



Presentation Q2-2019

26 August 2019

Operational update



Floatel Superior

- In operation for Equinor at Martin Linge during the entire quarter
- Firm period prolonged in April to end March 2020 with 6 monthly options thereafter
- 100% utilization in Q2



Floatel Superior commenced operations for Equinor Martin Linge project end-July 2018



Floatel Superior relocated to Tromsø awaiting charter for Equinor

Floatel Reliance

- Quayside Tenerife with reduced manning 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

- In operations for Total at the Culzean field until charter ended June 16, 2019
- Idle quayside Skipavika in Norway thereafter with reduced crew awaiting next assignment
- 85% utilization in Q2



Floatel Victory commenced operation Total Culzean mid-July 2018



Floatel Victory at BP Clair Ridge

Floatel Endurance

- Dry-docked in Singapore at Keppel FELS during the quarter for rectification works and SPS
- Currently in transit on heavy-lift vessel back to Norway and will be available in the North Sea in October 2019
- 100% Utilization in Q2 (Yard)



Floatel Endurance ended operation for ENI at Goliat field on November 6, 2018



Floatel Endurance at Keppel FELS Singapore for rectification work and SPS

Floatel Triumph

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



Floatel Triumph at Inpex Ichthys extended to March 2019



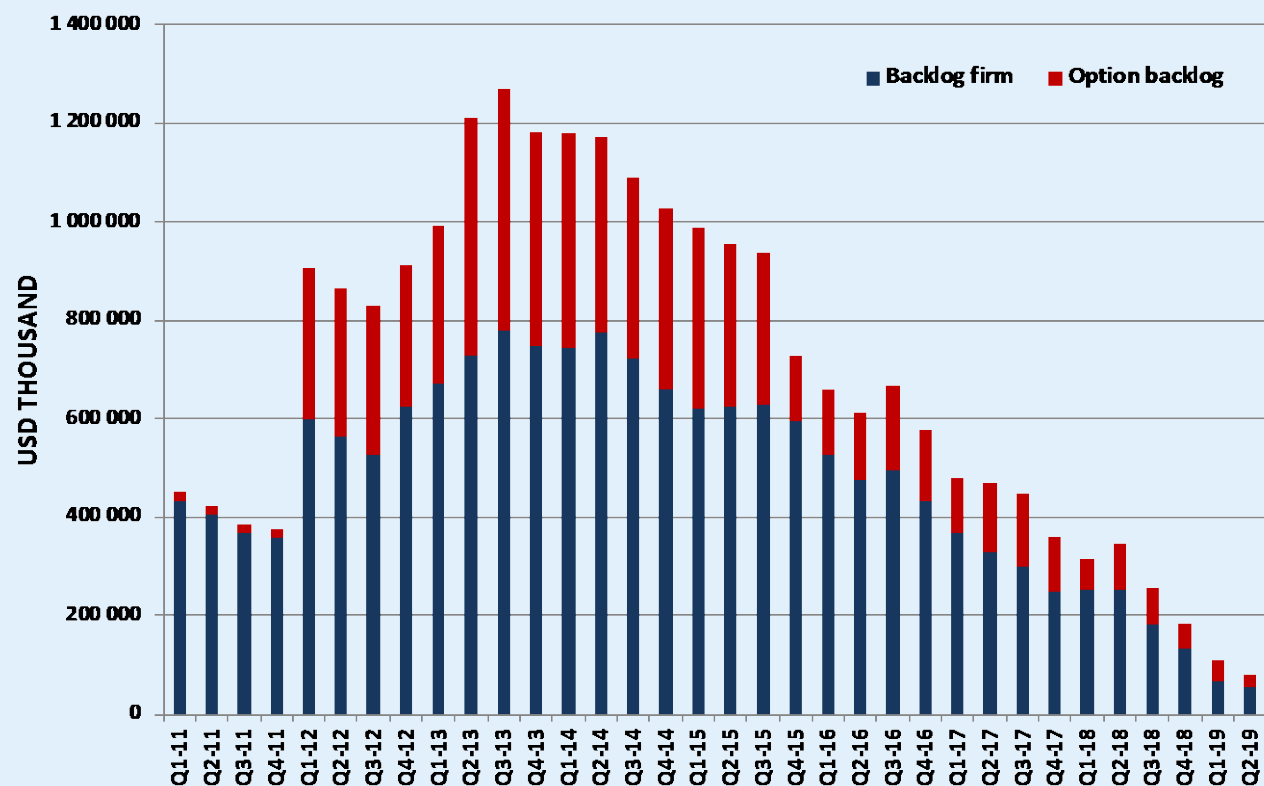
Floatel Triumph at its present location offshore Singapore

Commercial update



Backlog end of June 2019

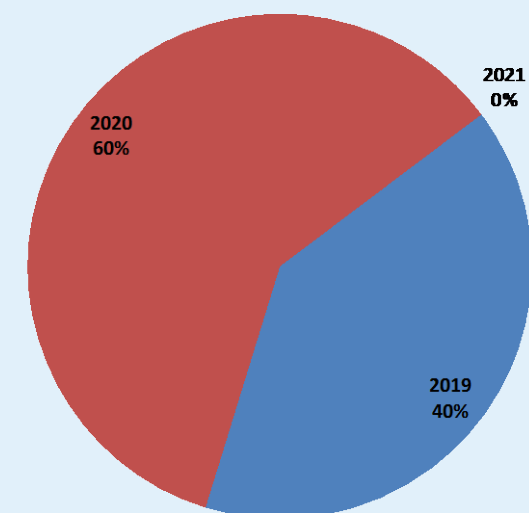
Firm order book \$56 million, option work \$35 million



Utilisation last 12 months: 73%

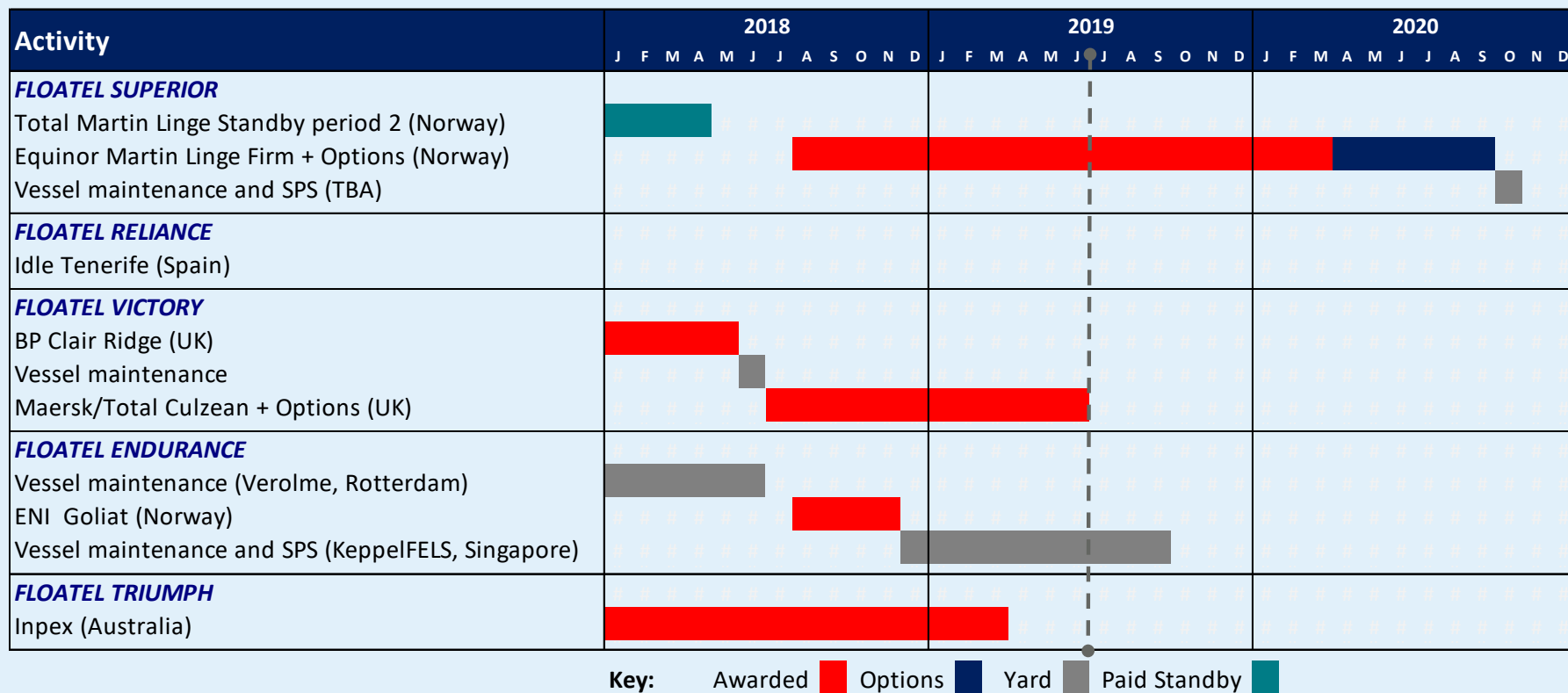
Utilisation next 12 months*: 33%

* Firm periods, paid standby transit and yard



Backlog distribution 2019-2021 including option work

Current commitments



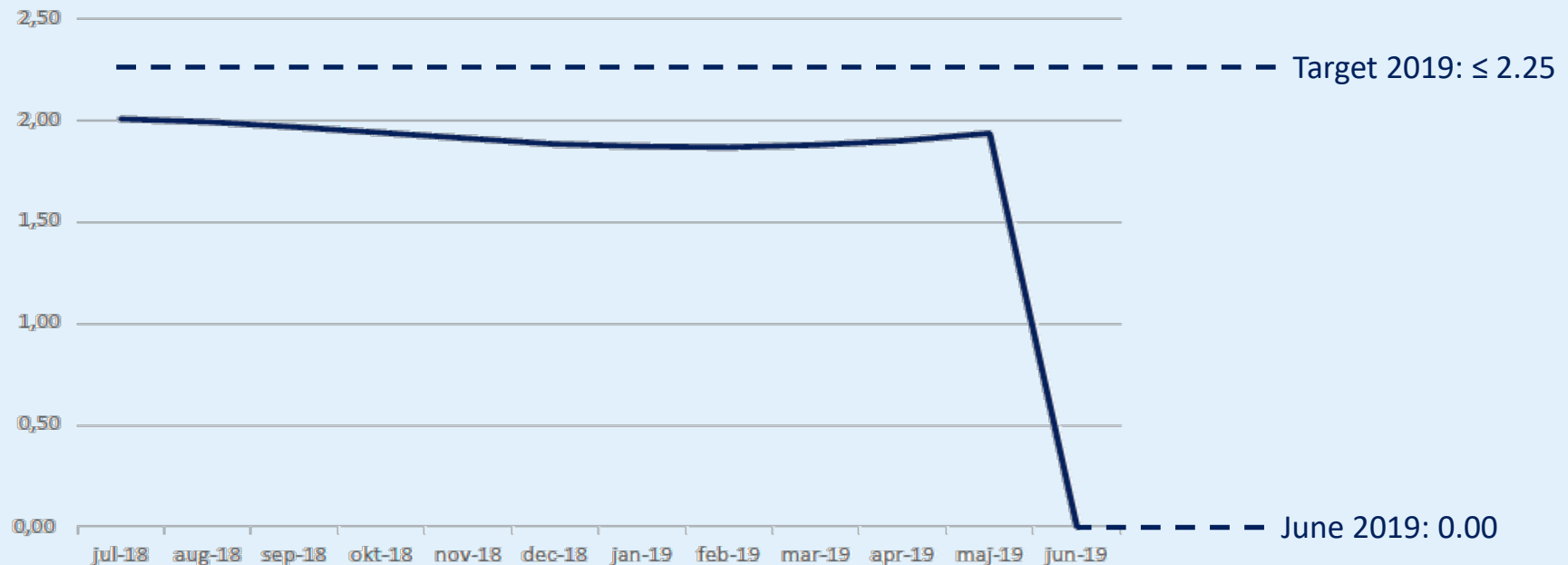
HSE update



HSE Statistics – JUNE 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

- 57% fleet utilization
 - Incl. yard, transit and paid standby
 - 1.85 rigs on hire, 1.0 at yard and 2.15 idle
- Stable quarter with EBITDA better than expected on the back of good cost control
- Net financial items
 - Net interest and other financial expenses in-line with expectations
 - Limited FX-effects in the quarter

USD M	Q2 2019	Q2 2018	2019 YTD	2018 YTD	FY 2018
Charter revenues	32	35	90	82	232
Catering	6	11	19	24	56
Mobilization	1	3	3	5	15
Total Revenues	39	49	112	111	303
Expenses	-23	-33	-49	-60	-138
EBITDA	16	16	63	51	166
EBITDA Margin	41%	33%	56%	46%	55%
Depreciation and amortization	-15	-15	-31	-31	-61
EBIT	1	1	32	21	104
Net Financial items	-14	-10	-28	-26	-68
Income before taxes	-13	-9	4	-5	37
Taxes	0	-2	-7	-5	-10
Net Profit	-13	-11	-3	-10	27

Balance Sheet

- \$26m Net Customer Receivables = Trade receivables + Accrued revenues
- \$95m in cash plus \$91m undrawn RCF
 - No restricted cash
 - Used RCF (\$9m) = performance bonds
- Leasing debt mainly refer to offices – to be recognized in BS from 2019 according to IFRS
- 1 MUSD in merger expenses booked directly against equity
- \$14m finance fees reduces Interest-bearing debt
- \$12m in accrued interest as bond interest paid semi-annually
- Ample headroom on all financial covenants

USD M	30-Jun-19	30-Jun-18	31-Dec-18
Property, plant and equipment	1 260	1 316	1 288
Deferred tax asset	0	0	1
Total non-current assets	1 260	1 317	1 289
Inventory	24	21	24
Trade receivables	19	19	24
Tax receivables	3	0	
Other current receivables	19	17	42
Cash and cash equivalents	95	135	77
Total current assets	160	191	167
Total assets	1 420	1 507	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	213	181	217
Total shareholder's equity	542	511	547
Deferred tax debt	0	0	0
Leasing debt - long term	0	0	0
Interest-bearing debt	796	929	810
Total non-current liabilities	797	929	810
Trade payables	7	13	11
Current portion of interest-bearing debt	36	27	41
Income tax liabilities	7	1	4
Leasing debt - short term	0	0	0
Other current liabilities	32	25	43
Total current liabilities	81	67	99
Total equity and liabilities	1 420	1 507	1 456

Cash Flow Statement

- Change in working capital driven by reduced Net Customer Receivables (Trade receivables)
- limited capex in quarter- FE SPS largely to be paid in Q3
- \$10m repayment of BVF

USD M	Q2 2019	Q2 2018	YTD 2019	YTD 2018	FY 2018
Operating result	1	1	32	21	104
Interest received	1	1	1	1	2
Interest paid	-25	-13	-27	-25	-44
Income tax paid	-4	-5	-7	-8	-11
Adjustment for depreciation and impairment	15	15	31	31	61
Adjustments for other non-cash related items	2	-1	2	-3	-7
Total cash flow from operations before changes in working capital	-10	-2	32	16	106
Changes in inventories	0	-2	-1	-1	-3
Changes in trade receivables	29	5	21	9	4
Changes in trade payables	0	8	-4	4	2
Other changes in working capital	-11	3	-4	10	-4
Cash flow from operating activities	8	12	44	37	105
Payments for property, plant and equipment	-2	-4	-2	-4	-7
Net cash flow from investing activities	-2	-4	-2	-4	-7
Repayment of debt	-10	-64	-21	-71	-806
Proceeds from debt	0	0	0	0	625
Other financial items paid	0	-3	-1	-4	-17
Proceeds from equity	-1	0	-1	0	0
Net cash flow from financing activities	-11	-67	-23	-75	-197
Cash flow for the period	-5	-60	19	-42	-99
Cash and equivalents, beginning of period	101	194	77	177	177
Currency effect on cash	0	0	-1	0	-2
Cash and equivalents, end of period	95	135	95	135	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 in Norway and UK – process ongoing
 - Subject to creditor approvals – process ongoing
 - Subject to EGM in Prosafe
- Creditor process
 - Floatel and Prosafe have received support from their majority banks to the merger subject satisfactory documentation, approval by Floatel bondholders, competition authorities and EGM
 - Bondholder consent process pending more clarity regarding competition clearance process
- Timing of closing depending on the competition authorities' process

Q&A





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