



INTERIM REPORT



Q4 2022

Floatel International Ltd

Oslo – February 23, 2023 – Floatel International Ltd ("Floatel") presents its consolidated financial statements for the fourth quarter of the financial year 2022.

Highlights:

- Events during the quarter:
 - Floatel Endurance and Floatel Superior were on charter for Equinor in Norway during the entire quarter. Floatel Endurance charter ended at the end of December, and the Floatel Superior charter extended to the end of March with further options after that.
 - Floatel Triumph was idle on standby in Kemaman, Malaysia, during the quarter after the charter for Shell Prelude in Australia was suspended to mid-2023.
 - Floatel Victory continued its charter for Equinor in Brazil to provide Maintenance and Safety Unit (MSU) services.
 - Vår Energi awarded a contract to Floatel Superior to provide services for the Balder HAP project in Norway. The contract is expected to start mid-Q2-2023 and has a three months firm period with options to extend. The agreement also allows Vår Energi to utilize Floatel Superior on the Norwegian continental shelf for 4 to 10 months starting April 2024.
 - AkerBP has awarded two simultaneous projects on the Norwegian continental shelf for Floatel Endurance and Floatel Superior. The charters will commence in mid-2026, with firm hire periods of 7 and 10 months, respectively, both with several options to extend.
- Status update as of the reporting date:
 - Floatel Endurance is idle in Skipavika in Norway, preparing to take over from Floatel Superior since Equinor has extended the Brediablikk charter, and Superior will commence its Vår Energi charter as planned in early April 2023.
 - Floatel Reliance is idle in Tenerife in the Canary Islands, awaiting the next assignment.
 - Floatel Superior is in operation for Equinor at the Grane field (Brediablikk Project).
 - Floatel Triumph is idle in Kemaman, Malaysia, and ready to depart to Australia at the end of the month as the Woodside charter commences mid-March 2023.
 - Floatel Victory operates for Equinor Brazil, providing MSU services at the Peregrino FPSO. The contract has recently been extended to March 29, 2023.
- The fourth quarter fleet utilization was 60% (42% for the comparable period last year). The total firm contract backlog (excluding options) was approximately USD 219 million as of December 31, 2022, and USD 117 million as of December 31, 2021.
- Revenues for the fourth quarter were USD 49.3 million (USD 19.6 million for the comparable period in 2021).
- EBITDA for the fourth quarter amounted to USD 20.1 million (USD -0.3 million) and Recurring (adjusted) EBITDA¹ was 20.2 million (USD 0 million)
- Total assets as of December 31, 2022, amounted to USD 684 million (USD 706 million as of December 31, 2021).
- As of December 31, 2022, cash and cash equivalents were USD 16.4 million (USD 14.4 million), and undrawn revolving credit facilities amounted to USD 45 million (USD 12.7 million).
- As of December 31, 2022, total book equity amounted to USD 372 million (USD 376 million).

¹ Please refer to note 5 regarding items not included in Recurring (adjusted) EBITDA.

Summary of business activities during the fourth quarter of 2022

Floatel Superior

Floatel Superior started the assignment for Equinor at the Grane field on the Norwegian continental shelf in March 2022. The charter now runs until April 30, 2023, after option exercise. Floatel Endurance will take over from mid-March as Floatel Superior will commence its Var Energi charter in early April 2023.

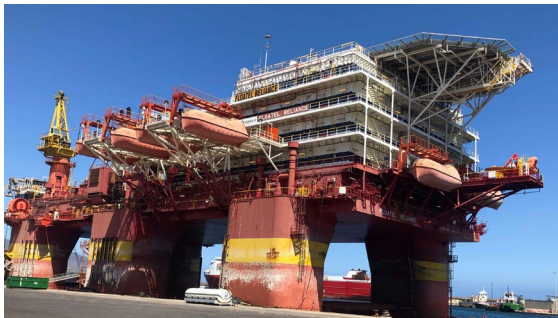
Floatel Superior is one of two vessels to be utilised under the AkerBP contract, which commences mid-2026 and has firm periods of 7 to 10 months with several options to extend.



Floatel Superior on charter at Equinor's Bredablikk Project.

Floatel Reliance

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



Floatel Reliance is idle in Tenerife, Canary Islands.

Floatel Victory

Floatel Victory was in operation to provide Maintenance and Safety Unit services for Equinor at the Peregrino field in Brazil during the quarter. The charter has been extended and now ends on March 29, 2023.

Floatel Victory will, after completion, do a special periodic survey and transit to Chevron Anchor in the US Gulf of Mexico.



Floatel Victory is in operation alongside Peregrino FPSO.

Floatel Endurance

Floatel Endurance ended the charter for Equinor at Johan Sverdrup on the Norwegian Continental Shelf at the end of December 2022. Floatel Endurance will take over from Floatel Superior the assignment for Equinor at the Grane field from mid-March 2023.

Floatel Endurance is the other vessel to be utilised under the AkerBP contract.



Floatel Endurance at the Johan Sverdrup, Phase II project.

Floatel Triumph

Floatel Triumph is idle on paid standby in Kemaman, Malaysia, and ready to depart for Australia. The charter with Woodside for the Pluto project will start mid-March 2023, and the contracted firm period is three months, with options after that.

Shell Prelude begins soon after the completion of Woodside, and the charter period is 80 days, with options after that.



Floatel Triumph at the Inpex Ichthys field offshore Australia



Financial development

Revenue and operating results for the fourth quarter of 2022

USD 49.3 million (USD 19.6 million) in total consolidated Revenues and USD -29.2 million (USD -19.9 million) in total Operating and Administrative expenses before depreciation resulted in quarterly EBITDA of USD 20.1 million (USD -0.3 million), USD -0.1 million (-0.3) refer to non-recurring items.

USD -11.7 million (USD -10.9 million) in total Depreciation, included in the Cost of providing services and Administrative expenses, resulted in USD 8.3 million quarterly Operating result (USD -11.2 million).

Net Finance income and costs were in the quarter USD -5.6 million (USD -6.1 million). The net result for the fourth quarter was USD 2.5 million (USD -17.4 million).

The current backlog based on committed work was, at the end of the reporting period, approximately USD 219 million, excluding options (USD 117 million).

Revenue and operating results for the full-year 2022

USD 177.6 million (USD 94.1 million) in total consolidated Revenues. USD -111.1 million (USD -89.9 million) in total Operating and administrative expenses before depreciation and non-recurring effects. Recurring (adjusted) EBITDA² came to USD 71 million (USD 4.5 million), and EBITDA came to USD 66.5 million (USD 4.3 million).

USD -43.2 million (USD -44.5 million) in total Depreciation and USD -0.9 million Impairment charge (USD 0 million). Net finance income and costs were USD -23.5 million (USD 584.8 million), of which 0 million (USD 581.9 million) is related to the restructuring. The net income for the year was USD -3.3 million (USD 503.7 million).

Financial position as of December 31, 2022

Total assets were USD 684 million (USD 706 million as of December 31, 2021). Total non-current assets were USD 602 million (USD 640 million), while Net working capital totalled USD 29.2 million (USD 9.9 million).

The Group's Cash and cash equivalents totalled USD 16.4 million (USD 14.4 million). Undrawn revolving credit facilities amounted to USD 45 million (USD 12.7 million) at the end of the period. Total equity at the end of the period was USD 372 million (USD 376 million).

Interest-bearing debt totalled USD 268 million (USD 284 million), of which USD 0 million is reported as the current portion (USD 0 million). In the reported Total interest-bearing debt, prepaid borrowing expenses of USD 1.7 million (USD 2.7 million) are included. The expenses amortize over the life of the facilities. Net interest-bearing debt totalled USD 252 million (USD 271 million).

Market outlook

Utilisation for the worldwide fleet of semi-submersible accommodation support vessels (ASV) was 77% in Q4 2022 (54% in Q4 2021). In comparison, Floatel International's utilisation in Q4 was 60% (42%). The global ASV fleets' utilisation in 2022 was 78% (58%), while the Group's utilisation in 2022 was 63% (44%).

The direct impact of the macroeconomic and geopolitical situation, including potential recession and Ukraine, has been limited for the Group. However, continued high energy demand and prices will drive demand for our services.

Even if further improvements were visible in 2022, the market remains partly oversupplied, resulting in modest near-term price increases. 2023 is estimated to be a soft year, especially in the North Sea, with opportunities moving to 2024 and beyond.

² Please refer to note 5 regarding items not included in Recurring (adjusted) EBITDA

We believe the demand for offshore accommodation services will increase from 2024 based on visible and predicted higher customer activity levels, evidenced by current client discussions and tender activity. This and the reduced supply will result in higher utilisation and, with some time lag, also prices.

Additionally, the shift in the energy discussion towards renewable sources has created a debate about energy composition for the future; however, the transition to a renewable world is likely to take time.

The worldwide operating purpose-built semi-submersible accommodation fleet presently comprises eighteen vessels following recent announcements by competitors to scrap older vessels plus two vessels yet to be delivered. Seventeen vessels have been built since 2005 (including the two new buildings mentioned), and the remaining older vessels are expected to exit the market in the coming years.

Significant events after the end of the reporting period

Nothing to report.

Oslo – February 23, 2023
The Board of Directors of Floatel International Ltd

Condensed consolidated Income Statement

Figures in USD thousands	Notes	Q4 - 2022	Q4- 2021	2022	2021
Revenues	6	49 291	19 580	177 606	94 131
Cost of providing services*	5,8	-34 734	-26 114	-141 019	-119 587
Gross result		14 557	-6 534	36 587	-25 456
Administrative expenses *	5,8	-4 456	-4 620	-16 376	-18 892
Other gains/losses	5	-1 769	-	2 153	-
Operating result	5	8 332	-11 154	22 364	-44 348
Net restructuring financial result	4,7	0	0	0	581 883
Finance income	7	103	223	162	1 081
Finance cost	7	-5 676	-6 274	-23 662	-34 160
Finance income and costs - net	7	-5 573	-6 051	-23 500	548 804
Result before income taxes		2 759	-17 205	-1 136	504 456
Income tax expense		-169	-208	-2 095	-792
Result attributable to owners of Floatel International Ltd		2 590	-17 413	-3 231	503 664
Earnings per share, basic (USD)		0.02	-0.16	-0.03	4.70
Earnings per share, diluted (USD)		0.02	-0.16	-0.03	4.70

* Includes effects related to non-recurring items of USD -0.1 (-0.2) for the fourth quarter 2022 (Q4-2021) and USD -4.6 (-4.3) million for the full-year 2022 (2021)

Condensed consolidated Statement of Comprehensive Income

Figures in USD thousands	Q4 - 2022	Q4- 2021	2022	2021
Net result	2 590	-17 413	-3 231	503 664
Items that are or may be reclassified as profit or loss				
Foreign currency translation - foreign operations	622	-326	-462	-1 077
Other comprehensive income	622	-326	-462	-1 077
Total comprehensive income	3 212	-17 739	-3 693	502 587

Condensed consolidated Statement of Financial Position

Figures in USD thousands	Notes	2022-12-31	2022-09-30	2021-12-31
Assets				
Non-current assets				
Property, plant and equipment	8.1	595 490	606 700	634 070
Right-of-use assets	8.2	480	530	946
Intangible assets	8.3	2 206	2 080	2 144
Financial investments	12	<u>3 827</u>	<u>3 350</u>	<u>3 300</u>
Total non-current assets		602 003	612 660	640 460
Current assets				
Inventory		27 858	28 584	24 672
Trade receivables		17 405	23 120	12 375
Tax receivables		1 382	1 218	1 623
Other current receivables		19 404	21 322	12 318
Cash and cash equivalents		<u>16 428</u>	<u>2 947</u>	<u>14 433</u>
Total current assets		82 477	77 191	65 421
Total assets		<u>684 480</u>	<u>689 851</u>	<u>705 881</u>
Equity and liabilities				
Equity				
Share capital		2 144	2 144	2 144
Additional Paid in capital		348 102	348 102	348 102
Other reserves		707	85	1 169
Retained earnings incl. Result of the year		<u>21 324</u>	<u>18 734</u>	<u>24 555</u>
Total equity		372 277	369 065	375 970
Liabilities				
Non-current liabilities				
Other long term liabilities		118	188	520
Interest-bearing debt	9	268 494	275 943	284 615
Provisions	10	<u>5 167</u>	<u>4 336</u>	<u>3 232</u>
Total non-current liabilities		273 779	280 467	288 367
Current liabilities				
Trade payables		7 611	7 078	6 065
Current portion of interest-bearing debt	9	0	0	0
Tax liabilities		2 923	2 286	2 060
Other current liabilities		<u>27 890</u>	<u>30 955</u>	<u>33 419</u>
Total current liabilities		38 424	40 319	41 544
Total equity and liabilities		<u>684 480</u>	<u>689 851</u>	<u>705 881</u>

Condensed consolidated Statements of Changes in Equity

Figures in USD thousands	Share capital	Additional paid in capital	Other reserves	Retained earnings	Total equity
Equity 2020-12-31	2 144	325 568	2 241	-483 293	-153 340
Total comprehensive income					
Net result for the period	0	0	0	503 663	503 663
Other comprehensive income	0	-5	-1 072	0	-1 077
Share subscriptions and warrants	0	22 539	0	4 185	26 724
Equity 2021-12-31	2 144	348 102	1 169	24 555	375 970
Total comprehensive income					
Net result for the period	0	0	0	-3 231	-3 231
Other comprehensive income	0	0	-462	0	-462
Equity 2022-12-31	2 144	348 102	707	21 324	372 277

Condensed consolidated Cash Flow Statement

Figures in USD thousands	Q4 - 2022	Q4- 2021	2022	2021
Cash flow from operating activities				
Operating result	8 332	-11 154	22 364	-44 348
Interest received	103	31	162	35
Interest paid	-1 670	-1 646	-13 220	-5 046
Income tax paid	309	-881	-1 007	-642
Adjustment for depreciation and impairment	11 738	10 872	44 095	44 522
Adjustments for other non-cash related items	731	4 511	1 673	4 019
Total cash flow from operations before changes in working	19 543	1 733	54 067	-1 460
Changes in inventories	726	-211	-3 186	-1 668
Changes in trade receivables	5 715	-785	-5 030	-5 950
Changes in trade payables	533	-575	1 546	1 782
Other changes in working capital	-2 348	3 261	-5 507	4 354
Cash flow from operating activities	24 169	3 423	41 890	-2 942
Cash flow from investing activities				
Payments for property, plant and equipment	-436	-1 084	-5 586	-4 596
Net cash flow from investing activities	-436	-1 084	-5 586	-4 596
Net cash flow from operations	23 733	2 339	36 304	-7 538
Cash flow from financing activities				
Repayment of debt	-10 000	0	-32 330	-76 805
Proceeds from debt	0	0	0	87 330
Other financial items paid	-351	-330	-1 603	-25 364
Net cash flow from financing activities	-10 351	-330	-33 933	-14 839
Cash flow for the period	13 382	2 009	2 371	-22 377
Cash and cash equivalents, beginning of period	2 947	12 888	14 433	36 662
Currency effect on cash	99	-464	-376	148
Cash and cash equivalents, end of Period	16 428	14 433	16 428	14 433

Key Financials

Figures in USD thousands	Q4 - 2022	Q4- 2021	2022	2021
EBITDA excluding restructuring effects	20 070	-282	66 459	4 263
EBITDA margin	40.7%	Neg	37.4%	4.5%
Equity ratio	54.4%	54.3%	54.5%	53.4%
Net Working Capital *	29 166	9 881	29 166	9 881
Net interest-bearing debt	252 066	270 182	252 066	270 182
Total number of ordinary shares	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
Average number of ordinary shares (diluted)	107 165 289	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 potential recession and Ukraine, has been and is expected to have limited, if any, negative impact on the Group going forward. The Company's revolving credit facility matures in March 2024, i.e., thirteen months from the reporting date. The Company has a firm plan to secure the liquidity for the Group and has reasonable expectations to resolve the matter well ahead of the maturity date. As such, there are no significant doubts about going-concern.

These interim financial statements should be read in conjunction with the Company's Audited Consolidated Financial Statements as of December 31, 2021. 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, 2021.

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. Restructuring

Please refer to note 22 in the 2021 Annual Report.

5. Operating result

Figures in USD thousands	Q4 - 2022	Q4 - 2021	2022	2021
Revenue	49 291	19 580	177 606	94 131
Operating expenses	-23 037	-15 217	-93 043	-75 920
Administrative expenses - normal	-4 321	-4 410	-15 697	-13 713
Other gains/losses	<u>-1 769</u>	<u>0</u>	<u>2 153</u>	<u>0</u>
Recurring (adjusted) EBITDA	20 164	-47	71 019	4 498
Non-recurring effects *	<u>-94</u>	-235	<u>-4 560</u>	-4 324
EBITDA	20 070	-282	66 459	174
Depreciation	-11 738	-10 872	-44 095	-44 522
Operating result	8 332	-11 154	22 364	-44 348

* 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 10, legal issues.

6. Revenues

Figures in USD thousands	Q4- 2022	Q4- 2021	2022	2021
Charter revenues	39 032	14 837	133 692	71 282
Other revenues	1 833	56	1 953	57
Catering and rechargeable expenses	7 359	2 258	31 608	17 698
Mobilisation/demobilisation fees	<u>1 067</u>	<u>2 429</u>	<u>10 353</u>	<u>5 094</u>
Revenues	49 291	19 580	177 606	94 131

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.

7. Finance income and cost

Figures in USD thousands	Q4- 2022	Q4- 2021	2022	2021
Restructuring gain - forgiven debt + net interest	0	0	0	581 883
Interest gain	103	31	162	35
Exchange rate difference	431	192	-241	1 046
Interest expense	-5 496	-5 680	-20 764	-30 480
Other financial cost	<u>-611</u>	<u>-594</u>	<u>-2 657</u>	<u>-3 680</u>
Net finance income and cost	-5 573	-6 051	-23 500	548 804

8. Non-current assets

8.1. Property, plant, and equipment

Figures in USD thousands	2022-12-31	2022-09-30	2021-12-31
Opening balance acquisition cost	1 627 175	1 627 175	1 623 200
Purchases during the year	5 012	4 571	4 266
Disposals	0	0	-93
Currency revaluation	<u>-252</u>	<u>-337</u>	<u>-198</u>
Closing acquisition cost	1 631 935	1 631 409	1 627 175
Opening balance depreciation	-449 280	-449 280	-405 945
Depreciation for the period	-42 655	-31 957	-43 615
Disposals	0	0	93
Currency revaluation	<u>242</u>	<u>353</u>	<u>187</u>
Closing balance depreciation	-491 693	-480 884	-449 280
Opening balance impairment	-543 825	-543 825	-543 825
Impairment loss for the year*	<u>-927</u>	<u>0</u>	<u>0</u>
Closing balance impairment	-544 752	-543 825	-543 825
Net book value end of period	595 490	606 700	634 070

* Impairment of 927 KUSD in 2022 relates to the retirement of previous year's purchases made but not used for a special periodic survey.

The Company has performed an impairment assessment of the recoverable values of its vessels in accordance with IFRS based on the value in use. Each vessel is considered to be a cash-generating unit. The new assessments resulted in no impairment charges, and no impairment charges were recorded during 2022.

As stated above, the recoverable amounts have been determined by calculating the valuation in use (ViU). Impairments are made in the accounts for vessels with ViU less than their net book value. The ViU calculations are based on a long-term forecast until the end of each vessel's useful life. The main assumptions in the computations are charter rates, utilisation, operating expenses, and capital expenditures. The present value of the estimated cash flows from the cash-generating units is based on the following inputs:

- Utilisation - Utilisation subject to upgrade capital expenditure and related yard stays is estimated to be 65% from 2026.
- The revenues until 2025 are based on current contracts and estimated new agreements reflecting present market conditions for each vessel. Assumptions reflect gradual improvement and return to stabilised market conditions from the year 2024 and onwards.
- Operating expenses reflect present levels adjusted for long-term inflation. Capital expenditure is based on a life-cycle asset plan for each vessel, which accounts for special periodic surveys, thruster overhauls, expected mid-life upgrades and refurbishments at appropriate intervals, and regular maintenance expenditure.
- 10.5% (10.5% in 2021) discount rate equal to the weighted average cost of capital (WACC), and approximately 2% long-term growth rate (inflation) has been assumed.

8.2. Right to use assets

Figures in USD thousands	2022-12-31	2022-09-30	2021-12-31
Opening balance aquisition cost	1 370	1 370	1 512
Currency revaluation	<u>-183</u>	<u>-256</u>	<u>-142</u>
Closing aquisition cost	1 187	1 114	1 370
Opening balance depreciation	-424	-424	-36
Depreciation for the period	-351	-269	-411
Currency revaluation	<u>68</u>	<u>109</u>	<u>23</u>
Closing balance depreciation	-707	-584	-424
Net book value end of period	480	530	946

8.3. Intangible assets

Figures in USD thousands	2022-12-31	2022-09-30	2021-12-31
Opening balance aquisition cost	4 390	4 390	4 500
Purchases during the year	523	530	330
Currency revaluation	<u>-606</u>	<u>-881</u>	<u>-440</u>
Closing aquisition cost	4 307	4 039	4 390
Opening balance depreciation	-2 246	-2 246	-1 960
Depreciation for the period	-161	-133	-496
Currency revaluation	<u>306</u>	<u>420</u>	<u>210</u>
Closing balance depreciation	-2 101	-1 959	-2 246
Net book value end of period	2 206	2 080	2 144

9. Interest-bearing debt

Figures in USD thousands	2022-12-31	2022-09-30	2021-12-31
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 *	10 000	10 000	0
PIK bonds effective interest adjustment *	5 150	2 864	0
RCF	55 000	65 000	87 330
Less prepaid financing fees	<u>-1 656</u>	<u>-1 921</u>	<u>-2 715</u>
Interest-bearing debt	268 494	275 943	284 615

* 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.

1st lien cash pay bond interest is 6% p.a. and paid annually. 1st Lien PIK pay bond nominal interest rate is 10% p.a. which is converted annually to 1st Lien PIK interest bonds. The PIK interest bonds have a 0% interest rate, and the RCF interest rate is $\text{libor}+7.25\%$ p.a.

The RCF is repayable on March 24, 2024, and all bonds on September 24, 2026.

10. Legal issues

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, 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 individually been reported as a contingent liability or provision to the extent required. No cases are deemed material to be disclosed separately other than the ones below.

There is an ongoing tax investigation in Norway regarding employee compensation and benefits where it is probable that amounts will be due, and estimates are included in reported provisions and accruals.

A Brazilian first-instance court ruled in November 2022 in favour of the plaintiff regarding an alleged breach of a contractual non-solicitation provision in 2014. The ruling will be 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 and our client and the employees and Brazilian authorities. However, it cannot be ruled out that the decision may stand after the appeal. No provision has been made in the accounts since an unfavorable outcome is considered less probable but remote.

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 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 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 fourth quarter of 2022, the Group had no transactions with the Keppel Group. Keppel Offshore Pte Limited, part of the Keppel Group, owns 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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