



**FLOATEL**  
INTERNATIONAL

# Interim report

## First quarter 2025



The Floatec International Group ("the Group") was established in 2006 to satisfy market demand for a new generation of offshore florets. The vision of the Group is to own and operate a modern, safe, and reliable floret fleet. Since 2021, the Group has its head office and the parent company its principal place of business in Norway.

# Q1 2025

## Status update as of reporting date

Floatel Endurance went on hire for Vår Energi's Jotun project on March 1, 2025, and was on standby until March 25, when transit to the field commenced.

Floatel Reliance is idle in Tenerife in the Canary Islands, and the sale agreement with an undisclosed buyer was signed in March 2025. Closing is planned for Q2-2025.

Floatel Superior commenced operations for the Equinor Åsgard project in Norway on April 1, 2025.

Floatel Triumph's assignment in Australia for Inpex Ichthys started on March 16, 2025.

Floatel Victory is in operation in Brazil providing maintenance and safety unit support for Equinor at the Peregrino FPSO.

## Significant events during the quarter:

- Three out of four active units on charter during the quarter with 44% utilisation excluding Floatel Reliance.
- Changes to the Group's contract portfolio
  - The Inpex charter for Floatel Triumph has been extended from 210 to 225 firm days, with an additional 65 option days.
  - Floatel Victory's contract with Equinor at Peregrino has been extended until end 2025, with Equinor having the option to extend the charter period by an additional two months.
  - The three Letters of Intent for Floatel Endurance, Superior and Triumph have all been converted into firm contracts.
- Floatel Reliance sale agreement was signed on March 19, 2025. Closing and transfer of ownership is expected before end of May 2025.
- A USD 15 million tap issue priced at 85% of par was placed under the senior secured bonds in February 2025. The proceeds will be used to finance current fleet capital expenditures.

## January – March 2025

- Fleet utilization was 36% (28% in Q1 2024).
- Revenues were USD 21.1 million in the quarter (USD 17.0 million in the same period last year).
- Recurring EBITDA was USD -3.9 million (-6.7).

## Position March 31, 2025

- The firm orderbook (excluding options) was approximately USD 391 million as of March 31, 2025, compared with USD 437 million last year.
- Total assets amounted to USD 706 million (692).
- Cash and cash equivalents amounted to USD 59.1 million (63.4) with USD 25 million undrawn on the revolving credit facility.
- Total book equity was USD 284 million (315).

## CEO comment

Looking ahead, 2025 appears promising with the active fleet on assignment. We have a solid orderbook of approximately USD 535 million including options after all letters of intent have been converted to contracts - which positions us well for the future.

Notably, 40% of this backlog is slated for execution in the remaining quarters of 2025. The fleet has limited availability until the second half of 2026, when Floatel Victory is currently available, although several promising leads and tenders are in progress. The North Sea remains the cornerstone of our operations, with commitments extending through to late 2027 or early 2028.

This quarter focused on operational performance and getting all units on charter during March. Thankfully, no lost time injuries occurred in the quarter.



## Market outlook

The worldwide fleet utilization for purpose built semi-submersible accommodation support units was 69% in Q1 2025 (69% in Q1 2024). In comparison, Floatel International's utilisation was 36% (28%). The global fleets' full-year utilisation last year was 68%, while the Group's 2024 full-year utilisation was 52%.

The direct impact of the macroeconomic and geopolitical situation, including the conflicts in Ukraine and the Middle East, has been limited for the Group. Furthermore, energy demand is expected to remain resilient, driving demand for our services. However, the oil price is expected to remain volatile amidst the uncertain economic and geopolitical backdrop. It is too early to determine the impact of recent events, including increased tariffs and the announcement by OPEC in April 2025 to accelerate production increases.

We are seeing increased demand for offshore accommodation services, with our fleet almost fully booked for the remainder of 2025 and only limited spare capacity in 2026, once we secure a charter for Floatel Victory. This outlook is based on both visible and forecasted increases in customer activity, as evidenced by ongoing client discussions and tender activity. This, combined with reduced supply, is likely to result in higher utilisation and rates.

The global semi-submersible accommodation fleet presently comprises nineteen vessels, including two yet to be delivered, with seventeen vessels built since 2005. Older vessels are expected to exit the market in the coming years.

## Significant events after the end of the reporting period

Nothing to report.



# Summary of business activities Q1 2025 and future contracts



## Floatel Endurance

Floatel Endurance was quayside at Semco Hanøytangen shipyard in Norway until March 25, 2025, and on standby from March 1, 2025, when the contract with Vår Energi's Jotun project started.

The Vår Energi charter is a 4-month contract on the Norwegian continental shelf and the Cenovus assignment at the White Rose field offshore Canada is a 3-month contract to provide accommodation and construction support starting Q3-2025.

Floatel Endurance also has two contracts with Aker BP on the Norwegian continental shelf, starting with a six-month charter at the Skarv field in March 2026, followed by the Yggdrasil charters, with a firm period of ten months.



## Floatel Reliance

Floatel Reliance is idle in Tenerife in the Canary Islands.

The sale agreement with an undisclosed buyer for continued operational use was signed on March 19, 2025, with the transfer of ownership and settlement scheduled for the second quarter of 2025.



## Floatel Superior

Floatel Superior was moored at the CCB Ågotnes shipyard in Norway during the quarter undergoing her third special periodic survey.

The unit's 6-month charter with Equinor Åsgard, Norway to provide accommodation support started April 1, 2025. The 3-month letter of intent with an undisclosed North Sea client during the summer 2026 and ahead of the 10-month charter by AkerBP for the Yggdrasil project in Norway has been converted to a signed contract.



## Floatel Triumph

Floatel Triumph was in transit during the quarter until the charter for the Inpex Ichthys project commenced on March 16, 2025 and ends during the fourth quarter of 2025.

The unit also has back-to-back charters in Australia with an undisclosed client for 3-5 months, with an expected commencement date in Q4 2025, followed by a three-month charter for Shell Prelude.



## Floatel Victory

Floatel Victory provided maintenance and safety services at the Equinor Peregrino FPSO offshore during the quarter.

The Equinor charter at the Peregrino field has been extended until the end of 2025, with Equinor having the option to extend the charter by an additional two months.

## FLEET ACTIVITY

Vessel	2025					2026					2027					2028													
	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M
Floatel ENDURANCE																													
Floatel SUPERIOR																													
Floatel TRIUMPH																													
Floatel VICTORY																													

Date:

- FIRM WORK/ OPTION

May-25



# Financial development

Trading of the 5-year 9.75% USD 350 million senior secured bonds with ISIN NO0013188102 commenced, January 2, 2025, on Oslo Børs under ticker FLOAT07.

A USD 15 million tap issue priced at 85% of par was placed under the senior secured bonds in February 2025. The proceeds from the tap issue will be used to finance capital expenditures related to the current fleet.

The Company's revolving credit facility has been temporarily increased from USD 25 million to USD 33.5 million, with all material terms remaining unchanged.

Floatel Reliance and equipment have been reclassified as assets held for sale and the unit's carrying value has been impaired to estimated sales price less expenses to sell.

## First quarter Revenue and Operating results

Three out of four active units were partly in operation during the quarter resulting in USD 21.1 million consolidated Revenues (USD 17.0 million) with USD 25.0 million (USD 23.7 million) in Operating and Administrative expenses before depreciation, resulting in USD -3.9 million quarterly recurring EBITDA (USD -6.7 million), which was in-line with expectations.

USD 11.6 million (USD 10.8 million) in Depreciation, and USD 1.0 adjustment of the assets held for sale estimate are included in the Cost of providing services and Administrative expenses, resulting in USD -14.5 million (USD -17.5 million) quarterly Operating result.

Cash flow from operating activities amounted to USD -2.1 million (USD 5.3 million), and Cash flow from investing activities (Capex) amounted to USD -5.0 million (USD -17.4 million), resulting in Net cash flow from operations of USD -7.1 million (USD -12.2 million).

Net Finance income and costs were USD -9.6 million (USD -6.5 million) in the quarter. The net result for the first quarter was USD -24.5 million (USD -24.3 million).

## Financial position as of March 31, 2025

Based on committed work at the end of the reported period, the current order book was approximately USD 391 million (USD 437 million), excluding options and letters of intent.

Total assets were USD 706 million (USD 692 million as of March 31, 2024), total non-current assets were USD 567 million (USD 583 million), and Net working capital totalled USD 3.4 million (USD 10.8 million).

The Group's Cash and cash equivalents totalled USD 59.1 million (USD 51.3 million) with USD 25 million of the revolving credit facility undrawn at the end of the period. Total equity at the end of the period was USD 284 million (USD 315 million).

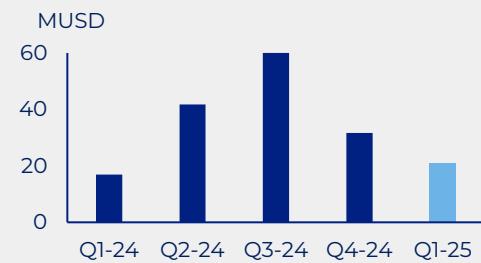
Interest-bearing debt was USD 353 million (USD 325 million), of which USD 30 million (USD 0 million) is reported as the current portion. USD 20.8 million in unamortised original issue discount ("OID") and prepaid borrowing expenses are included and reduce the interest-bearing debt amount (USD 5.4 million in effective interest-rate adjustment and prepaid borrowing expenses). These expenses are amortised over the life of the facilities. The Net interest-bearing debt totalled USD 294 million (USD 273 million).

The Group complies with all its financial covenants as of March 31, 2025, and on the reporting date.

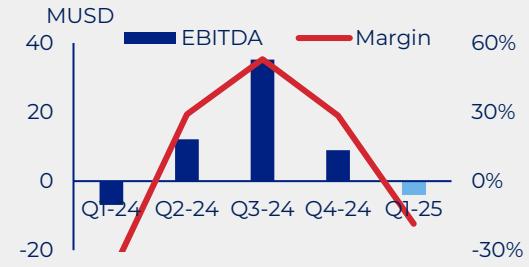
### Orderbook by quarter excluding LOI



### Revenue by quarter



### EBITDA and margin (%) by quarter



## Condensed consolidated income statement

Figures in USD thousands	Notes	Q1 2025	Q1 2024	2024
Revenue	5	21 142	16 968	156 867
Cost of providing services*	4,7	-31 078	-30 800	-118 059
<b>Gross result</b>		<b>-9 936</b>	<b>-13 832</b>	<b>38 808</b>
Administrative expenses *	4,7	-4 211	-4 262	-18 693
Other gains/losses	4	-366	595	47
<b>Operating result</b>	<b>4</b>	<b>-14 513</b>	<b>-17 499</b>	<b>20 162</b>
Finance income	6	835	796	1 958
Finance cost	6	-10 436	-7 278	-51 919
<b>Finance income and costs - net</b>	<b>6</b>	<b>-9 601</b>	<b>-6 482</b>	<b>-49 961</b>
<b>Result before income taxes</b>		<b>-24 114</b>	<b>-23 981</b>	<b>-29 799</b>
Income tax expense		-409	-285	-1 248
<b>Result attributable to owners of Floatel International Ltd</b>		<b>-24 523</b>	<b>-24 266</b>	<b>-31 047</b>
Earnings per share, basic (USD)		neg.	neg.	neg.
Earnings per share, diluted (USD)		neg.	neg.	neg.

\* Includes effects related to non-recurring items, see note 4

## Condensed consolidated statement of comprehensive income

Figures in USD thousands	Q1 2025	Q1 2024	2024
<b>Net result</b>	<b>-24 523</b>	<b>-24 266</b>	<b>-31 047</b>
<b>Items that are/may be reclassified as profit/loss</b>			
Foreign currency translation - foreign operations	818	-575	-1 090
<b>Other comprehensive income</b>	<b>818</b>	<b>-575</b>	<b>-1 090</b>
<b>Total comprehensive income</b>	<b>-23 705</b>	<b>-24 841</b>	<b>-32 137</b>

# Condensed consolidated statement of financial position

Figures in USD thousands	Notes	2025-03-31	2024-03-31	2024-12-31
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment	7.1	559 316	575 228	562 790
Right-of-use assets		683	941	693
Intangible assets	7.2	2 166	2 120	1 954
Financial assets	12	<u>5 231</u>	<u>4 487</u>	<u>5 071</u>
Deferred tax asset		0	0	0
<b>Total non-current assets</b>		<b>567 396</b>	<b>582 776</b>	<b>570 508</b>
<b>Current assets</b>				
Inventory		24 763	29 298	25 493
Trade receivables		9 740	9 577	15 749
Income tax receivables		2 720	1 303	2 560
Other current receivables		32 131	17 753	19 902
Asset held for sale		9 800	-	9 032
Cash and cash equivalents		<u>59 098</u>	<u>51 306</u>	<u>45 365</u>
<b>Total current assets</b>		<b>138 252</b>	<b>109 237</b>	<b>118 101</b>
<b>Total assets</b>		<b>705 648</b>	<b>692 013</b>	<b>688 609</b>
<b>Equity and liabilities</b>				
<b>Equity</b>				
Share capital		2 144	2 144	2 144
Additional paid in capital		348 102	348 102	348 102
Other reserves		892	589	74
Retained earnings incl. Result of the year		<u>-67 275</u>	<u>-35 971</u>	<u>-42 752</u>
<b>Total equity</b>		<b>283 863</b>	<b>314 864</b>	<b>307 568</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Deferred tax debt		0	0	0
Interest-bearing debt	8	322 727	324 565	300 469
Other long term liabilities		364	683	659
Provisions	9	<u>3 320</u>	<u>3 137</u>	<u>3 160</u>
<b>Total non-current liabilities</b>		<b>326 411</b>	<b>328 385</b>	<b>304 288</b>
<b>Current liabilities</b>				
Trade payables		13 053	15 434	8 199
Current portion of interest-bearing debt	8	30 000	0	30 000
Tax liabilities		1 737	2 931	2 386
Other current liabilities		<u>50 584</u>	<u>30 399</u>	<u>36 168</u>
<b>Total current liabilities</b>		<b>95 374</b>	<b>48 764</b>	<b>76 753</b>
<b>Total equity and liabilities</b>		<b>705 648</b>	<b>692 013</b>	<b>688 609</b>

## Condensed consolidated statement of cash flows

Figures in USD thousands	Q1 2025	Q1 2024	2024
<b>Cash flow from operating activities</b>			
Operating result	-14 513	-17 498	20 162
Interest received	979	712	1 958
Interest paid	0	-8 844	-27 682
Income tax paid	-1 115	-688	-3 552
Adjustment for depreciation and	11 557	10 791	25 780
Adjustments for other non-cash related	-3 524	744	3 734
<b>Total cash flow from operations before changes in working capital</b>	<b>-6 616</b>	<b>-14 783</b>	<b>20 400</b>
Changes in inventories	730	-763	-718
Changes in trade receivables	6 037	9 823	3 651
Changes in trade payables	4 854	5 514	-1 721
Other changes in working capital	-7 104	5 484	1 709
<b>Cash flow from operating activities</b>	<b>-2 099</b>	<b>5 275</b>	<b>23 321</b>
<b>Cash flow from investing activities</b>			
Payments for property, plant and	-5 015	-17 447	-28 629
<b>Cash flow from investing activities</b>	<b>-5 015</b>	<b>-17 447</b>	<b>-28 629</b>
<b>Net cash flow from operations</b>	<b>-7 114</b>	<b>-12 172</b>	<b>-5 308</b>
<b>Cash flow from financing activities</b>			
Repayment of debt	0	0	0
Proceeds from debt	21 250	0	6 000
Other financial items paid	-668	-91	-18 659
<b>Net cash flow from financing</b>	<b>20 582</b>	<b>-91</b>	<b>-12 659</b>
<b>Cash flow for the period</b>	<b>13 468</b>	<b>-12 263</b>	<b>-17 967</b>
Cash and cash equivalents, beginning of period	45 365	63 476	63 476
Currency effect on cash	265	93	-144
<b>Cash and cash equivalents, end of Period</b>	<b>59 098</b>	<b>51 306</b>	<b>45 365</b>

## Condensed consolidated statement of changes in equity

Figures in USD thousands	Share capital	Additional paid in capita	Other reserves	Retained earnings	Total equity
<b>Equity 2023-12-31</b>	<b>2 144</b>	<b>348 102</b>	<b>1 164</b>	<b>-11 705</b>	<b>339 705</b>
<b>Total comprehensive income</b>					
Net result for the period	0	0	0	-31 047	-31 047
Other comprehensive income/cost	0	0	-1 090	0	-1 090
<b>Equity 2024-12-31</b>	<b>2 144</b>	<b>348 102</b>	<b>74</b>	<b>-42 752</b>	<b>307 568</b>
<b>Total comprehensive income</b>					
Net result for the period	0	0	0	-24 523	-24 523
Other comprehensive income	0	0	818	0	818
<b>Equity 2025-03-31</b>	<b>2 144</b>	<b>348 102</b>	<b>892</b>	<b>-67 275</b>	<b>283 863</b>

## Key financials

Figures in USD thousands	Q1 2025	Q1 2024	2024
Recurring (adjusted) EBITDA	-3 901	-6 708	49 566
Recurring EBITDA margin	Neg	Neg	31,6%
Equity ratio	40,2%	45,0%	44,7%
Net Working Capital *	3 352	10 795	16 777
Net interest-bearing debt	293 629	273 259	285 104
Total number of ordinary shares	107 165 289	107 165 289	107 165 289
Average number of ordinary shares	107 165 289	107 165 289	107 165 289
Average number of ordinary shares	107 165 289	107 165 289	107 165 289

\* Income tax receivables/liabilities and assets held for sale are not included in Net working capital

# Notes to the interim report

## 1. General information

The Floatel International Group ("the Group") was established in 2006. The Group operates a fleet of four modern semi-submersible accommodation and construction support units delivered in 2010, 2013, 2015, and 2016 providing the offshore oil, gas and wind industries with high-quality accommodation, catering, and ancillary services. The parent company, Floatel International Ltd ("the Company"), is an exempted limited liability company incorporated in Bermuda, with its principal place of business in Norway. The office and business 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 the conflicts in Ukraine and the Middle East, has been limited for the Group. Furthermore, energy demand is expected to remain resilient, driving demand for our services. However, the oil price is expected to remain volatile amidst the uncertain economic and geopolitical backdrop. It is too early to determine the impact of recent events, including increased tariffs and the announcement by OPEC in April 2025 to accelerate production increases.

The Company placed in March 2024 a new USD 350 million senior secured bond issuance maturing in April 2029 securing the long-term financing of the Group. The Company considers the financial position and the liquidity of the Group to be sound. Cash flow from operations, combined with the total available liquidity, is expected to be more than sufficient to finance the Group in the coming years.

These interim financial statements should be read in conjunction with the Company's Audited Consolidated Financial Statements as of December 31, 2024. 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, 2024.

### New and updated accounting standards

No IFRS or IFRIC interpretations not yet effective are expected to have a material impact on the Group.

## 4. Operating result

Figures in USD thousands	Q1 - 2025	Q1 - 2024	2024
Revenue	21 142	16 968	156 867
Operating expenses	-20 672	-20 220	-89 488
Administrative expenses	-4 005	-4 051	-17 860
Other gains/losses	<u>-366</u>	<u>595</u>	<u>47</u>
<b>Recurring (adjusted) EBITDA</b>	<b>-3 901</b>	<b>-6 708</b>	<b>49 566</b>
Non-recurring effects *	<u>945</u>	<u>0</u>	<u>-2 789</u>
<b>EBITDA</b>	<b>-2 956</b>	<b>-6 708</b>	<b>46 777</b>
Depreciation	-11 557	-10 791	-44 912
Impairment for the year	-	-	-15 368
Reversal of impairment	-	-	34 500
Scrapped assets	<u>-</u>	<u>-</u>	<u>-835</u>
<b>Operating result</b>	<b>-14 513</b>	<b>-17 499</b>	<b>20 162</b>

\* Non-recurring effects refer to material matters outside the ordinary course business and/or refer to previous financial years such as reversal of old provisions and expenses incurred in connection matters with referred to in note 9. Legal issues / Claims and litigations.

## 5. Revenue

Figures in USD thousands	Q1 - 2025	Q1 - 2024	2024
Charter revenues	16 219	14 906	130 639
Other revenues	10	30	30
Catering and rechargeable expenses	2 037	418	12 740
Mobilisation/demobilisation fees	<u>2 876</u>	<u>1 614</u>	<u>13 458</u>
<b>Revenues</b>	<b>21 142</b>	<b>16 968</b>	<b>156 867</b>

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.

## 6. Finance income and cost

Figures in USD thousands	Q1-2025	Q1 - 2024	2024
Interest gain	467	713	1 958
Exchange rate difference	368	83	-253
Interest expense	-9 720	-6 868	-37 608
Other financial cost	<u>-716</u>	<u>-410</u>	<u>-14 058</u>
<b>Net finance income and cost</b>	<b>-9 601</b>	<b>-6 482</b>	<b>-49 961</b>

## 7. Non-current assets

### 7.1. Property, plant, and equipment

Figures in USD thousands	2025-03-31	2024-03-31	2024-12-31
Opening balance aquisition cost	1 423 860	1 641 515	1 641 515
Purchases during the year	7 880	17 447	28 322
Retirements	-	-7 159	-7 013
Reclassifications	-	-	-238 814
Currency revaluation	<u>152</u>	<u>-107</u>	<u>-150</u>
<b>Closing aquisition cost</b>	<b>1 431 892</b>	<b>1 651 696</b>	<b>1 423 860</b>
Opening balance depreciation	-479 583	-528 470	-528 470
Depreciation for the year	-11 365	-10 593	-44 135
Retirements	-	6 324	6 444
Reclassifications	-	-	86 442
Currency revaluation	<u>-141</u>	<u>96</u>	<u>136</u>
<b>Closing balance depreciation</b>	<b>-491 089</b>	<b>-532 643</b>	<b>-479 583</b>
Opening balance impairment	-381 487	-543 825	-543 825
Impairment for the year	-	-	-15 368
Reversal of impairment for the year	-	-	34 500
Retirements	-	-	-267
Reclassifications	-	-	<u>143 473</u>
<b>Closing balance impairment</b>	<b>-381 487</b>	<b>-543 825</b>	<b>-381 487</b>
<b>Net book value end of period</b>	<b>559 316</b>	<b>575 228</b>	<b>562 790</b>

The Company has reclassified Floatel Reliance and related equipment as assets held for sale and has impaired Floatel Reliance's carrying value to estimated sales price less expenses to sell.

The Company has as of year-end 2024 performed an impairment assessment of the recoverable values of its active fleet in accordance with IFRS based on the value in use (ViU). This is done as a matter of policy also in years, such as 2024, when in all material respects, the combined financial and operational market developments have not resulted in the identification of an impairment risk that triggers an impairment test as of the reporting date. The new assessments resulted in no impairment charges nor further reversals.

Each unit is a cash-generating unit. The main assumptions in the computations are charter rates, utilisation, operating expenses, and capital expenditures.

Utilisation subject to upgrade capital expenditure and related yard stays is estimated to be 70% from 2028.. The revenues 2025-2027 are based on current contracts and estimated new agreements reflecting present market conditions for each vessel. 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.

11.0% discount rate equal to the weighted average cost of capital (WACC), and approximately 2% long-term growth rate (inflation) has been assumed.

Please refer to note 11.1 to the consolidated Financial Statement in the 2024 Annual Report for further information about assumptions.



## 7.2. Intangible assets

Figures in USD thousands	2025-03-31	2024-03-31	2024-12-31
Opening balance aquisition cost	4 639	4 818	4 818
Purchases during the year	135	0	263
Currency revaluation	<u>469</u>	<u>-271</u>	<u>-442</u>
<b>Closing aquisition cost</b>	<b>5 243</b>	<b>4 547</b>	<b>4 639</b>
Opening balance depreciation	<b>-2 685</b>	<b>-2 446</b>	<b>-2 446</b>
Depreciation for the period	-118	-122	-478
Currency revaluation	<u>-274</u>	<u>141</u>	<u>239</u>
<b>Closing balance depreciation</b>	<b>-3 077</b>	<b>-2 427</b>	<b>-2 685</b>
<b>Net book value end of period</b>	<b>2 166</b>	<b>2 120</b>	<b>1 954</b>

## 8. Interest-bearing debt

Figures in USD thousands	2025-03-31	2024-03-31	2024-12-31
1st Lien cash pay bonds	-	100 000	-
1st Lien PIK pay bonds <sup>1)</sup>	-	100 000	-
1st Lien PIK interest bonds <sup>1)</sup>	-	30 000	-
PIK bonds effective interest adjustment <sup>1)</sup>	-	-2 812	-
Super senior secured bonds	-	100 000	-
Senior secured bonds <sup>2)</sup>	351 726	-	338 012
Effective interest adjustment	-	-	-
Revolving credit facility	8 500	-	0
Less prepaid financing fees	<u>-7 499</u>	<u>-2 623</u>	<u>-7 543</u>
<b>Interest-bearing debt</b>	<b>352 727</b>	<b>324 565</b>	<b>330 469</b>

1) The 31 March 2024 accounts are prepared using effective interest for the the two PIK bonds combined. The PIK bonds are presented with their nominal value, with the adjustment reported separately.

2) The accounts are prepared using effective interest for the senior secured bonds where the original issue discount ("OID") being part of the interest expense and the nominal amount being USD 365.0 million.

Trading of the 5-year 9.75% USD 350 million senior secured bonds with ISIN NO0013188102 maturing April 2029 commenced, January 2, 2025, on Oslo Børs under ticker FLOAT07. A USD 15 million tap issue priced at 85% of par was placed in February 2025. The proceeds from the tap issue will be used to finance capital expenditures related to the current fleet.

The Company's USD 25 million super senior revolving credit facility with a maturity date in December 2027 has been temporarily increased to USD 33.5 million, with all material terms remaining unchanged. USD 25 million of the facility was undrawn at the end of the period and on the reporting date.

The Group complies with its financial covenants for the USD 365 million Senior secured bonds and the revolving credit facility as of March 31, 2025, and on the reporting date, and they are

- Minimum free of USD 20,000,000. Liquidity is defined as the Group's unrestricted cash plus undrawn revolving credit facility commitments.
- Book equity ratio greater than 35%, defined as Total Equity divided by Total Assets.
- Positive working capital is defined as Total Current assets less Total Current liabilities.

## 9. Legal issues / Claims and litigations

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 by 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 been individually reported as a contingent liability or provision to the extent required. No cases are deemed material for separate disclosure other than the ones below.

The Norwegian tax authority is conducting a tax investigation regarding employee compensation and benefits. A draft assessment was received in 2023 with the final assessment pending at the reporting date. The accepted amount was paid during the first quarter of 2023. Final assessments in respect of transfer pricing audits were received during the fourth quarter 2024. The amounts claimed have been paid before year-end. The company does not agree with the assessments and the relevant Group Companies have appealed the assessments to the Norwegian Tax Appeals Board, and the outcomes of the appeals are pending.

In November 2022, a Brazilian first-instance court ruled in favour of the plaintiff regarding an alleged breach of a contractual non-solicitation provision in 2014 by a Group Company. The ruling has been 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, our client, the employees, or the Brazilian authorities. However, the Brazilian Court of Appeal rejected the appeal in April 2024. The Group disagrees with the decision and has appealed to the court of third instance (final level). In any event, the facts and circumstances in this matter merit, in the Company's opinion, a reduction of the contractual damages, which will be calculated separately. The outcome is uncertain, and the best estimated outcome is provided for in the accounts.

## 10. Significant events after the end of the reporting period

Nothing to report.

## 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 geopolitical situations and events.
- iv. Pandemics and force majeure events.
- v. Government regulations.
- vi. Changes in our clients' spending plans.
- vii. Changes in Floatel's operating expenses, including crew salaries.
- viii. Insurance.
- ix. Repair and maintenance.

## 12. Related party transactions

Through Kepinvest Holdings Pte Ltd., Keppel Ltd. (formerly Keppel Corporation Ltd.) owns 49.9 % of the Company. During the first quarter of 2025, the Group had limited transactions with Keppel Ltd. and its subsidiaries, amounting to less than USD 0.1 million.

The Company subscribed in 2021 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. This amount is included in the balance sheet under financial investments.

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Oslo – May 22, 2025

The Board of Directors of Floatel International Ltd





**Floatel International Ltd**

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