

Presentation Q4-2018

25 February 2019

Operational update



Floatel Superior

- In operation for Equinor at Martin Linge during the entire quarter
- Firm period prolonged to end November 2019 with 6 months options thereafter
- 100% utilization in Q4



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 the entire quarter
- Firm period extended to May 17, 2019 with two monthly options thereafter
- 100% utilization in Q4



Floatel Victory commenced operation Total Culzean mid-July 2018



Floatel Victory at Semco yard, Hanøytangen for maintenance and SPS

Floatel Endurance

- Completed charter for ENI at Goliat on November 6 and is in transit to Singapore for rectification works and SPS
- Expected to be back in the North Sea mid-2019
- 100% Utilization in Q4 (operation and transit)



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



Floatel Endurance in transit to Singapore for rectification work

Floatel Triumph

- Operations at Inpex Ichthys Project during the quarter
- Charter extended to March 3, 2019
- Thereafter transit to suitable location in Southeast Asia awaiting next assignment
- 100% Utilization since delivery



Floatel Triumph at Chevron Wheatstone



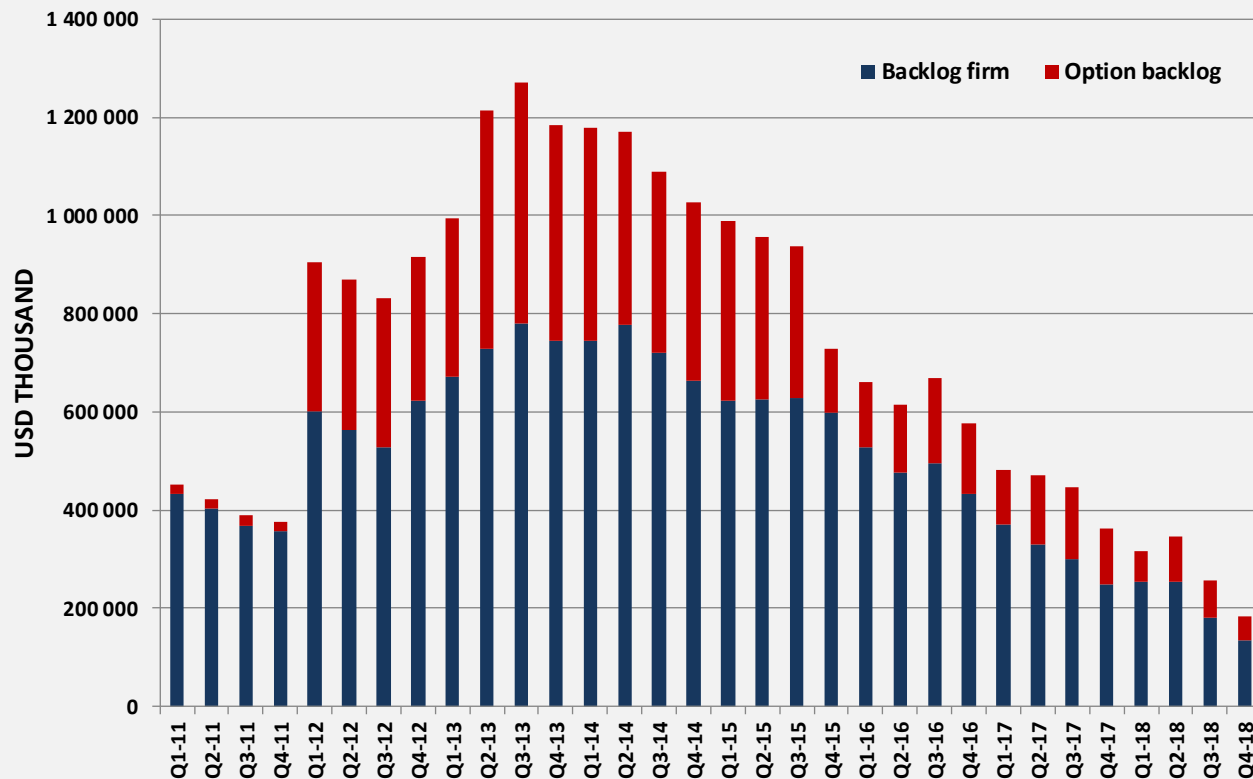
Floatel Triumph at Inpex Ichthys extended to March 2019

Commercial update

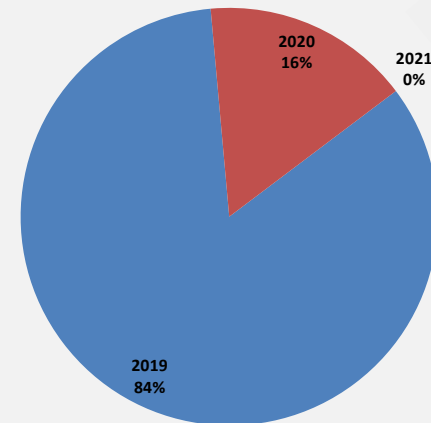


Backlog end of December 2018

Firm order book \$136 million, option work \$49 million

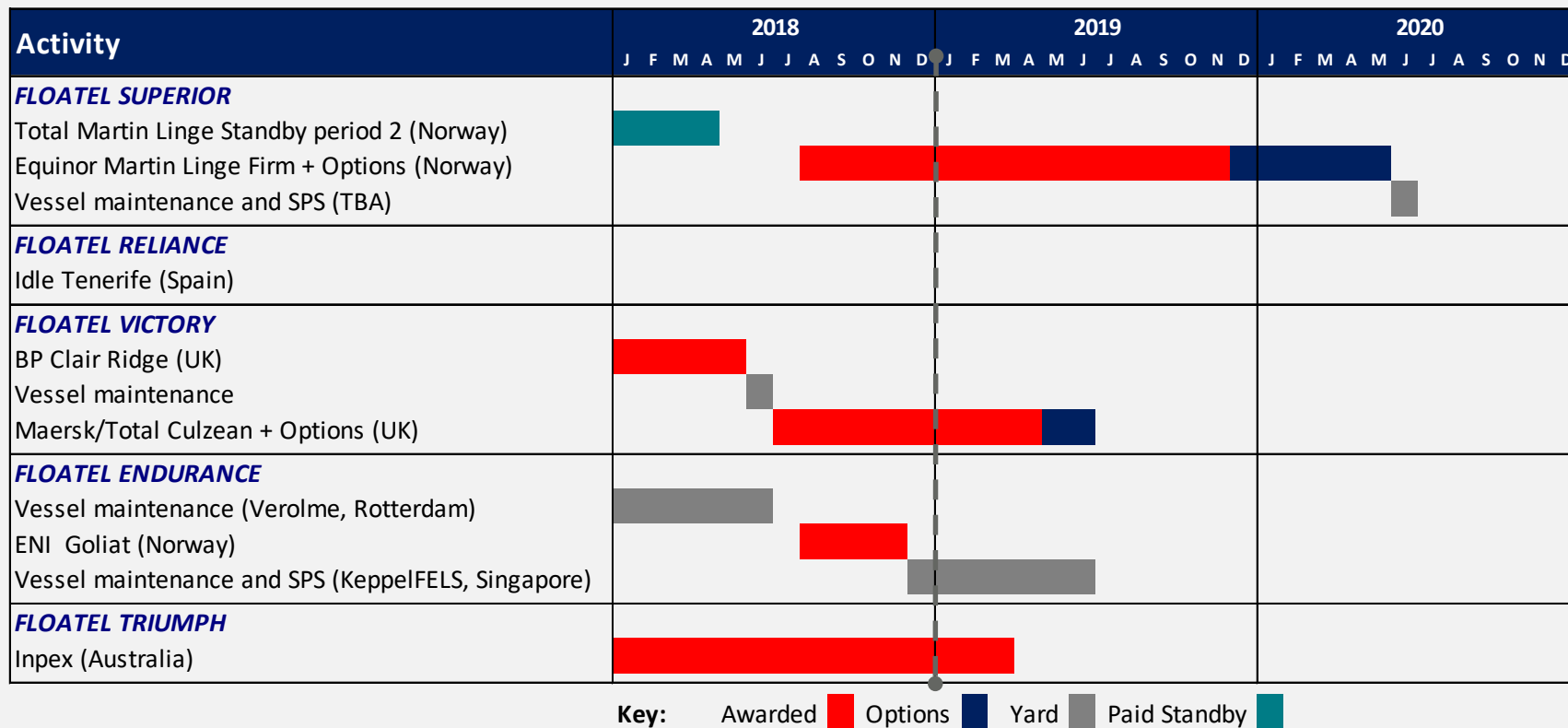


Utilization last 12 months*: 73%
 Utilisation next 12 months*: 50%
 * Contract periods, paid standby, transit and yard



Backlog distribution 2019-2021 including option work

Current commitments



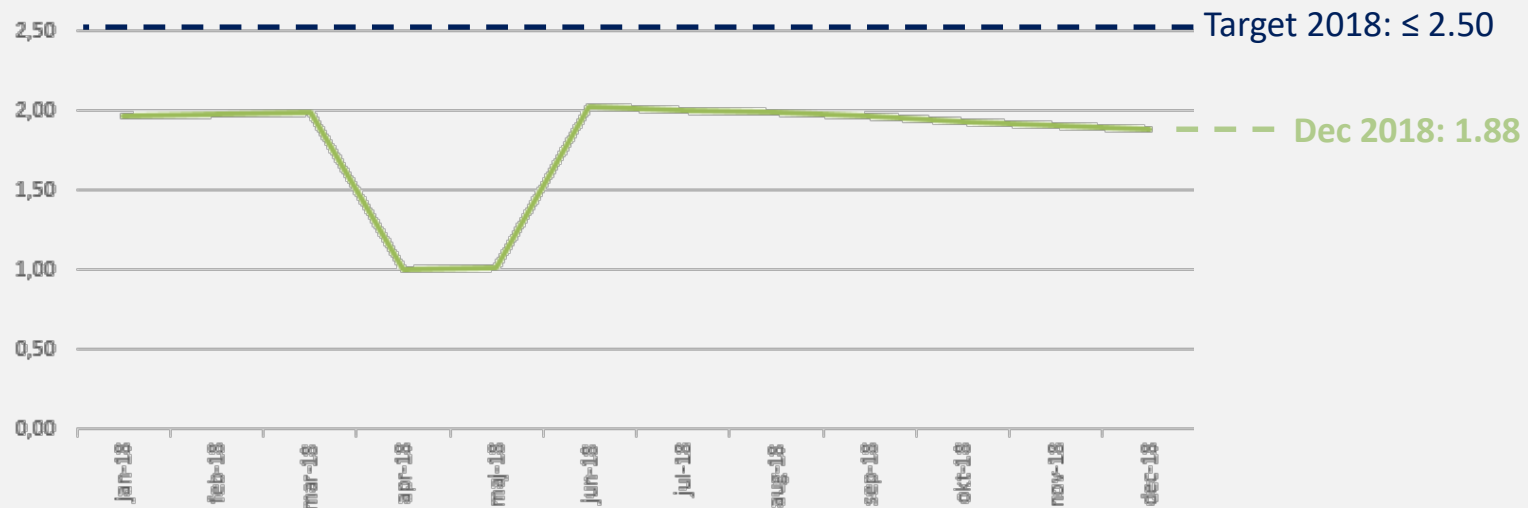
HSE update



HSE Statistics – December 2018

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

- 80% fleet utilization
 - Incl. yard, transit and paid standby
 - 3.4 rigs on hire, 0.6 in transit and 1 laid-up
- Q4 highest EBITDA since Q4-16 and 3rd highest ever
- FY EBITDA and margin as guided at the time of the bond issuance
- 2017 depreciation include impairment charges
- Net financial items
 - Income mainly from TLB buybacks
 - Costs impacted by double interest and write-off old financing fees

USD M	Q4 2018	Q4 2017	FY 2018	FY 2017
Revenues	99	76	303	311
Expenses	(39)	(41)	(138)	(138)
EBITDA	60	35	166	172
<i>EBITDA margin</i>	<i>60%</i>	<i>47%</i>	<i>55%</i>	<i>55%</i>
Depreciation and amortization	(16)	(38)	(61)	(84)
EBIT	44	(3)	104	89
Finance income	0	1	10	7
Finance cost	(27)	(16)	(78)	(59)
Net financial items	(27)	(15)	(68)	(52)
Income/(loss) before taxes	17	(-18)	37	37
Taxes	(1)	(2)	(10)	(10)
Net Profit	16	(20)	27	27

2018 figures reported in accordance with new accounting standard, IFRS15 whilst 2017 has not been restated

Balance Sheet

- \$47m Net Customer Receivables = Trade receivables + Accrued revenues
- \$77m in cash plus \$82m undrawn RCF
 - No restricted cash
 - Used RCF (\$18m) = performance bonds
- \$10m finance fees reduces Interest-bearing debt
- \$12m in accrued interest as bond interest paid semi-annually
- Ample headroom on all financial covenants

USD M	31-Dec-18	30-Sep-18	31-Dec-17
Vessels and other fixed assets	1 288	1 303	1 343
Deferred tax asset	1	-	-
Total non-current assets	1 289	1 303	1 343
Inventory	24	21	18
Trade receivables	24	37	28
Other current receivables	43	38	29
Cash and cash equivalents	77	131	177
Total current assets	167	228	252
Total assets	1 456	1 531	1 595
Share capital	2	2	2
Additional Paid in capital	326	326	326
Other reserves	2	2	2
Retained earnings incl. Profit of the year	217	201	194
Total shareholder's equity	547	531	524
Deferred tax debt	0	0	-
Interest-bearing debt	810	924	1 008
Total non-current liabilities	810	924	924
Trade payables	11	5	9
Current portion of interest-bearing debt	41	27	27
Income tax liabilities	4	4	5
Other current liabilities	43	40	22
Total current liabilities	99	76	63
Total shareholder's equity and liabilities	1 456	1 531	1 595

Cash Flow Statement

- Change in working capital driven by reduced Net Customer Receivables (Accrued revenues in Other changes)
- Victory yard-stay/SPS \$5m of \$7m in FY Capex
- \$725m debt repaid in refinancing
 - \$400m 1L Bonds + \$75m 2L Bonds
 - \$150m Bank facility with 4 banks
 - \$100m from cash on balance sheet
- Other financial expenses in Q4 mainly related to the refinancing

USD M	Q4 2018	Q4 2017	FY 2018	FY 2017
Operating result	44	(3)	104	89
Interest received	0	0	2	1
Interest paid	(6)	(12)	(44)	(48)
Income tax paid	(2)	(3)	(11)	(11)
Adjustment for depreciation and impairment	16	38	61	84
Adjustments for other non-cash related items	(2)	(1)	(7)	0
Total cash flow from operations before changes in working capital	50	20	106	115
Change in inventories	(1)	1	(3)	1
Change in trade receivables	14	4	4	10
Change in trade payables	6	1	2	0
Other changes in working capital	(8)	2	(4)	12
Cash flow from operating activities	61	27	105	138
Payments for property, plant and equipment	(0)	(1)	(7)	(9)
Net cash flow after investing activities	61	26	98	129
Repayments of debt	(725)	(7)	(806)	(39)
Proceeds from debt	625	-	625	-
Other financial items paid	(14)	2	(16)	(0)
Proceeds from equity	0	-	0	0
Net cash flow from financing activities	(114)	(5)	(197)	(40)
Cash flow for the period	(-53)	21	(-99)	90
Cash and equivalents, beginning of period	131	156	177	87
Currency effect on cash	(2)	0	(1)	0
Cash and cash equivalents, end of period	77	177	77	177

Q&A





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