



# INTERIM REPORT



## Q2 2021

# Floatel International Ltd

**Hamilton – August 26, 2021** – Floatel International Ltd (“Floatel”) presents its consolidated financial statements for the second quarter of the financial year 2021.

### Highlights:

- The Group has been awarded six contracts since the Q1 report was released on April 30, 2021.
  - For Shell in the Philippines at the Malampaya field starting 1 September 2021 for a period of three months with Floatel Triumph being the nominated vessel.
  - An offshore wind farm contract with Ørsted in Taiwan at the Greater Changhua Offshore Wind Farm Project with start in December 2021 for three months plus options thereafter with Floatel Triumph being the nominated vessel.
  - Two contracts in Australia, one contract for INPEX at the Ichthys field and one with Shell at the Prelude field with start mid-2022 and a total firm duration of 4 months plus options after each charter with Floatel Triumph being the nominated vessel.
  - A contract with Equinor for Floatel Victory to provide Maintenance and Safety Unit (MSU) services at Peregrino Floating Production Storage and Offloading unit (FPSO) offshore Brazil starting in the third quarter 2021 with six months duration and options after the firm period.
  - For Chevron at the Anchor field in the US Gulf of Mexico with start the second or third quarter 2023 and a base charter period of four or five months with options after the firm period.
- Contract with Equinor for Martin Linge has been extended to August 27, 2021, whereafter the charter will end.
- Fleet status update as of the reporting date:
  - Floatel Superior in operation for Vår Energi in Norway.
  - Floatel Reliance idle in Tenerife in the Canary Islands awaiting next assignment.
  - Floatel Victory in transit to Brazil for the Equinor Brazil charter after completing operation at Ineos in UK sector of the North Sea on July 26, 2021.
  - Floatel Endurance in operation at Martin Linge field on the Norwegian continental shelf.
  - Floatel Triumph completing special periodic survey and preparing for Shell Malampaya.
- Second quarter fleet utilization was 49% (40% for the comparable period last year). Total firm contract backlog (excluding options) is approximately USD 133 million as of June 30, 2021, and it was USD 48 million as of June 30, 2020.
- Revenues for the second quarter were USD 28.7 million (USD 23.0 million for comparable period in 2020).
- EBITDA for the second quarter amounted to USD 1.3 million (USD 7.1 million)
- Total assets as of June 30, 2021, amounted to USD 728 million (USD 760 million as of December 31, 2020).
- Cash and cash equivalents as of June 30, 2021, were USD 13.1 million (USD 36.7 million).
- The total book equity as of June 30, 2021, amounted to USD 405 million (USD -153 million).



### **Summary of business activities during the second quarter of 2021**

The Coronavirus pandemic continue to impact operations with increased operational expenses due to travel restrictions and quarantine requirements interfering with crew and site team changes as well as visits by service technicians. There have been cases in amongst the fleet's seamen and they have in close cooperation with the relevant clients been promptly handled. Rigorous measures are in place to safeguard the health and safety of clients, guests, and workforce.

#### *Floatel Superior*

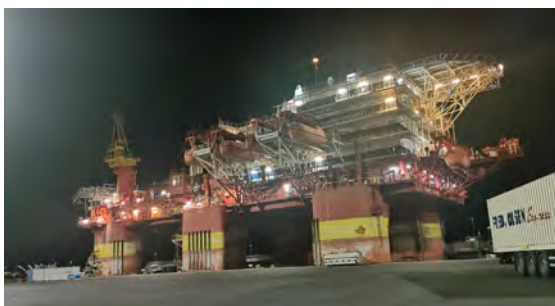
Floatel Superior started the assignment for Vår Energi on the Norwegian continental shelf at the end of May 2021 and the charter will run until the end of August 2021 with options for the client to extend the charter.



*Floatel Superior at Balder FPSO for Vår Energi.*

#### *Floatel Reliance*

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



*Floatel Reliance idle in Tenerife, Canary Islands.*

#### *Floatel Victory*

Floatel Victory was in operations at the Unity platform, UK sector, Central North Sea during the quarter and until July 26, 2021, whereafter the rig steamed toward Las Palmas in the Canary Islands, Spain to prepare for the Equinor charter in Brazil which is due to commence end of the third quarter 2021.



*Floatel Victory on charter for Ineos*

#### *Floatel Endurance*

Floatel Endurance was in operation for Equinor at the Martin Linge project during the quarter. Equinor has extended the charter to August 27, 2021, when the charter will end.



*Floatel Endurance in operations for Equinor at Martin Linge field.*

#### *Floatel Triumph*

Floatel Triumph was idle offshore Johor in Malaysia during the quarter. Special periodic survey and preparations for the Shell Malampaya charter commenced in July 2021.



*Floatel Triumph idle outside Johor, Malaysia*





## **Financial development**

The Company announced on March 24, 2021, that it and the Group have successfully completed its comprehensive balance sheet restructuring, securing a fully consensual deal among all key stakeholders, including shareholders, First Lien Bondholders, Second Lien Bondholders, and the Bank Vessel Facility lenders. The Group has retained its fleet of five operating vessels while substantially reducing its debt by USD 610 million. Please refer to note 4 in this interim report and the 2020 annual report for further details.

### Revenue and operating result for the second quarter 2021

USD 28.7 million (USD 23.0 million) in total consolidated revenues and USD -27.5 million (USD -15.8million) in total Operating expenses before depreciation resulted in an EBITDA for the quarter of USD 1.3 million (USD 7.1 million).

USD -11.2 million (USD -413.1 million) in total Depreciation and Impairment included in Cost of providing services and administrative expenses resulted in an Operating result for the quarter of USD -10.0 million (USD -405.9 million).

Net financial items were USD -8.1 million (USD -23.4 million).

The net result for the second quarter was USD -18.2 million (USD -429.8 million).

The current backlog based on committed work was at the end of reporting period approximately USD 133 million excluding options (USD 48 million).

### Revenue and operating result year to date 2021

USD 41.1 million (43.5) in Total consolidated revenues. USD -46.0 million (-33.9) in total Operating and administrative expenses before depreciation and restructuring cost. EBITDA before restructuring cost came to USD -1.9 million (9.6).

USD-22.4 million (-30.1) in total Depreciation and USD 0 million Impairment charge (-398.4). Net financial items were USD 560.7 million (-38.4), whereof 581.9 million (0) is related to the restructuring. The net income for year to date was USD 532.3 million (-459.1).

### Financial position as per June 30, 2021

Total assets were USD 728 million (USD 760 million as per December 31, 2020). Non-current assets totalled USD 660 million (USD 678 million) whilst Net working capital totalled USD 13.2 million (USD 1.3 million).

The Group's cash and cash equivalents totalled USD 13.1 million (USD 36.6 million). The book equity at the end of the period was USD 405 million (USD -153 million).

Total interest-bearing debt totalled USD 284 million (USD 868 million) whereof USD 0 million is reported as current portion (USD 868 million). In the reported total interest-bearing debt, prepaid borrowing expenses of USD 3.2 million (USD 11.4 million) are included. The expenses amortize over the life of the facilities. Net interest-bearing debt totalled USD 271 million (USD 831 million).

## **Market outlook**

Utilisation for the worldwide semi-submersible accommodation (ASV) fleet was 64% in Q2 2021 (44% in Q2 2020). In comparison, Floatel International's utilisation in Q2 was 49% (40%). The global ASV fleets' utilisation during the first half of 2021 was 50% (45%).

The overall offshore market was slowly improving from the downturn during 2019 driven by oil price development combined with continued pressure to reduce cost levels for the operators, however the COVID-19 pandemic stalled the gradual improvement.

The negative developments in 2020, with the COVID-19 outbreak and the drop in the oil price, have increased the uncertainty within the accommodation market and for the oil services market in general.



The outlook has improved because of agreed oil production cuts and the development of vaccines, and demand has started to recover, however demand levels remain below those levels reached in late 2019 before the COVID-19 pandemic as the market continues to be oversupplied resulting in prices continued to be under pressure.

Although the oil price has recently recovered to above USD 70 per barrel, we note that the oil companies globally have adjusted their activities for the short to medium term. Additionally, the strong shift in the energy discussion towards renewable sources has created discussion about energy composition for the future.

We consequently expect the overall utilization of the accommodation fleet to remain at modest levels in the near term, particularly for those areas with high overcapacity, however, we still believe that the market will recover once the situation stabilises.

The worldwide operating purpose built semi-submersible accommodation fleet presently comprises 21 vessels following recent announcements by competitors to scrap older vessels plus two vessels yet to be delivered. 17 vessels are built since 2005 (including the 2 new building mentioned) and it is expected that the older vessels will exit the market in the coming years.

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

Equinor has awarded a contract to Floatel Victory to provide Maintenance and Safety Unit (MSU) services alongside Peregrino Floating Production Storage and offloading unit (FPSO) offshore Brazil. The charter is for six months with an expected commencement date in the third quarter 2021. Equinor has options to extend the charter after the firm period.

**Condensed consolidated Income Statement**

Figures in USD thousands	Notes	Q2 - 2021	Q2- 2020	YTD 2021	YTD 2020	2020
Revenues	6	28 719	22 976	44 105	43 490	79 673
Cost of providing services <sup>1)</sup>	5,8	-35 161	-425 678	-61 635	-456 269	-591 791
<b>Gross result</b>		<b>-6 442</b>	<b>-402 702</b>	<b>-17 530</b>	<b>-412 779</b>	<b>-512 118</b>
Administrative expenses <sup>2)</sup>	5,8	-3 527	-3 236	-10 888	-6 134	-12 113
<b>Operating result</b>	5	<b>-9 969</b>	<b>-405 938</b>	<b>-28 418</b>	<b>-418 913</b>	<b>-524 231</b>
Net restructuring financial result	4,7	0	0	581 883	0	0
Finance income	7	-307	12	447	185	193
Finance cost	7	-7 757	-23 149	-21 681	-38 536	-82 624
<b>Finance income and costs - net</b>	7	<b>-8 064</b>	<b>-23 137</b>	<b>560 649</b>	<b>-38 351</b>	<b>-82 431</b>
<b>Result before income taxes</b>		<b>-18 033</b>	<b>-429 075</b>	<b>532 231</b>	<b>-457 264</b>	<b>-606 662</b>
Income tax expense		-181	-743	35	-1 808	-1 626
<b>Result attributable to owners of Floatel International Ltd</b>		<b>-18 214</b>	<b>-429 818</b>	<b>532 266</b>	<b>-459 072</b>	<b>-608 288</b>
Earnings per share, basic (USD)		-0,17	-4,02	4,97	-4,29	-5,70
Earnings per share, diluted (USD)		-0,17	-4,02	4,97	-4,29	-5,70

**Condensed consolidated Statement of Comprehensive Income**

Figures in USD thousands	Q2 - 2021	Q2- 2020	YTD 2021	YTD 2020	2020
<b>Net result</b>	<b>-18 214</b>	<b>-429 818</b>	<b>532 266</b>	<b>-459 072</b>	<b>-608 288</b>
<b>Items that are or may be reclassified as profit or loss</b>					
Foreign currency translation - foreign operations	381	692	-314	-310	1 002
<b>Other comprehensive income</b>	<b>381</b>	<b>692</b>	<b>-314</b>	<b>-310</b>	<b>1 002</b>
<b>Total comprehensive income</b>	<b>-17 833</b>	<b>-429 126</b>	<b>531 952</b>	<b>-459 382</b>	<b>-607 286</b>

1) Includes impairment charge of USD 398.4 in Q2 / YTD 2020 and USD -479.4 million full year 2020

2) Includes cost related to restructuring of 4.1 million in YTD 2021

**Condensed consolidated Statement of Financial Position**

Figures in USD thousands	Notes	2021-06-30	2020-06-30	2020-12-31
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment	8	656 935	781 806	677 446
Financial investments	12	3 300	0	0
Deferred tax asset		84	58	68
<b>Total non-current assets</b>		<b>660 319</b>	<b>781 864</b>	<b>677 514</b>
<b>Current assets</b>				
Inventory		23 862	23 415	23 004
Trade receivables		8 869	6 807	6 425
Tax receivables		1 728	2 032	2 024
Other current receivables		20 539	14 153	14 634
Cash and cash equivalents		<u>13 086</u>	<u>49 379</u>	<u>36 662</u>
<b>Total current assets</b>		<b>68 084</b>	<b>95 786</b>	<b>82 749</b>
<b>Total assets</b>		<b><u>728 403</u></b>	<b><u>877 650</u></b>	<b><u>760 263</u></b>
<b>Equity and liabilities</b>				
<b>Equity</b>				
Share capital		2 144	2 144	2 144
Additional Paid in capital		348 102	325 563	325 568
Other reserves		1 932	934	2 241
Retained earnings incl. Result of the year		<u>53 158</u>	<u>-334 072</u>	<u>-483 293</u>
<b>Total equity</b>		<b>405 336</b>	<b>-5 431</b>	<b>-153 340</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Other long term liabilities		744	0	972
Interest-bearing debt	9	<u>284 086</u>	<u>0</u>	<u>0</u>
<b>Total non-current liabilities</b>		<b>284 830</b>	<b>0</b>	<b>972</b>
<b>Current liabilities</b>				
Trade payables		7 439	5 897	5 996
Current portion of interest-bearing debt	9	0	838 901	867 894
Tax liabilities		2 458	6 010	2 438
Other current liabilities		<u>28 340</u>	<u>32 273</u>	<u>36 303</u>
<b>Total current liabilities</b>		<b>38 237</b>	<b>883 081</b>	<b>912 631</b>
<b>Total equity and liabilities</b>		<b><u>728 403</u></b>	<b><u>877 650</u></b>	<b><u>760 263</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 2020-01-01</b>	2 144	325 563	1 244	125 806	454 757
<b>Total comprehensive income</b>					
Net result for the year	0	0	0	-608 288	-608 288
Other comprehensive income	0	5	997	0	1 002
Aborted Prosafe merger	0	0	0	-811	-811
<b>Equity 2020-12-31</b>	2 144	325 568	2 241	-483 293	-153 340
<b>Total comprehensive income</b>					
Net result for the period	0	0	0	532 266	532 266
Other comprehensive income	0	-5	-309	0	-314
Share subscriptions and warrants	0	22 539	0	4 185	26 724
<b>Equity 2021-06-30</b>	2 144	348 102	1 932	53 158	405 336

**Condensed consolidated Cash Flow Statement**

Figures in USD thousands	Q2 - 2021	Q2 - 2020	YTD 2021	YTD 2020	2020
<b>Cash flow from operating activities</b>					
Operating result	-9 969	-405 938	-28 418	-418 913	-524 233
Interest received	1	12	3	185	193
Interest paid	-1 746	-21	-1 746	-1 736	-1 771
Income tax paid	-69	200	375	-1 525	-5 217
Adjustment for depreciation and impairment	11 226	413 068	22 447	428 545	534 696
Adjustments for other non-cash related items	261	-152	1 492	-234	-440
<b>Total cash flow from operations before changes in working</b>	<b>-296</b>	<b>7 169</b>	<b>-5 847</b>	<b>6 322</b>	<b>3 228</b>
Changes in inventories	-533	-404	-858	557	968
Changes in trade receivables	-3 336	1 067	-2 444	-35	347
Changes in trade payables	1 422	-5 098	3 156	-3 751	-5 115
Other changes in working capital	-5 902	10 754	-1 481	7 901	7 968
<b>Cash flow from operating activities</b>	<b>-8 645</b>	<b>13 488</b>	<b>-7 474</b>	<b>10 994</b>	<b>7 396</b>
<b>Cash flow from investing activities</b>					
Payments for property, plant and equipment	-961	-3 223	-2 090	-4 658	-4 798
<b>Net cash flow from investing activities</b>	<b>-961</b>	<b>-3 223</b>	<b>-2 090</b>	<b>-4 658</b>	<b>-4 798</b>
<b>Net cash flow from operations</b>	<b>-9 606</b>	<b>10 265</b>	<b>-9 564</b>	<b>6 336</b>	<b>2 598</b>
<b>Cash flow from financing activities</b>					
Repayment of debt	0	0	-76 805	0	0
Proceeds from debt	-7 670	0	87 330	0	0
Other financial items paid	-2 075	-7 970	-24 773	-8 643	-17 215
Merger Expenses	0	-29	0	-806	-811
<b>Net cash flow from financing activities</b>	<b>-9 745</b>	<b>-7 999</b>	<b>-14 248</b>	<b>-9 449</b>	<b>-18 026</b>
<b>Cash flow for the period</b>	<b>-19 351</b>	<b>2 266</b>	<b>-23 812</b>	<b>-3 113</b>	<b>-15 428</b>
Cash and cash equivalents, beginning of period	32 670	48 515	36 662	53 733	53 733
Currency effect on cash	-233	-1 402	236	-1 241	-1 643
<b>Cash and cash equivalents, end of Period</b>	<b>13 086</b>	<b>49 379</b>	<b>13 086</b>	<b>49 379</b>	<b>36 662</b>

**Key Financials**

	Q2 - 2021	Q2-2020	YTD 2021	YTD 2020	2020
EBITDA excluding restructuring effects	1 257	7 130	-5 971	9 632	10 465
EBITDA margin	4,4%	31,0%	Neg	22,1%	13,1%
Equity ratio	55,6%	-0,6%	55,6%	-0,1%	-20,0%
Net working capital <sup>3)</sup>	17 491	6 205	17 491	6 205	1 764
Net interest-bearing debt	271 000	789 522	271 000	789 522	831 232
Total number of ordinary shares	107 165 289	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	107 165 289
Average number of ordinary shares (diluted)	107 165 289	107 165 289	107 165 289	107 165 289	107 165 289

3) 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 2006 under the laws of Bermuda. 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 respectively. The Company’s registered office is situated at Victoria Place, 5<sup>th</sup> Floor, 31 Victoria Street, Hamilton HM 10, Bermuda.

### 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 accounts are prepared on the assumption of a going concern. The Company underwent a comprehensive balance sheet restructuring which was successfully completed on March 24, 2021. After ongoing constructive discussions with its key secured creditors during 2020 and the first quarter 2021 it secured a fully consensual deal among all key stakeholders, including shareholders, bondholders, and bank lenders.

The effects of COVID-19, oil price development and other macroeconomic factors resulted in a dramatic impact on the global macro economy, oil demand and consequently capital markets during 2020. This resulted in many oil and gas companies announcing cuts in 2020 capital expenditure and created near term uncertainties, which increased the uncertainty within the accommodation market and for the oil services market in general.

The situation has stabilised because of agreed oil production cuts and the development of vaccines, although demand has recovered at a slower pace than initially expected, so COVID-19 is not expected to result in material uncertainty and as a result the company has prepared its financial statements on a going concern basis.

These interim financial statements should be read in conjunction with the Company’s Audited Consolidated Financial Statements as of 31 December 2020. In the opinion of management, 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 the preparation of the interim financial statements are consistent with those followed in the preparation of the Company’s Audited Consolidated Financial Statements and accompanying notes for the financial year ended 31 December 2020.

#### New and updated accounting standards

There are no IFRSs or IFRIC interpretations that are not yet effective that is expected to have a material impact on the Group.

#### 4. Restructuring

The Company announced on March 24, 2021, that it and the Group have successfully completed its comprehensive balance sheet restructuring, securing a fully consensual deal among all key stakeholders, including shareholders, First Lien Bondholders, Second Lien Bondholders, and the Bank Vessel Facility lenders. The Group has retained its existing fleet of five operating vessels while substantially reducing its debt by USD 610 million.

The Group enhanced its liquidity position by securing a new USD 100 million revolving credit facility and reducing its debt service. The Company exited its restructuring process well positioned to tender for new business as the market recovers thanks to its significantly deleveraged and well-capitalized balance sheet.

The comprehensive balance sheet restructuring covered all credit facilities and included the following main components (see below for information on each new instrument):

- First Lien Bonds converted into two new USD 115 million bonds issuances, both partly repaid so USD 100 million outstanding under each as well as 40.1% of the Company's common shares.
- Second Lien Bonds exchanged for 10-year warrants which will convert into 12% of the equity with a strike price based on USD 424 million equity value.
- Bank Vessel Facility cancelled for USD 46 million settlement whereby the Group retained Floatel Endurance and cash in blocked bank accounts.
- Keppel loan fully forgiven, and Keppel retain 49.9% of the Company's common shares in return for providing credit support for the new revolving credit facility.
- Other shareholders exchanged their shares for 10-year warrants which will convert into 5% of the equity with a strike price based on USD 625 million equity value.
- Existing preference shares and warrants repurchased.
- An investment company, Floatel Interessenter AS, owned by management subscribed for 10% of Company's common shares as part of a new incentive program.

#### Restructuring effects

The effect to the income statement related forgiveness of indebtedness and accrued interest net of Q1-2021 advisory fees amount to USD 581.9 million. The Group incurred, in addition to the financial effects, USD 4.1 million in administrative expenses related to the restructuring.

Equity was in addition increased from the subscription of shares by management's investment company and the First Lien Bond exchange as well the issuance of warrants.

Figures in USD thousands	Equity effect
<b>Effect on Net results for the period</b>	
Forgiveness of debt and interest net of Q1 2021 advisory fees	581 883
Restructuring related administrative expenses	<u>-4 089</u>
<b>Effect on the Result in Q1-2021</b>	<b>577 794</b>
Subscription for shares	23 612
Warrants	<u>3 112</u>
<b>Other effect on Equity</b>	<b>26 724</b>
<b>Total effect on Equity</b>	<b>604 518</b>

### New Interest-bearing debt

The Company's credit facilities after the restructuring consist of the following instruments

- 6% Senior Secured USD 115 million 1st Lien Cash Pay Bonds ("Cash Bonds") (ISIN NO 001 0950868) maturing 24 September 2026 and with USD 100 million outstanding.
- 10% Senior Secured USD 115,000,000 1st Lien PIK Pay Bonds ("PIK Bonds") (ISIN NO 001 0950884) maturing 24 September 2026 with USD 100 million outstanding.
- USD 100 million super senior revolving credit facility ("RCF") maturing 24 March 2024 with interest rate of Libor + 7.25%

Each credit facility is repayable in full on the respective maturity date and has no scheduled amortisations. Each of the credit facilities has a minimum free liquidity covenant to be tested from January 1, 2023 of USD 10,000,000 and increasing to USD 15,000,000 from January 1, 2024. Liquidity is defined as unrestricted cash of the Group plus any undrawn RCF commitments.

RCF was drawn with USD 95 million, and the Group had USD 32.7 million cash balance as of March 31, 2021. The corresponding amounts as of June 30, 2021 were USD 87.3 million in drawn RCF and USD 13.1 million in cash.

### Equity, warrants and shareholders

The Company's capital structure consists after the restructuring of the following instruments

- 107,165,289 common shares with nominal value USD 0.02 all carrying one vote each.
- 14,613,449 warrants with strike price USD 3.96 expiring March 24, 2031.
- 6,409,407 warrants with strike price USD 5.13 expiring March 24, 2031

## 5. Operating result

Figures in USD thousands	Q2 - 2021	Q2 - 2020	YTD 2021	YTD 2020	2020
Revenue	28 719	22 976	44 105	43 490	79 673
Operating expenses	-24 246	-13 042	-39 811	-28 358	-58 378
Administrative expenses - normal	-3 216	-2 804	-6 176	-5 500	-10 830
<b>EBITDA before restructuring effect</b>	<b>1 257</b>	<b>7 130</b>	<b>-1 882</b>	<b>9 632</b>	<b>10 465</b>
Administrative expenses - related to restructuring	0	0	-4 089	0	0
<b>EBITDA after restructuring effect</b>	<b>1 257</b>	<b>7 130</b>	<b>-5 971</b>	<b>9 632</b>	<b>10 465</b>
Depreciation	-11 226	-14 640	-22 447	-30 117	-55 307
Impairment charge	0	-398 428	0	-398 428	-479 389
<b>Operating result</b>	<b>-9 969</b>	<b>-405 938</b>	<b>-28 418</b>	<b>-418 913</b>	<b>-524 231</b>

## 6. Revenues

Figures in USD thousands	Q2- 2021	Q2- 2020	YTD 2021	YTD 2020	2020
Charter revenues	22 060	20 355	33 204	36 974	64 288
Other revenues	0	0	1	0	81
Catering and rechargeable expenses	5 717	3 046	10 078	6 175	13 745
Mobilisation/demobilisation fees	942	-425	822	341	1 559
<b>Revenues</b>	<b>28 719</b>	<b>22 976</b>	<b>44 105</b>	<b>43 490</b>	<b>79 673</b>

In the North Sea operators normally plan their offshore maintenance and modification activities in the period April to October due to weather, especially for shorter contracts less than 6 months such as planned shutdowns. This means higher utilisation of the accommodation fleet in the said period.

## 7. Finance income and cost

Figures in USD thousands	Q2- 2021	Q2- 2020	YTD 2021	YTD 2020
Restructuring gain - forgiven debt + interest net expense	0	0	581 883	0
Interest gain	2	173	3	173
Exchange rate difference	-309	-177	444	-177
Interest expense	-5 738	-13 144	-19 121	-13 144
Other financial cost	<u>-2 019</u>	<u>-2 066</u>	<u>-2 560</u>	<u>-2 066</u>
<b>Net finance income and cost</b>	<b>-8 064</b>	<b>-15 214</b>	<b>560 649</b>	<b>-15 214</b>

## 8. Property, plant, and equipment

Figures in USD thousands	2021-06-30	2020-06-30	2020-12-31
Opening balance acquisition cost	1 629 212	1 633 573	1 633 572
Purchases during the year	2 090	4 658	6 314
Disposals	0	-10 416	-11 598
Currency revaluation	<u>-308</u>	<u>-28</u>	<u>924</u>
<b>Closing acquisition cost</b>	<b>1 630 994</b>	<b>1 627 787</b>	<b>1 629 212</b>
Opening balance depreciation	-407 941	-363 437	-363 435
Depreciation for the period	-22 447	-30 117	-55 304
Disposals	0	10 416	11 350
Currency revaluation	<u>154</u>	<u>21</u>	<u>-552</u>
<b>Closing balance depreciation</b>	<b>-430 234</b>	<b>-383 117</b>	<b>-407 941</b>
Opening balance impairment	-543 825	-64 436	-64 436
Impairment loss for the year	<u>0</u>	<u>-398 428</u>	<u>-479 389</u>
<b>Closing balance impairment</b>	<b>-543 825</b>	<b>-462 864</b>	<b>-543 825</b>
<b>Net book value end of period</b>	<b>656 935</b>	<b>781 806</b>	<b>677 446</b>

Within the offshore accommodation market, we foresaw weaker outlook in the 2020 Annual Report than previously estimated. Management therefore performed in connection with the preparation of the 2020 Annual Report, an impairment assessment of its vessels in accordance with IFRS based on value in use. Please refer to note 11 to the Consolidated Financial Statements in the 2020 Annual Report for information about the assessment. The Company's views and assessments are in all material respects unchanged as of the reporting date.

All Vessels are registered in Bermuda. The vessels are security for credit facilities.

## 9. Interest bearing debt

Figures in USD thousands	2021-06-30	2020-06-30	2020-12-31
1st Lien cash pay bonds	100 000	0	0
1st Lien PIK pay bonds	100 000	0	0
RCF	87 330	0	0
1 <sup>st</sup> lien bond	0	418 000	436 000
2 <sup>nd</sup> lien bond	0	79 782	84 562
Bank vessel facility	0	110 271	112 564
Subordinated shareholder loan	0	241 500	243 956
Less prepaid financing fees	<u>-3 244</u>	<u>-10 652</u>	<u>-9 188</u>
<b>Interest-bearing debt</b>	<b>284 086</b>	<b>838 901</b>	<b>867 894</b>
<b>The interest-bearing debt is repayable as follows:</b>			
Within one year	0	849 553	877 082
Between one and two years	0	0	0
Between two and five years	87 330	0	0
After five years	<u>200 000</u>	<u>0</u>	<u>0</u>
	<b>287 330</b>	<b>849 553</b>	<b>877 082</b>

Please refer to note 4 for information about restructuring effects

## 10. Legal issues

The Group has currently no material legal issues pending. 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 and litigations 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 but no cases are deemed material to be disclosed separately.

## 11. 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 are 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.





## **12. Related party transactions**

During the second quarter 2021 the Group has, in the ordinary course of business on arm's length basis, sold services for USD 0 million and purchased for USD 0 million from the Keppel Group Keppel Offshore Pte Limited, which is part of the Keppel Group owning 49.9 % of the Company.

The Company subscribed 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.



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