125 604
<b>Gross result</b>		<b>-13 832</b>	<b>-2 064</b>	<b>12 548</b>
Administrative expenses *	4,7	-4 262	-3 288	-17 118
Other gains/losses	4	595	740	1 129
<b>Operating result</b>	4	<b>-17 499</b>	<b>-4 612</b>	<b>-3 441</b>
Finance income	6	796	236	2 417
Finance cost	6	-7 278	-7 463	-29 914
<b>Finance income and costs - net</b>	6	<b>-6 482</b>	<b>-7 227</b>	<b>-27 497</b>
<b>Result before income taxes</b>		<b>-23 981</b>	<b>-11 839</b>	<b>-30 938</b>
Income tax expense		-285	-493	-2 091
<b>Result attributable to owners of Floatel International Ltd</b>		<b>-24 266</b>	<b>-12 332</b>	<b>-33 029</b>
Earnings per share, basic (USD)		-0,23	-0,12	-0,31
Earnings per share, diluted (USD)		-0,23	-0,12	-0,31

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

## Condensed consolidated statement of comprehensive income

Figures in USD thousands	Q1 2024	Q1 2023	2023
<b>Net result</b>	<b>-24 266</b>	<b>-12 332</b>	<b>-33 029</b>
<b>Items that are or may be reclassified as profit or loss</b>			
Foreign currency translation - foreign operations	-575	11	457
<b>Other comprehensive income</b>	<b>-575</b>	<b>11</b>	<b>457</b>
<b>Total comprehensive income</b>	<b>-24 841</b>	<b>-12 321</b>	<b>-32 572</b>

## Condensed consolidated statement of financial position

Figures in USD thousands	Notes	2024-03-31	2023-03-31	2023-12-31
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment	7.1	575 228	585 981	569 220
Right-of-use assets	7.2	941	398	1 076
Intangible assets	7.3	2 120	2 282	2 372
Financial assets	11	<u>4 487</u>	<u>3 800</u>	<u>4 507</u>
<b>Total non-current assets</b>		<b>582 776</b>	<b>592 461</b>	<b>577 175</b>
<b>Current assets</b>				
Inventory		29 298	26 422	28 535
Trade receivables		9 577	11 825	19 400
Income tax receivables		1 303	1 378	1 377
Other current receivables		17 753	19 206	9 150
Cash and cash equivalents		<u>51 306</u>	<u>60 974</u>	<u>63 476</u>
<b>Total current assets</b>		<b>109 237</b>	<b>119 805</b>	<b>121 938</b>
<b>Total assets</b>		<b><u>692 013</u></b>	<b><u>712 266</u></b>	<b><u>699 113</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		589	718	1 164
Retained earnings incl. Result of the year		<u>-35 971</u>	<u>8 992</u>	<u>-11 705</u>
<b>Total equity</b>		<b>314 864</b>	<b>359 956</b>	<b>339 705</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Interest-bearing debt	8	324 565	313 973	321 747
Other long term liabilities		683	29	724
Provisions	9	<u>3 137</u>	<u>4 688</u>	<u>3 157</u>
<b>Total non-current liabilities</b>		<b>328 385</b>	<b>318 690</b>	<b>325 628</b>
<b>Current liabilities</b>				
Trade payables		15 434	7 828	9 920
Tax liabilities		2 931	3 201	3 398
Other current liabilities		<u>30 399</u>	<u>22 591</u>	<u>20 462</u>
<b>Total current liabilities</b>		<b>48 764</b>	<b>33 620</b>	<b>33 780</b>
<b>Total equity and liabilities</b>		<b><u>692 013</u></b>	<b><u>712 266</u></b>	<b><u>699 113</u></b>

## Condensed consolidated statement of changes in equity

Figures in USD thousands	Share capital	Additional paid in capital	Other reserves	Retained earnings	Total equity
<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>
<b>Total comprehensive income</b>					
Net result for the period	0	0	0	-24 266	-24 266
Other comprehensive income	0	0	-575	0	-575
<b>Equity 2024-03-31</b>	<b>2 144</b>	<b>348 102</b>	<b>589</b>	<b>-35 971</b>	<b>314 864</b>

## Condensed consolidated statement of cash flows

Figures in USD thousands	Q1 2024	Q1 2023	2023
<b>Cash flow from operating activities</b>			
Operating result	-17 498	-4 612	-3 441
Interest received	712	236	2 417
Interest paid	-8 844	-7 923	-16 430
Income tax paid	-688	-320	-1 704
Adjustment for depreciation and impairment	10 791	10 825	43 574
Adjustments for other non-cash related items	744	-292	-6 301
<b>Total cash flow from operations before changes in working capital</b>	<b>-14 783</b>	<b>-2 086</b>	<b>18 115</b>
Changes in inventories	-763	-159	-677
Changes in trade receivables	9 823	5 580	-1 995
Changes in trade payables	5 514	217	2 309
Other changes in working capital	5 484	558	6 506
<b>Cash flow from operating activities</b>	<b>5 275</b>	<b>4 110</b>	<b>24 258</b>
<b>Cash flow from investing activities</b>			
Payments for property, plant and equipment	-17 447	-1 293	-17 285
<b>Net cash flow from investing activities</b>	<b>-17 447</b>	<b>-1 293</b>	<b>-17 285</b>
<b>Net cash flow from operations</b>	<b>-12 172</b>	<b>2 817</b>	<b>6 973</b>
<b>Cash flow from financing activities</b>			
Repayment of debt	-	-55 000	-55 000
Proceeds from debt	-	100 000	100 000
Other financial items paid	-91	-3 157	-4 501
<b>Net cash flow from financing activities</b>	<b>-91</b>	<b>41 843</b>	<b>40 499</b>
<b>Cash flow for the period</b>	<b>-12 263</b>	<b>44 660</b>	<b>47 472</b>
Cash and cash equivalents, beginning of period	63 476	16 428	16 428
Currency effect on cash	93	-114	-424
<b>Cash and cash equivalents, end of Period</b>	<b>51 306</b>	<b>60 974</b>	<b>63 476</b>

## Key financials

Figures in USD thousands	Q1 2024	Q1 2023	2023
Recurring (adjusted) EBITDA	-6 708	6 210	35 060
Recurring EBITDA margin	Neg	21,2%	25,4%
Equity ratio	45%	51%	49%
Net Working Capital *	10 795	27 032	10 795
Net interest-bearing debt	273 259	252 999	258 271
Total number of ordinary shares	107 165 289	107 165 289	107 165 289
Average number of ordinary shares	107 165 289	107 165 289	107 165 289
Average number of ordinary shares (diluted)	107 165 289	107 165 289	107 165 289

\* Income tax receivables and liabilities are not included in Net working capital



# 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 conflicts in Ukraine and the Middle East, has been and is expected going forward to have limited for the Group. The Company placed in March 2024 a new USD 350 million senior secured bond issuance maturing in April 2029 securing the long-term financing of the Group. 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, 2023. 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, 2023.

### 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	Q1 - 2024	Q1 - 2023	2023
Revenue	16 968	29 342	138 152
Operating expenses	-20 220	-20 709	-87 966
Administrative expenses - normal	-4 051	-3 163	-16 255
Other gains/losses	595	740	1 129
<b>Recurring (adjusted) EBITDA</b>	<b>-6 708</b>	<b>6 210</b>	<b>35 060</b>
Non-recurring effects *	0	3	5 073
<b>EBITDA</b>	<b>-6 708</b>	<b>6 213</b>	<b>40 133</b>
Depreciation	-10 791	-10 825	-43 574
<b>Operating result</b>	<b>-17 499</b>	<b>-4 612</b>	<b>-3 441</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 9. Legal issues / Claims and litigations.

## 5. Revenue

Figures in USD thousands	Q1-2024	Q1-2023	2023
Charter revenues	14 906	23 406	99 198
Other revenues	30	18	436
Catering and rechargeable expenses	418	5 165	29 880
Mobilisation/demobilisation fees	<u>1 614</u>	<u>753</u>	<u>8 638</u>
<b>Revenues</b>	<b>16 968</b>	<b>29 342</b>	<b>138 152</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	Q1-2024	Q1-2023	2023
Interest gain	713	236	2 417
Exchange rate difference	83	-234	-517
Interest expense	-6 868	-5 876	-26 182
Other financial cost	<u>-410</u>	<u>-1 353</u>	<u>-3 215</u>
<b>Net finance income and cost</b>	<b>-6 482</b>	<b>-7 227</b>	<b>-27 497</b>

## 7. Non-current assets

### 7.1. Property, plant, and equipment

Figures in USD thousands	2024-03-31	2023-03-31	2023-12-31
Opening balance acquisition cost	1 641 515	1 631 008	1 631 008
Purchases during the year	17 447	1 202	16 964
Retirements	-7 159	0	-6 529
Currency revaluation	<u>-107</u>	<u>11</u>	<u>72</u>
<b>Closing acquisition cost</b>	<b>1 651 696</b>	<b>1 632 221</b>	<b>1 641 515</b>
Opening balance depreciation	-528 470	-491 693	-491 693
Depreciation for the period	-10 593	-10 711	-43 016
Retirements	6 324	0	6 306
Currency revaluation	<u>96</u>	<u>-11</u>	<u>-67</u>
<b>Closing balance depreciation</b>	<b>-532 643</b>	<b>-502 415</b>	<b>-528 470</b>
Opening balance impairment	<u>-543 825</u>	<u>-543 825</u>	<u>-543 825</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>575 228</b>	<b>585 981</b>	<b>569 220</b>

The Company performed in connection with the 2023 Annual Report 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 assessments resulted in no impairment charges. Please refer to note 11.1 to the consolidated Financial Statement in the 2023 Annual Report for information about the assessment. In all material respects, the combined financial and operational market developments have not resulted in the identification of an impairment risk that triggers an impairment test as of the reporting date.

## 7.2. Right to use assets

Figures in USD thousands	2024-03-31	2023-03-31	2023-12-31
Opening balance aquisition cost	1 102	1 187	1 187
Additions	-	-	1 058
Modifications	-	-	-1 187
Currency revaluation	<u>-62</u>	<u>7</u>	<u>44</u>
<b>Closing aquisition cost</b>	<b>1 040</b>	<b>1 194</b>	<b>1 102</b>
Opening balance depreciation	-26	-707	-707
Depreciation for the period	-76	-85	-310
Modifications	-	-	992
Currency revaluation	<u>3</u>	<u>-4</u>	<u>-1</u>
<b>Closing balance depreciation</b>	<b>-99</b>	<b>-796</b>	<b>-26</b>
<b>Net book value end of period</b>	<b>941</b>	<b>398</b>	<b>1 076</b>

## 7.3. Intangible assets

Figures in USD thousands	2024-03-31	2023-03-31	2023-12-31
Opening balance aquisition cost	4 818	4 307	4 307
Purchases during the year	0	91	322
Currency revaluation	<u>-271</u>	<u>28</u>	<u>189</u>
<b>Closing aquisition cost</b>	<b>4 547</b>	<b>4 426</b>	<b>4 818</b>
Opening balance depreciation	-2 446	-2 101	-2 101
Depreciation for the period	-122	-29	-248
Currency revaluation	<u>141</u>	<u>-14</u>	<u>-97</u>
<b>Closing balance depreciation</b>	<b>-2 427</b>	<b>-2 144</b>	<b>-2 446</b>
<b>Net book value end of period</b>	<b>2 120</b>	<b>2 282</b>	<b>2 372</b>

## 8. Interest-bearing debt

Figures in USD thousands	2024-03-31	2023-03-31	2023-12-31
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 *	30 000	20 000	20 000
PIK bonds effective interest adjustment *	-2 812	-2 567	4 689
Super senior secured bonds	100 000	100 000	100 000
Less prepaid financing fees	<u>-2 623</u>	<u>-3 460</u>	<u>-2 942</u>
<b>Interest-bearing debt</b>	<b>324 565</b>	<b>313 973</b>	<b>321 747</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.

For further information regarding the bonds outstanding as of March 31, 2024, please refer to the 2023 Annual Report.

On April 16, 2024, the Company raised a new 9.75% per annum senior secured USD 350,000,000 bonds with ISIN NO0013188102 maturing April 2029. The proceeds were partly used to prepay and cancel all four outstanding bond issuances in full including accrued interest and premiums. An application will be made for the new bonds to be listed on Oslo Børs.

The Group complies with its financial covenants for the USD 350 million Senior secured bonds as of March 31, 2023, and on the reporting date and they are

- Minimum free of USD 20,000,000. Liquidity is defined as the unrestricted cash of the Group plus any undrawn revolving credit facility commitments.
- Book equity ratio greater than 35%, defined as Total Equity divided by Total Assets.
- Positive working capital defined as Total Current assets less Total Current liabilities.

## 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 by 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 been individually reported as a contingent liability or provision to the extent required. No cases are deemed material for separate disclosure 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 risk-adjusted amounts, if any, 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 companies claiming lack of receiving compensation for quarantine periods during the COVID pandemic. The Group does not agree with the employees' stance that they are entitled to salary or other compensation during quarantine periods and has contested the class action claims. The provision made in previous years regarding this matter was entirely reversed 2023 considering the verdict of the first instance court in the first of many similar cases, which ruled completely in the employer's favour, in the first of many similar cases. The pilot cases have been appealed and the Group has agreed to a moratorium with the employees pausing the on-going our cases pending outcome of the pilot case appeals.

In November 2022, a Brazilian first-instance court ruled 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, the Brazilian Court of Appeal rejected the appeal in April 2024. The Group does not agree with the decision and will lodge an appeal to the third instance (final level) in due course. In any event, the facts and circumstances in this matter merit, in the Company's opinion, a reduction of the contractual damages which will be calculated in a separate process. The outcome is uncertain, and the risk has been provided for in prior periods and represents management's best risk weighted estimate of a potential unfavourable outcome of the process.

## 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 geopolitical situation and events
- iv. Pandemics 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 first quarter of 2024, the Group had limited transactions with Keppel Ltd. and its subsidiaries, amounting to less than USD 0.1 million.

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.

---

Oslo – May 30, 2024

The Board of Directors of Floatel International Ltd



Floatel International Ltd  
Dronning Eufemias gate 8  
0191 Oslo  
Norway  
Phone: +47 46 50 01 33  
[www.floatel.no](http://www.floatel.no)