

Presentation Q3-2019

26 November 2019



Operational update



Floatel Superior

- In operation for Equinor at Martin Linge during the entire quarter
- Replaced by Floatel Endurance early November due contract extension beyond SPS deadline
- 100% utilization in Q3



Floatel Superior commenced operations for Equinor Martin Linge project



Floatel Superior and Floatel Endurance alongside Martin Linge during vessel swap early November 2019

Floatel Reliance

- Quayside Tenerife with reduced crew awaiting new charter
- Actively marketed for new work



Floatel Reliance alongside Petrobras P-33 Campos Basin



Floatel Reliance in Tenerife awaiting next charter

Floatel Victory

- Idle quayside Skipavika in Norway with reduced crew awaiting next assignment
- Provided inshore accommodation services at the quayside for Equinor during September
- Actively marketed for new work
- 33% utilization in Q3



Floatel Victory ended operation Total Culzean June 2019



Floatel Victory provided inshore accommodation for Equinor September 2019

Floatel Endurance

- In Singapore at Keppel FELS during the quarter for rectification works and SPS
- Arrived in Norway mid-September where she completed the SPS and rectification work
- In Operation at Martin Linge since early November
- Contract extended for Equinor Martin Linge to end-June 2020 with further options thereafter
- 100% Utilization in Q3 (completion of SPS)



Floatel Endurance at Keppel FELS Singapore for rectification work and SPS



Floatel Endurance now in operations for Equinor at Martin Linge field

Floatel Triumph

- Idle offshore Johor in Malaysia during the quarter with reduced crew awaiting next assignment
- Actively marketed for new work



Floatel Triumph at Inpex Ichthys which ended March 2019



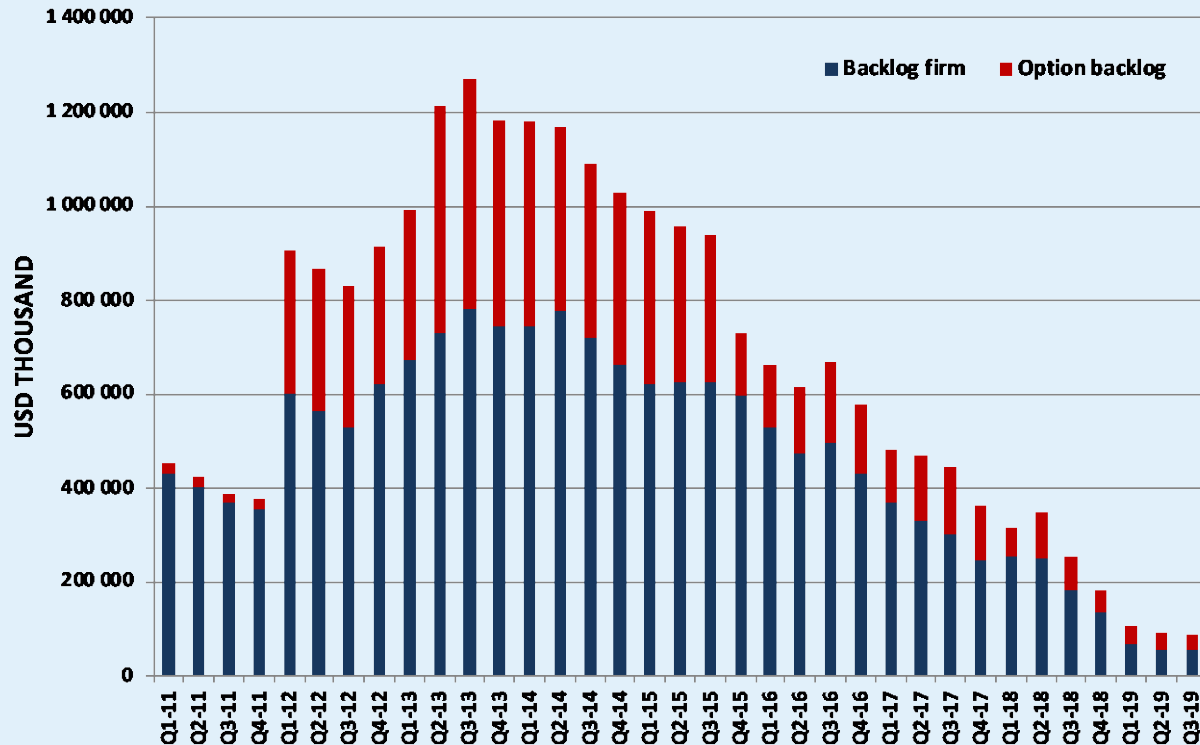
Floatel Triumph at its present location offshore Singapore

Commercial update

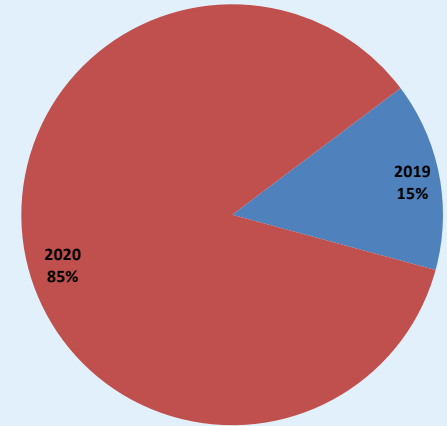


Backlog end of September 2019 *

Firm order book \$58 million, option work \$34 million



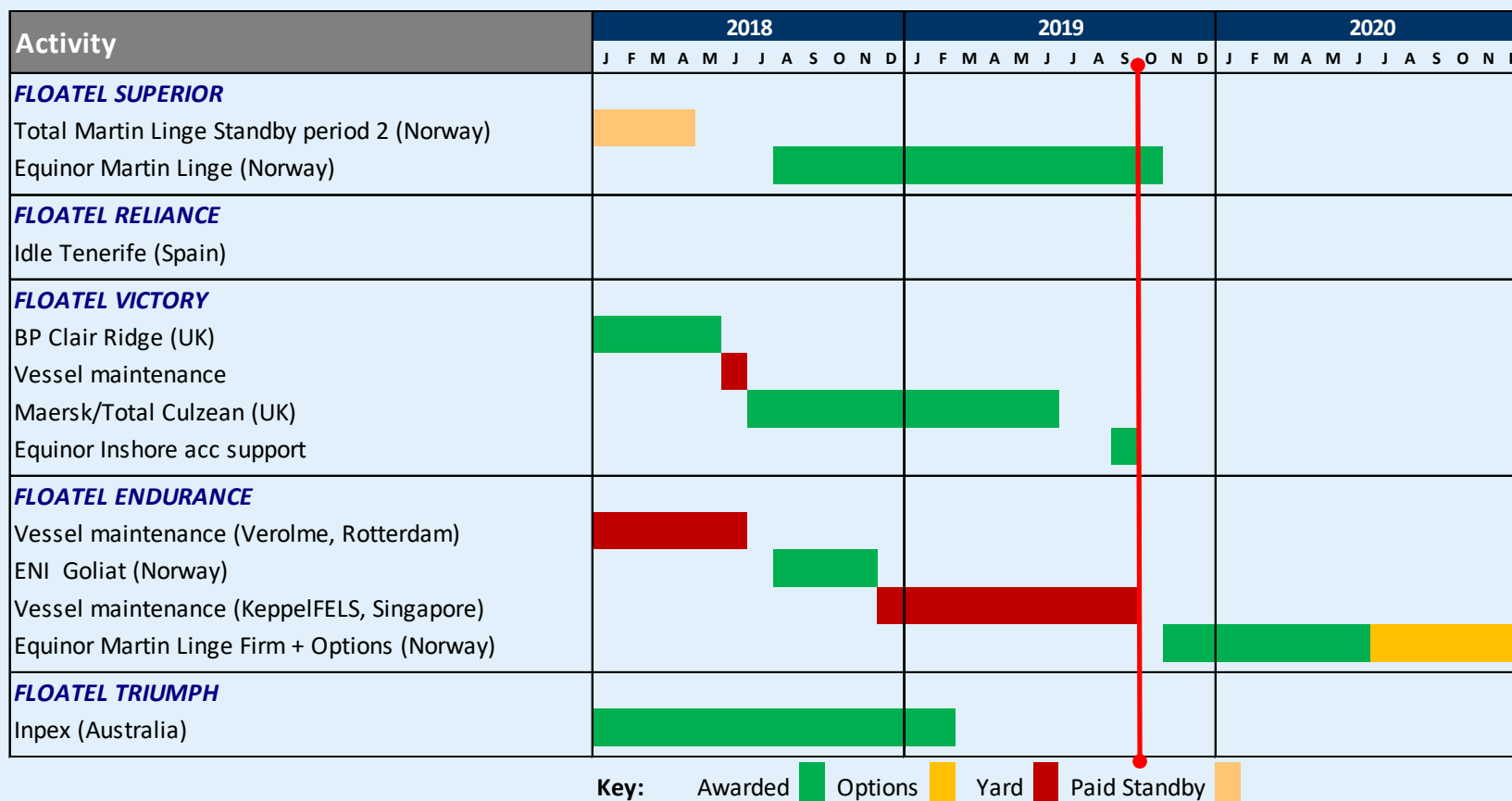
Utilisation last 12 months: 68%
 Utilisation next 12 months: 23%
 Utilization incl. firm periods, paid standby, transit and yard



Backlog distribution 2019-2020 including option work

* Including Martin Linge extension

Current commitments



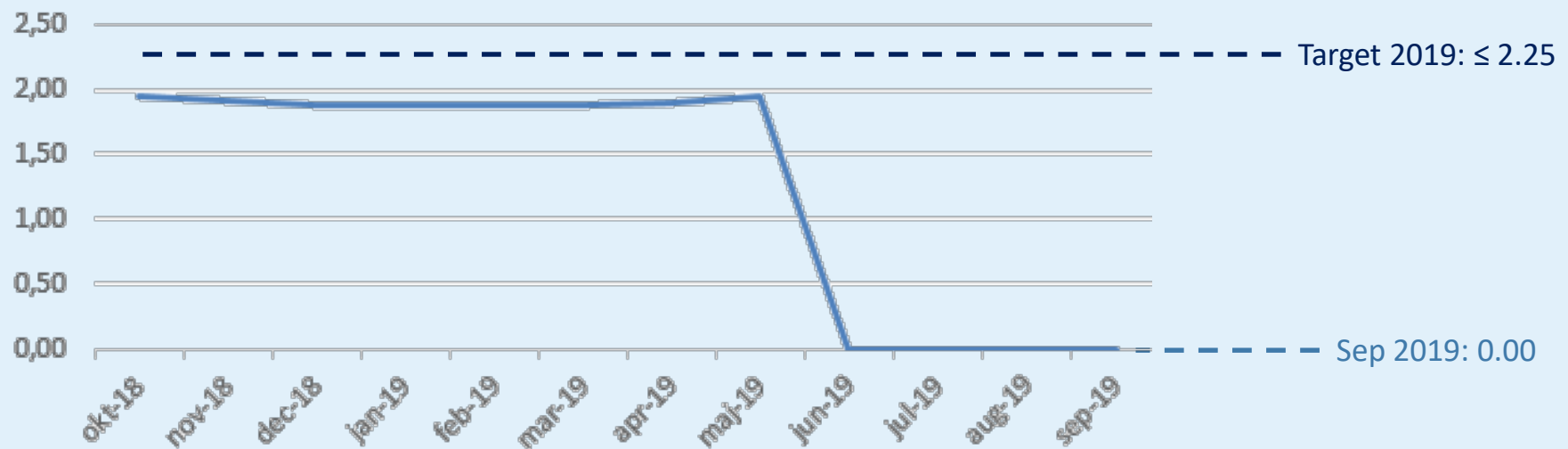
HSE update



HSE Statistics – September 2019

TRIF (Total Recordable Injury Frequency)

Fleet average for the last 12 months presented each month:



Total Recordable Injuries (Work Related Fatalities + Lost Time Injuries + Restricted Work Cases + Medical Treatment Cases) * 1.000.000 / Working hours

Financial update



Income Statement

- 47% fleet utilization
 - Incl. yard, transit and paid standby
 - 1.33 rigs on hire, 1.02 at yard and 2.65 idle
- Limited EBITDA on the back of revenue decline albeit better than expected due to good cost control
- Net financial items overall in-line with expectations

USD M	Q3 2019	Q3 2018	2019 YTD	2018 YTD	FY 2018
Charter revenues	18	73	108	155	232
Catering and rechargeables	6	15	25	39	56
Mobilization	1	5	4	10	15
Total Revenues	24	93	137	204	303
Expenses	-20	-39	-70	-98	-138
EBITDA	4	55	67	106	166
<i>EBITDA Margin</i>	<i>18%</i>	<i>59%</i>	<i>49%</i>	<i>52%</i>	<i>55%</i>
Depreciation and amortization	-15	-15	-46	-46	-61
EBIT	-11	39	21	60	104
Net Financial items	-15	-15	-44	-41	-68
Income before taxes	-26	24	-22	19	37
Taxes	-2	-4	-9	-9	-10
Net Profit	-28	20	-31	11	27

Balance Sheet

- \$16m Net Customer Receivables = Trade receivables + Accrued revenues
- \$91m in cash plus \$100m undrawn RCF
 - No restricted cash
- \$13m finance fees reduces Interest-bearing debt
- \$23m in accrued interest as bond interest paid semi-annually
- Ample headroom on all financial covenants

USD M	30-sep-19	30-sep-18	31-dec-18
Property, plant and equipment	1 246	1 304	1 288
Deferred tax asset	0	0	1
Total non-current assets	1 246	1 304	1 289
Inventory	24	21	24
Trade receivables	7	37	24
Tax receivables	3	-	-
Other current receivables	20	38	42
Cash and cash equivalents	91	131	77
Total current assets	144	228	167
Total assets	1 390	1 531	1 456
Share capital	2	2	2
Additional Paid in capital	326	326	326
Other reserves	1	2	2
Retained earnings incl. Profit of the year	184	201	217
Total shareholder's equity	513	531	547
Interest-bearing debt	792	924	810
Total non-current liabilities	792	924	810
Trade payables	5	5	11
Current portion of interest-bearing debt	31	27	41
Income tax liabilities	7	3	4
Other current liabilities	42	40	43
Total current liabilities	85	76	99
Total equity and liabilities	1 390	1 531	1 456

Cash Flow Statement

- Change in working capital driven by reduced Net Customer Receivables (Net of Trade receivables and Accrued revenues in Other Changes)
- Limited capex in quarter – FE SPS largely to be paid in Q4
- \$10m repayment of BVF
- 1 MUSD in merger expenses booked directly against equity, 2 MUSD YTD

USD M	Q3 2019	Q3 2018	YTD 2019	YTD 2018	FY 2018
Operating result	-11	39	21	60	104
Interest received	1	1	2	2	2
Interest paid	-2	-13	-29	-38	-44
Income tax paid	-1	-1	-7	-9	-11
Adjustment for depreciation and	15	15	46	46	61
Adjustments for other non-cash related	0	-2	2	-5	-7
Total cash flow from operations before changes in working capital	2	40	35	55	106
Changes in inventories	0	0	0	-2	-3
Changes in trade receivables	-4	-19	17	-10	4
Changes in trade payables	-2	-8	-6	-3	2
Other changes in working capital	13	-6	8	4	-4
Cash flow from operating activities	9	7	53	44	105
Payments for property, plant and	-2	-2	-4	-7	-7
Net cash flow from investing activities	-2	-2	-4	-7	-7
Repayment of debt	-10	-10	-31	-81	-806
Proceeds from debt	-	-	-	-	625
Other financial items paid	0	1	-1	-3	-17
Distribution/Proceeds from equity	-1	0	-2	0	0
Net cash flow from financing activities	-11	-8	-34	-83	-197
Cash flow for the period	-4	-4	15	-46	-99
Cash and equivalents, beginning of	95	135	77	177	177
Currency effect on cash	-1	0	-1	0	-2
Cash and equivalents, end of period	91	131	91	131	77

Merger update



Update; Merger process with Prosafe

- Merger among equals agreement with Prosafe SE announced in June
- Agreed exchange ratio in an all share transaction is 55/45 (PRS/FIL) on a fully diluted basis subject to competition clearance, creditor approvals and EGM in Prosafe
- On October 28, 2019 the Norwegian Competition Authorities announced that they had issued a Statement of rejection regarding the merger between Floatel and Prosafe
- The Parties have appealed the decision and will continue the efforts to get clearance in Norway, expected ruling March 2020
- In the UK, the process is in phase 2 and more specific information is expected in Q1 2020

Q&A





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