



Paratus Energy

Interim Results

First Quarter 2026

FIRST QUARTER 2026 RESULTS

Unless the context indicates otherwise, "Paratus," the "Company," "we," "us," "our," and similar terms, all refer to Paratus Energy Services Ltd., while "Paratus Group" or the "Group" refers collectively to the Company and its consolidated subsidiaries and its ownership in Joint Ventures ("JV"). All references to "USD" and "\$" in this report denote U.S. dollars unless otherwise indicated.

Company overview

Paratus is a holding company of a group of energy services companies and is comprised of its wholly owned subsidiary Fontis Holdings Ltd. and its subsidiaries (collectively "Fontis") and 50/50 joint venture interest in Seagems joint venture, comprising of Seabras Sapura Holding GmbH and Seabras Sapura Participacoes SA, (collectively "Seagems" or the "JV"). Paratus is listed on the Euronext Oslo Børs under the ticker "PLSV".

- **Seagems** is a subsea services company, operating a fleet of six multipurpose pipe-laying support vessels - *Diamante*, *Topazio*, *Esmeralda*, *Onix*, *Jade* and *Rubi* – with capabilities for subsea engineering, installation, and other services, under contract in Brazil.
- **Fontis** is a provider of drilling services, operating a fleet of five high-specification jack-up rigs – *Defender*, *Courageous*, *Intrepid*, *Oberon*, and *Titania FE* - currently located in Mexico, and is accounted for in the financial statements as discontinued operations with associated assets and liabilities held for sale.

Sale of Fontis

On March 23, 2026, Paratus announced that it, together with its indirect subsidiary Fontis Finance Ltd., has entered into agreements with: (a) BC Ventures Limited (a joint venture between parties owned by Borr Drilling Limited ("Borr") and its long-term well construction partner in Mexico); and (b) Borr's long-term well construction partner in Mexico, for the separate but simultaneous sale of Fontis' jack-up fleet and Fontis' Mexican drilling business and operations respectively (together, the "Fontis Transaction") for a total consideration of \$400 million.

As previously announced, the transaction is expected to close in the second half of 2026, subject to the satisfaction of the remaining conditions precedent set out in the announcement dated 23 March 2026 (noting that bondholder consent was obtained on April 15, 2026). At closing, the Company expects to receive approximately \$148 million in cash, the deferred consideration of \$15 million as announced in connection with the Fontis Transaction (the threshold for receipt of which has been met), and \$237 million in the form of a 2.5-year seller credit (interest rate of 10% first year, 12% in months 13-18, and 14% thereafter).

Q1 2026 highlights and post quarter-end developments

Key highlights from Q1 2026 including notable post-quarter developments:

- Announced sale of Fontis' drilling operations and jack-up fleet, positioning Paratus as the world's only pure-play PLSV company of scale, with all six vessels on multi-year contracts in a highly resilient, infrastructure-linked market segment.
- Post Q1, successfully placed new \$250 million five-year bonds, primarily to refinance existing 2026 Notes.
- Delivered continued strong operational performance with approximately 98% PLSV fleet technical utilization.
- Reported \$75 million¹ revenues and \$46 million¹ in combined segment EBITDA¹.
- Closed the quarter with \$128 million² in cash and \$254 million³ in net debt, proforma for the Fontis Transaction.
- Post Q1, declared a \$0.22 per share dividend for Q1 2026, consistent with previous quarters.

¹ Represent Paratus' 50% share of Seagems JV revenue and EBITDA plus Paratus G&A.

² Represent combined segment cash (Paratus cash plus 50% of Seagems JV cash).

³ Calculated in line with definitions prescribed by the debt instrument agreement, except for marketable securities (treasury shares) as is allowed under the agreement, excluding discontinued operations and reflecting proceeds from the Fontis Transaction including cash proceeds and seller credit.

Operational review for the first quarter of 2026

(In \$ millions, unless stated otherwise)

Selected figures - continuing operations

Contract revenues*	74.9	73.5
Adjusted EBITDA*	45.6	49.6
Net income from continuing operations*	19.4	16.0
Net income including discontinued operations*	13.8	20.0
Net debt	625.4	581.2
Net leverage ratio	2.4	2.2
Technical utilization rate	98.3%	98.0%
Contract backlog (50% share of Seagems JV)	603.0	665.0

Combined Segment figures*	
Q1 2026	Q4 2025
74.9	73.5
45.6	49.6
19.4	16.0
13.8	20.0
625.4	581.2
2.4	2.2
98.3%	98.0%
603.0	665.0

* Combined segment results are presented in accordance with management reporting. In this context, Seagems' financial results are proportionally consolidated. However, in our financial reporting under US GAAP, Seagems' financial results are reported using the equity method, presented under "Share in results from joint ventures". Following announcement of the Fontis Transaction, the financial results of Fontis have been classified as discontinued operations, with related assets and liabilities presented as held for sale. Comparative figures have been updated accordingly.

The following operational review is based on **management reporting** as defined in the alternative performance measures ("APM") section of this report. See also Note 4 - Segment information in the financial statements.

Seagems

Paratus' 50% share in the Seagems joint venture contributed \$74.9 million in contract revenues, a modest increase from \$73.5 million in the prior quarter. Opex totaled \$19.5 million (Q4 2025: \$14.8 million), while G&A expenses were \$3.9 million, consistent with the prior quarter. The increase in reported Opex primarily reflects a one-time impact of presentation reclassification of certain withholding taxes from Opex to Income tax in Q4 2025 that reduced reported Opex in that quarter. Adjusted EBITDA was \$48.1 million (Q4 2025: \$51.6 million).

The JV achieved an average dayrate of \$281 thousand per day (Q4 2025: \$278 thousand per day) and maintained strong technical utilization of 98.3% (Q4 2025: 98%). Seagems JV's contract backlog at quarter-end was approximately \$1.2 billion (Q4 2025: approximately \$1.3 billion).

During the quarter, the Seagems JV distributed \$41.3 million to Paratus (Q4 2025: \$38.1 million).

Earlier this year, Petrobras issued a PLSV tender for start-up in 2028, offering four-year contracts across five different lots with varying technical specifications. The tender deadline is currently set for mid-June 2026, and Seagems is well positioned to submit a bid with at least one vessel.

Sale of Fontis

On March 23, 2026, the Company announced the sale of Fontis' drilling operations and jack-up fleet for a total transaction nominal price of \$400 million. The divestment represents another important step for Paratus towards enhanced strategic and financial flexibility, in continuation of the Company's divestment of its holdings in Archer during Q3 2025. The transaction is expected to significantly improve the operational risk profile by reducing exposure to payment irregularities, potential contract suspensions and re-contracting uncertainty in Mexico. As the world's only pure play PLSV business of scale, the Company will at closing be backed by a fully contracted fleet which today has multi-year contracts in a resilient and infrastructure-linked segment, providing enhanced long-term earnings visibility. In addition, the transaction is expected to significantly reduce net leverage and further strengthen the Company's financial flexibility.

Following Paratus' announcement regarding the sale of Fontis, the financial results of Fontis have been classified as discontinued operations and are included in reconciling items in the segment note (Note 4). Related assets and liabilities of Fontis are presented as held for sale.

As of Q1 2026, two of the Fontis rigs were under contract with the client in Mexico. Titania FE was warm stacked in Mexico, while Oberon and Courageous completed operations in late January and early March 2026, respectively, and have since been demobilized for warm stacking in anticipation of new work. Defender has been awarded contract extensions and is scheduled to operate through late September 2026, while Intrepid continued working under the well-in-progress clause until completing operations around mid-May 2026, and was subsequently demobilized for warm stacking pending new work.

Other

The Other segment comprises general corporate and financing activities, basis difference adjustments related to equity method investments, and the Company's former 23.8% ownership interest in Archer, which was accounted for under the equity method until the disposal of all Archer shares on September 25, 2025.

Liquidity and Capital Management

The Company actively manages its capital structure to ensure it maintains sufficient funding to support its strategic business objectives and maximize shareholder value. If required, the Company may adjust its capital structure through various measures, including equity or debt transactions, asset restructurings, or other strategic initiatives. Primary sources of liquidity include existing cash reserves and operating cash flows from its operating entities, including distributions from Seagems. Additionally, the Company relies on debt financing and may, in the future, rely on equity financing. To proactively manage liquidity, the Group prepares, reviews, and updates cash flow projections regularly. These projections incorporate various scenarios, including scheduled debt payments and any Fontis' funding needs required until the closing of the sale at which point this funding would be reimbursed, to ensure sufficient liquidity while maintaining appropriate headroom in respect to financial covenant compliance throughout the assessment period. As for the Company's share in the Seagems JV, the JV budgets and activity plans are reviewed and approved annually. Pursuant to agreement among the JV shareholders, Seagems distributes all excess cash to its shareholders. The Board of Directors and executive management utilize these insights for informed decision-making.

As at Q1 2026, the Company had senior secured notes with an aggregate principal amount of \$197.9 million maturing in July 2026 (the "2026 Notes", see Note 9). On May 7, 2026, the Company announced that it has successfully completed a private placement of \$250 million of five-year senior secured bonds with a coupon rate of 8.125% and a borrowing framework of \$500 million (the "2031 Bonds"). The net proceeds from the bond issue will be used towards the refinancing of the 2026 Notes and for general corporate purposes. In connection with the completion of the 2031 Bonds, the Company also notified all holders of the 2026 Notes on May 7, 2026, that it had commenced the process of redeeming in full the outstanding principal amount of the remaining 2026 Notes by issuing a formal redemption notice to the bondholders.

Financial summary for the first quarter of 2026

(In \$ millions, unless stated otherwise)

Statements of operations summary

General and administrative expenses
 Share in results from joint ventures
 Net financial expense and other items
 Net income/(loss) from continuing operations
 Net income/(loss) from discontinued operations
 Net income including discontinued operations

US GAAP financial results	
Three months ended	
March 31, 2026	March 31, 2025
(2.5)	(2.1)
35.5	21.1
(13.6)	(32.3)
19.4	(13.3)
(5.6)	16.5
13.8	3.2

Statements of cash flows

Cash and cash equivalents at end of period, continuing operations
 Net cash used in continuing operating activities
 Net cash provided by continuing investing activities
 Net cash used in continuing financing activities
 Cash and cash equivalents at end of period, discontinued operations
 Net cash (used in)/provided by discontinued operating activities

March 31, 2026	March 31, 2025
112.7	120.3
(3.6)	(0.5)
41.3	17.5
(39.6)	(59.8)
28.2	35.6
(37.2)	113.0

The following financial summary is based on our **financial reporting under US GAAP** and should be read in conjunction with the financial statements and accompanying notes provided elsewhere in this report.

General and administrative expenses were \$2.5 million compared to \$2.1 million in Q1 2025.

Share in results from Joint Venture was \$35.5 million (Q1 2025: \$21.1 million), representing the Company's 50% share of the Seagems' net income (net of taxes). The increase compared to Q1 2025, was primarily driven by higher PLSV dayrates as all the vessels commenced new contracts at significantly improved rates.

Net financial expense and other items were \$13.6 million, down from \$32.3 million in Q1 2025. Higher expense prior year was driven by the net losses from Archer and the inclusion of an upfront fee related to the receivables monetization agreement, partially offset by positive exchange rate fluctuations.

Net income from continuing operations was \$19.4 million, up from \$13.3 million in Q1 2025 primarily driven by stronger Seagems' results and lower financial expenses.

Net income/(loss) from discontinued operations was a loss of \$5.6 million compared to net income of \$16.5 million in Q1 2025. The decline was primarily attributable to lower Fontis revenues, as Titania FE was warm stacked and Oberon and Courageous completed operations in late January and March 2026, respectively. This was partially offset by the absence of contract suspensions recorded in Q1 2025 related to Courageous and Intrepid. Results were further impacted by the recognition of an accounting loss related to the Fontis Transaction offset by a reduction of the provision for uncertain tax positions. By comparison, Q1 2025 benefited from the reversal of an expected credit loss allowance and income from insurance proceeds.

Net income including discontinued operations was \$13.8 million (Q1 2025: \$3.2 million).

Cash and cash equivalents (continuing operations) was \$112.7 million compared to \$118.2 million at year-end 2025.

Net cash used in **continuing operating activities** was \$3.6 million, compared to \$0.5 million in Q1 2025. The increase was primarily reflecting transaction-related costs and other temporary cash outflows in the quarter.

Net cash from **continuing investing activities** was \$41.3 million compared to \$17.5 million in Q1 2025, reflecting increased cash distributions from Seagems to Paratus.

Net cash used in **continuing financing activities** was \$39.6 million, primarily reflecting cash distributions to shareholders of \$35.8 million, interest income of \$1 million and interest payments of \$4.5 million. In Q1 2025, cash used in financing activities totaled \$59.8 million, primarily reflecting cash distributions to shareholders of \$36.1 million, share buybacks totaling \$20 million, interest income of \$1.1 million, and interest payments of \$4.8 million.

Subsequent events

Cash dividend to shareholders

On May 29, 2026, the Company announced that the Board of Directors has approved a cash dividend of \$0.22 per share for Q1 2026, to all shareholders of record as of 5 June 2026. The cash dividend will be paid on 12 June 2026.

Placement of 2031 Senior Secured Bonds and redemption notice of 2026 Notes

On May 7, 2026, the Company announced that it has successfully completed a private placement of \$250 million of five-year senior secured bonds with a coupon rate of 8.125% and a borrowing framework of \$500 million. The net proceeds from the bond issue will be used towards the refinancing of the 2026 Notes and for general corporate purposes. In connection with the completion of the 2031 Bonds, the Company also notified all holders of the 2026 Notes on May 7, 2026, that it had commenced the process of redeeming in full the outstanding principal amount of the remaining 2026 Notes by issuing a formal redemption notice to the bondholders (see Note 9).

Paratus Energy Services Ltd.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
for the quarter ended March 31, 2026 and 2025

	Note	Three months ended	
		March 31, 2026	March 31, 2025 *
<i>(In \$ millions, except per share amounts)</i>			
Operating expenses			
General and administrative expenses		(2.5)	(2.1)
Total operating expenses		(2.5)	(2.1)
Share in results from joint ventures	8	35.5	21.1
Operating income		33.0	19.0
Financial and other items			
Share in results from associated companies	8	-	(7.3)
Interest income		1.0	1.1
Interest expense	9	(14.6)	(15.0)
Other financial items		-	(11.1)
Net financial expense and other items		(13.6)	(32.3)
Income from continuing operations before taxes		19.4	(13.3)
Income tax expense		-	-
Net income/(loss) from continuing operations		19.4	(13.3)
Discontinued operations	3		
Income/(loss) from discontinued operations		(8.7)	17.4
Income tax benefit/(expense)		3.1	(0.9)
Net income/(loss) from discontinued operations		(5.6)	16.5
Net income including discontinued operations		13.8	3.2
Basic income/(loss) per share	11		
From continuing operations		0.12	(0.08)
From discontinued operations		(0.03)	0.10
Total basic income per share		0.09	0.02
Diluted income/(loss) per share	11		
From continuing operations		0.12	(0.08)
From discontinued operations		(0.03)	0.10
Total diluted income per share		0.09	0.02

*Prior-period comparative information has been updated in conformity with presentation requirements applicable to discontinued operations.

See accompanying notes that are an integral part of these Consolidated Financial Statements.

Paratus Energy Services Ltd.
CONDENSED CONSOLIDATED STATEMENTS OF
OTHER COMPREHENSIVE INCOME/(LOSS)
for the quarter ended March 31, 2026 and 2025

	Three months ended	
	March 31, 2026	March 31, 2025
<i>(In \$ millions)</i>		
Net income including discontinued operations	13.8	3.2
Other comprehensive income/(loss) from continuing operations:		
Share of other comprehensive income from equity method investments	(2.3)	(0.6)
Total other comprehensive income	11.5	2.6

See accompanying notes that are an integral part of these Consolidated Financial Statements.

Paratus Energy Services Ltd.
CONDENSED CONSOLIDATED BALANCE SHEETS
as at March 31, 2026 and December 31, 2025

<i>(In \$ millions, except par value amounts)</i>	Note	March 31, 2026	December 31, 2025 *
ASSETS			
Current assets			
Cash and cash equivalents	5	112.7	118.2
Amounts due from related parties		3.3	3.3
Other current assets		0.2	0.4
Current assets held for sale	3	498.3	271.3
Total current assets		614.5	393.2
Non-current assets			
Equity method investments	8	292.0	299.9
Non-current assets held for sale	3	-	253.6
Total non-current assets		292.0	553.5
Total assets		906.5	946.7
LIABILITIES AND EQUITY			
Current liabilities			
Trade accounts payable		1.0	0.3
Interest-bearing debt, short-term	9	160.3	193.8
Other current liabilities	6	15.3	3.9
Current liabilities associated with assets held for sale	3	75.2	50.8
Total current liabilities		251.8	248.8
Non-current liabilities			
Interest-bearing debt, long-term	9	527.1	491.3
Non-current liabilities associated with assets held for sale	3	-	50.9
Total non-current liabilities		527.1	542.2
Equity			
Shareholders' equity		127.6	155.7
Total equity		127.6	155.7
Total liabilities and equity		906.5	946.7

**Prior-period comparative information has been updated in conformity with presentation requirements applicable to assets and liabilities held for sale.*

See accompanying notes that are an integral part of these Consolidated Financial Statements.

Paratus Energy Services Ltd.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
for the three months ended March 31, 2026 and 2025

(In \$ millions)	Note	Three months ended **	
		March 31, 2026	March 31, 2025 *
Cash Flows from Continuing Operating Activities			
Net income including discontinued operations		13.8	3.2
<i>Adjustments to reconcile net income to net cash provided by</i>			
Income from equity method investments (associated companies and joint ventures)	8	(35.5)	(13.8)
Net interest expense and amortization		13.6	13.9
Unrealized foreign exchange (gain)/loss		(0.1)	(3.2)
Share-based compensation		0.3	(0.1)
<i>Change in working capital items and other</i>			
Trade accounts payable		0.6	(0.9)
Other assets		0.2	(0.1)
Other liabilities		3.5	0.5
Net cash used in continuing operating activities		(3.6)	(0.5)
Continuing Investing Activities			
Distribution from equity method investees	8	41.3	17.5
Net cash provided by continuing investing activities		41.3	17.5
Continuing Financing Activities			
Interest on bank deposits		1.0	1.1
Payment of interest on borrowings	9	(4.5)	(4.8)
Share buyback		-	(20.0)
Return of capital to shareholders		-	(36.1)
Cash dividends paid		(35.8)	-
Cash settlement of share-based payment awards		(0.3)	-
Net cash used in continuing financing activities		(39.6)	(59.8)
Net cash (used in)/provided by discontinued operating activities	3	(37.2)	113.0
Net cash used in discontinued investing activities	3	-	(0.9)
Net cash provided by discontinued financing activities	3	0.1	0.2
Effect of exchange rate changes on cash and cash equivalents		1.6	-
Net increase/(decrease) in cash and cash equivalents		(37.4)	69.5
Cash and cash equivalents at beginning of period		178.3	86.4
Cash and cash equivalents at end of period, incl. discontinued operations		140.9	155.9
Cash and cash equivalents at the end of the period consist of:			
<i>Paratus</i>		112.7	120.3
<i>Fontis (included in current assets held for sale)</i>	3	28.2	35.6
Total cash and cash equivalents at the end of the period, incl. discontinued operations		140.9	155.9

**Prior-period comparative information has been updated in conformity with presentation requirements applicable to discontinued operations.*

***Cash flows presented above exclude cash transactions between continuing and discontinued operations as these represent intercompany transactions eliminated on consolidation.*

See accompanying notes that are an integral part of these Consolidated Financial Statements.

Paratus Energy Services Ltd.
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the quarter ended March 31, 2026 and 2025

<i>(In \$ millions)</i>	Common shares	Additional paid-in capital	Accumulated other comprehensive income/(loss)	Accumulated deficit	Total equity
Balances as at January 1, 2025	-	1,289.1	8.7	(1,040.9)	256.9
Net income including discontinued operations	-	-	-	3.2	3.2
Other comprehensive income	-	-	(0.6)	-	(0.6)
Share buyback	-	(20.0)	-	-	(20.0)
Stock based compensation	-	0.1	-	-	0.1
Return of capital	-	(36.1)	-	-	(36.1)
Balance as at March 31, 2025	-	1,233.1	8.1	(1,037.7)	203.5
Balances as at January 1, 2026	-	1,192.2	1.2	(1,037.7)	155.7
Net income including discontinued operations	-	-	-	13.8	13.8
Correction of immaterial error*	-	-	-	(3.8)	(3.8)
Other comprehensive loss	-	-	(2.3)	-	(2.3)
Cash dividends paid	-	-	-	(35.8)	(35.8)
Balance as at March 31, 2026	-	1,192.2	(1.1)	(1,063.5)	127.6

*The Company identified an error affecting prior periods which was corrected through an adjustment to shareholders' equity, with a corresponding adjustment to drilling units and equipment included within assets held for sale as of the end of Q1 2026. The cumulative impact of the error, as well as its impact on any individual prior period, was not material.

See accompanying notes that are an integral part of these Consolidated Financial Statements.

Note 1 - General information

Unless the context indicates otherwise, "Paratus," the "Company," "we," "us," "our," and similar terms, all refer to Paratus Energy Services Ltd., while "Paratus Group" or the "Group" refers collectively to the Company and its consolidated subsidiaries and its ownership in Joint Ventures ("JV"). All references to "USD" and "\$" in this report denote U.S. dollars unless otherwise indicated.

Company details

Paratus Energy Services Ltd. is a company incorporated under the laws of Bermuda and in accordance with the Bermuda Companies Act 1981. The Company is listed on the Euronext Oslo Børs under the ticker "PLSV".

Business

Paratus is a holding company of a group of energy services companies and is comprised of its wholly owned subsidiary Fontis Holdings Ltd. and its subsidiaries (collectively "Fontis") and 50/50 joint venture interest in Seagems joint venture, comprising of Seabras Sapura Holding GmbH and Seabras Sapura Participacoes SA, (collectively "Seagems" or the "JV").

- **Seagems** is a subsea services company, operating a fleet of six multipurpose pipe-laying support vessels - *Diamante*, *Topazio*, *Esmeralda*, *Onix*, *Jade* and *Rubi* – with capabilities for subsea engineering, installation, and other services, under contract in Brazil.
- **Fontis** is a provider of drilling services, operating a fleet of five high-specification jack-up rigs – *Defender*, *Courageous*, *Intrepid*, *Oberon*, and *Titania FE* - currently located in Mexico. On March 23, 2026, Paratus announced that it, together with its indirect subsidiary Fontis Finance Ltd., has entered into agreements for the separate but simultaneous sale of Fontis' jack-up fleet and Fontis' Mexican drilling business and operations (together, the "Fontis Transaction"). Refer to Note 3 - Assets Held for Sale and Discontinued Operations.

Note 2 - Significant accounting policies

Basis of presentation

These unaudited interim condensed consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP"). The unaudited interim condensed consolidated financial statements do not include all of the disclosures required under U.S. GAAP in the annual consolidated financial statements and should be read in conjunction with our audited annual consolidated financial statements and notes for the year ended December 31, 2025.

As of March 23, 2026 the assets and liabilities related to the disposal of Fontis were classified as held for sale, and the related results of operations and cash flows are reported as discontinued operations. The assets and liabilities of the disposal group for the comparative period have been retrospectively reclassified and presented separately in the Condensed Consolidated Balance Sheets. The results of discontinued operations have also been retrospectively reclassified and presented as a single line item, net of applicable income taxes, in the Condensed Consolidated Statements of Operations. See Note 3 — Assets Held for Sale and Discontinued Operations.

The financial statements have been prepared on a going concern basis and in management's opinion, all adjustments necessary for a fair presentation of the financial statements are reflected in the interim periods presented.

Significant accounting policies

The accounting policies adopted in the preparation of the unaudited consolidated financial statements are consistent with those as described in our annual audited consolidated financial statements for the year ended December 31, 2025.

Use of estimates

The preparation of financial statements in accordance with U.S. GAAP requires that management make estimates and assumptions affecting the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subtotals and totals in some of the tables included in these interim financial statements may not equal the sum of the amounts shown due to rounding.

Note 3 - Assets Held for Sale and Discontinued Operations

We classify long-lived assets, or disposal groups comprised of assets and liabilities, as held for sale in the period in which the following six criteria are met, (i) management, having the authority to approve the action, commits to a plan to sell the property; (ii) the property is available for immediate sale in its present condition, subject only to terms that are usual and customary; (iii) an active program to locate a buyer and other actions required to complete the plan to sell have been initiated; (iv) the sale of the property is probable and is expected to be completed within one year; (v) the property is being actively marketed for sale at a price that is reasonable in relation to its current fair value; and (vi) actions necessary to complete the plan of sale indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn. A business classified as held for sale is recorded at the lower of its carrying amount or estimated fair value less cost to sell. If the carrying amount of the business exceeds its estimated fair value less cost to sell, a loss is recognized as part of Income/(loss) from discontinued operations in the Consolidated Statements of Operation.

Assets and liabilities related to a business held for sale and classified as discontinued operation are segregated in the current and prior balance sheets in the period in which the business is classified as held for sale, resulting in changes to the presentation of comparable period amounts. The Company ceases depreciation and amortization on long-lived assets (or disposal groups) classified as held for sale and measures them at the lower of carrying value or estimated fair value less cost to sell.

The Company reports the results of operations of a business as discontinued operations if a disposal represents a strategic shift that has a major effect on the Company's operations and financial results when the business is classified as held for sale. The results of discontinued operations are reported in Net income/(loss) from discontinued operations, net of tax in the accompanying interim Condensed Consolidated Statements of Operations for all periods presented, including any gain or loss recognized on closing or adjustment of the carrying amount to fair value less cost to sell. Interest on debt that is required to be repaid as a result of a disposal is allocated to discontinued operations on a proportionate basis. All other notes to these interim condensed consolidated financial statements present the results of continuing operations and exclude amounts related to discontinued operations for all periods presented.

On March 23, 2026, Paratus announced that it, together with its indirect subsidiary Fontis Finance Ltd., has entered into agreements with: (a) BC Ventures Limited (a joint venture between parties owned by Borr Drilling Limited ("Borr") and its long-term well construction partner in Mexico); and (b) Borr's long-term well construction partner in Mexico, for the separate but simultaneous sale of Fontis' jack-up fleet and Fontis' Mexican drilling business and operations respectively (together, the "Fontis Transaction") for a total consideration of \$400 million.

As previously announced, the transaction is expected to close in the second half of 2026, subject to the satisfaction of the remaining conditions precedent set out in the announcement dated 23 March 2026 (noting that bondholder consent was obtained on April 15, 2026). At closing, the Company expects to receive approximately \$148 million in cash, the deferred consideration of \$15 million as announced in connection with the Fontis Transaction (the threshold for receipt of which has been met), and \$237 million in the form of a 2.5-year seller credit (interest rate of 10% first year, 12% in months 13-18, and 14% thereafter).

The following table summarizes the major line items for Fontis that are included in Loss from discontinued operations, net of taxes in the interim Condensed Consolidated Statements of Operations:

	Three months ended	
	March 31, 2026	March 31, 2025
<i>(In \$ millions, except per share amounts)</i>		
Total operating revenues	25.4	38.7
Rig operating expenses	(17.1)	(18.5)
General and administrative expenses	(0.4)	(0.9)
Other operating expenses, net	(6.1)	1.1
Net financial expense and other items, excl. interest expense	0.6	1.0
Interest expense	(4.0)	(4.0)
Loss on disposal group	(7.1)	-
Income/(loss) from discontinued operations before income taxes	(8.7)	17.4
Income tax benefit/(expense)	3.1	(0.9)
Income/(loss) from discontinued operations, net of taxes	(5.6)	16.5

Other operating expenses include depreciation, expected credit losses and other operating income. Interest expense relates to interest costs on debt repayable as a result of the disposal, refer to Note 9 - Debt. Gain/(loss) on disposal group includes valuation allowance and incremental costs to sell.

Note 3 - Assets Held for Sale and Discontinued Operations (continued)

The following table summarizes the carrying amounts of major classes of assets and liabilities of discontinued operations for each of the periods presented in the interim Condensed Consolidated Balance Sheets:

<i>(In \$ millions, except par value amounts)</i>	March 31, 2026	December 31, 2025
ASSETS		
Cash and cash equivalents	28.2	60.0
Accounts receivables, net	210.5	193.0
Drilling units and equipment, net	240.2	249.8
Other assets	25.6	22.0
Total assets	504.5	524.9
Valuation allowance	(6.2)	-
Total assets held for sale	498.3	524.9
LIABILITIES		
Trade accounts payable	2.2	1.6
Uncertain tax provisions	44.9	68.1
Other liabilities	28.1	32.0
Total liabilities to be disposed of	75.2	101.7

Upon classification as held for sale, the Company recognized a loss on disposal of \$6.2 million within Net income/(loss) from discontinued operations in the Condensed Consolidated Statements of Operations which was comprised of valuation allowance to adjust the carrying value of the disposal group to fair value less cost to sell.

The following table summarizes major classes of items included in the operating cash flows of discontinued operations for each of the periods presented in the Condensed Consolidated Statements of Cash flows:

Cash Flows from Discontinued Operating Activities	March 31, 2026	December 31, 2025
<u>Adjustments to reconcile net income to net cash provided by</u>		
Amortization of favorable contracts	4.1	7.9
Depreciation	6.0	5.4
Expected credit losses	-	(3.5)
Additions to long-term maintenance	(0.2)	(2.3)
Valuation allowance	6.2	-
Other items, net	0.9	3.6
<u>Change in working capital items and other</u>		
Accounts receivables, net	(17.5)	162.3
Other assets and liabilities, net	(36.7)	(60.4)
Net cash (used in)/provided by discontinued operating activities	(37.2)	113.0

Cash used in discontinued investing activities relates to investments made into drilling units and equipment and was nil in Q1 2026 (2025: \$0.9 million). Cash provided by discontinued financing activities of \$0.1 million (2025: \$0.2 million) relates to interest earned on bank deposits.

Note 4 - Segment Information

As of Q1 2026 the Company reports its operations under two segments: Seagems and Other.

The Seagems segment represents the Company's 50/50 joint venture interest in Seagems, comprising of Seabras Sapura Holding GmbH and Seabras Sapura Participacoes SA (collectively "Seagems" or the "JV"). Seagems is a subsea services company, operating a fleet of six multipurpose pipe-laying support vessels - Diamante, Topazio, Esmeralda, Onix, Jade and Rubi – with capabilities for subsea engineering, installation, and other services, under contract in Brazil. Under US GAAP, we report on Seagems' results in our consolidated financial statements using the equity method. Accordingly, the full operating results included below are not included within our consolidated results and are thus adjusted for under "Reconciling items" and fully replaced with our equity in earnings of the equity method. For segment reporting purposes, we present 50% information for Seagems. Figures are presented net of intercompany transactions between Seagems entities. Our segment reporting for Seagems includes information to reconcile from our segment reporting for Seagems to our consolidated financial statements prepared under US GAAP.

The Other segment includes general corporate and finance activities, basis difference adjustment to equity method investments and our 23.8% ownership in Archer which was accounted for as an equity method investment until September 25, 2025 when all the shares in Archer were sold.

As of Q1 2026 results of discontinued operations and assets held for sale associated with the Fontis Transaction are shown under "Reconciling items", refer to Note 3 - Assets Held for Sale and Discontinued Operations.

Our CODM is the Board of Directors assisted by the executive management, which is comprised of the Chief Executive Officer and Chief Financial Officer. The CODM assesses segment performance based on their review of the operating income (loss) of each segment, which measures profitability after deducting normal operating costs. Components within operating income (loss), such as revenues, operating expense and general and administrative expense, are used to monitor actual performance against budget and forecasted results for each segment. Further, the CODM utilizes revenue to derive a segment's asset utilization and average dayrate. Using these metrics, the CODM can identify inefficiencies in the segments and develop strategies to enhance performance, make investment decisions and allocate resources as needed. The disaggregated segment information, as presented in the tables below, includes intercompany eliminations and aligns with the segment level information that is regularly provided to the CODM.

Three months ended					
March 31, 2026					
<i>(In \$ millions)</i>	Seagems (50% share)	Other	Total reporting Segments	Reconciling Items	Consol. Total
Contract revenues	74.9	-	74.9	(74.9)	-
Tax on revenues	(3.4)	-	(3.4)	3.4	-
Operating revenues	71.5	-	71.5	(71.5)	-
Vessel operating expenses	(19.5)	-	(19.5)	19.5	-
General and administrative exp.	(3.9)	(2.5)	(6.4)	3.9	(2.5)
Depreciation and amortization	(11.5)	-	(11.5)	11.5	-
Share in results from joint ventures	-	4.0	4.0	31.5	35.5
Operating income	36.6	1.5	38.1	(5.1)	33.0
Interest expense	(1.6)	(14.6)	(16.2)	1.6	(14.6)
Other financial items, net	0.8	1.0	1.8	(0.8)	1.0
Income tax expense	(4.3)	-	(4.3)	4.3	-
Net income/(loss) from continuing operations	31.5	(12.1)	19.4	-	19.4
Net loss from discontinued operations	-	-	-	(5.6)	(5.6)
Net income/(loss) including discontinued operations	31.5	(12.1)	19.4	(5.6)	13.8

Three months ended					
March 31, 2025 *					
<i>(In \$ millions)</i>	Seagems (50% share)	Other	Total reporting Segments	Reconciling Items	Consol. Total
Contract revenues	56.2	-	56.2	(56.2)	-
Tax on revenues	(3.0)	-	(3.0)	3.0	-
Operating revenues	53.2	-	53.2	(53.2)	-
Vessel operating expenses	(17.8)	-	(17.8)	17.8	-
General and administrative exp.	(2.9)	(2.1)	(5.0)	2.9	(2.1)
Depreciation and amortization	(10.6)	-	(10.6)	10.6	-
Share in results from joint ventures	-	4.0	4.0	17.1	21.1
Operating income	21.9	1.9	23.8	(4.8)	19.0
Share in results from associated companies	-	(7.3)	(7.3)	-	(7.3)
Interest expense	(1.9)	(15.0)	(16.9)	1.9	(15.0)
Other financial items, net	0.5	(10.0)	(9.5)	(0.5)	(10.0)
Income tax benefit/(expense)	(3.4)	-	(3.4)	3.4	-
Net income/(loss) from continuing operations	17.1	(30.4)	(13.3)	-	(13.3)
Net income from discontinued operations	-	-	-	16.5	16.5
Net income/(loss) including discontinued operations	17.1	(30.4)	(13.3)	16.5	3.2

Note 4 - Segments (continued)

	March 31, 2026				
<i>(In \$ millions)</i>	Seagems (50% share)	Other	Total reporting Segments	Reconciling Items	Consol. Total
Cash and cash equivalents	15.3	112.7	128.0	(15.3)	112.7
Property, plant and equipment	568.1	-	568.1	(568.1)	-
Capital Expenditures	2.8	-	2.8	(2.8)	-
Equity method investments	-	-	-	292.0	292.0
Total assets (excl. assets held for sale)	652.0	116.2	768.2	(360.0)	408.2
Short-term interest-bearing debt, net	24.0	160.3	184.3	(24.0)	160.3
Long-term interest-bearing debt, net	59.7	527.1	586.8	(59.7)	527.1

	December 31, 2025 *				
<i>(In \$ millions)</i>	Seagems (50% share)	Other	Total reporting Segments	Reconciling Items	Consol. Total
Cash and cash equivalent	25.4	118.2	143.6	(25.4)	118.2
Property, plant and equipment	576.9	-	576.9	(576.9)	-
Capital Expenditures	20.9	-	20.9	(20.9)	-
Equity method investments	-	-	-	299.9	299.9
Total assets (excl. assets held for sale)	664.6	121.9	786.5	(364.7)	421.8
Short-term interest-bearing debt, net	21.3	193.8	215.1	(21.3)	193.8
Long-term interest-bearing debt, net	65.7	491.3	557.0	(65.7)	491.3

*Prior-period comparative information has been updated in conformity with presentation requirements applicable to discontinued operations.

Note 5 - Cash and cash equivalents

Total cash and cash equivalents, excluding Fontis cash and cash equivalents (Note 3), were \$112.7 million (Q4 2025: \$118.2 million) of which \$112.7 million (\$115.1 million) represent non-restricted cash and nil restricted cash (Q4 2025: \$3.1 million).

Note 6 - Other current liabilities

Other current liabilities consist of the following:

<i>(In \$ millions)</i>	March 31, 2026	December 31, 2025
Taxes payable	0.4	0.4
Employee withheld taxes and social security	0.3	0.1
Other current liabilities	2.2	2.9
Accrued interest on senior secured notes	12.4	0.5
Total other current liabilities	15.3	3.9

Note 7 - Fair values of financial instruments

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The fair value hierarchy prescribed by US GAAP requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

There are three levels of inputs that may be used to measure fair value:

Level 1: Quoted prices for identical instruments in active markets

Level 2: Quoted market prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets

Level 3: Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

For the majority of our financial instruments, the carrying value approximates their fair value due to the relatively short maturities. For other financial instruments, a comparison of fair value and carrying value is as follows:

<i>(In \$ millions)</i>	Level	March 31, 2026		December 31, 2025	
		Fair value	Carrying value	Fair value	Carrying value
Assets					
Related party loans receivables – Seagems loans receivables	2	3.0	3.3	3.0	3.3
Liabilities					
2026 Senior secured notes*	1	197.9	195.7	198.4	193.8
2029 Senior secured notes*	1	521.9	491.7	500.8	491.3

* These instruments are at a fixed interest rate

The carrying value of cash and cash equivalents, restricted cash, accounts receivable, related party payables and accounts payable are by their nature short-term. As a result, the carrying values included in the Condensed Consolidated Balance Sheets approximate fair value. These assets and liabilities are categorized as Level 1 on the fair value measurement hierarchy.

Related party loans receivables - Seagems loans receivable

We estimate the fair value of the related party loans receivable from Seagems to be equal to the carrying value after adjusting for expected credit losses. The debt is not freely tradeable and cannot be recalled by us at prices other than specified in the loan note agreements. The loans were entered into at market rates. The loans are categorized as Level 2 on the fair value hierarchy.

\$620m of Senior secured notes ("2026 Notes")

The fair value of the senior secured notes were derived using market traded value, and as such, we have categorized this at Level 1 on the fair value measurement hierarchy. Refer to Note 9 – Debt for further information.

\$500m Senior secured bonds ("2029 Bonds")

The fair value of the senior secured bonds were derived using market traded value, and as such, we have categorized this at Level 1 on the fair value measurement hierarchy. Refer to Note 9 – Debt for further information.

Note 8 - Equity method investments

Our equity method investments as of March 31, 2026 and December 31, 2025 are comprised as follows:

	March 31, 2026	December 31, 2025
Ownership percentage		
Seagems	50.0 %	50.0 %
Archer	0.0 %	23.8 %

Sale of Paratus' ownership in Archer

On September 25, 2025, the Company sold its entire holding of 21,583,826 shares in Archer Limited. Comparative balance sheets for Archer are not presented as the Company held no investment in Archer as of March 31, 2026 and December 31, 2025.

The tables below set forth the results of these entities, and our share in the results of these equity method investments:

	Seagems*	
	Three months ended	
	March 31, 2026	March 31, 2025
<i>(In \$ millions, except ownership percentage)</i>		
Operating revenues	143.1	106.5
Operating income	73.2	44.1
Net income	63.0	34.2
Company's ownership percentage	50.0 %	50.0 %
Share of net income	31.5	17.1
Amortization of basis differences	4.0	4.0
Share in results of Seagems	35.5	21.1

	Archer	
	Three months ended	
	March 31, 2026	March 31, 2025
<i>(In \$ millions, except ownership percentage)</i>		
Operating revenues	-	294.3
Operating income	-	16.3
Net income / (loss)	-	(29.6)
PES ownership percentage	0.0 %	23.8 %
Share of net income/(loss)	-	(7.0)
Amortization of basis differences	-	(0.3)
Share in results of Archer	-	(7.3)

The summarized balance sheets of our equity method investments and our share of recorded equity in these entities is as follows:

	Seagems	
	March 31, 2026	December 31, 2025
<i>(In \$ millions, except ownership percentage)</i>		
Current assets	157.0	167.1
Non-current assets	1,147.0	1,162.0
Current liabilities	(115.2)	(109.0)
Non-current liabilities	(124.9)	(136.8)
Non-controlling interest	-	-
Net Assets (gross, 100%)	1,063.9	1,083.3
Company's ownership percentage	50.0 %	50.0 %
Company's share of book equity	532.0	541.7
Shareholder loans held as equity	0.9	0.9
Basis difference	(240.9)	(242.7)
Carrying amount equity method investments	292.0	299.9

*Presentation of comparative information has been updated to show amounts after elimination of intercompany transactions and balances between JV entities.

Note 9 - Interest-bearing debt

As of March 31, 2026 and December 31, 2025 the carrying value of our debt, all long-term, was comprised as follows:

	Interest Rate	Maturity Date	Carrying Amount	
			March 31, 2026	December 31, 2025
<i>(In \$ millions)</i>				
2026 Senior secured notes plus PIK interest	9.00%	15/07/2026	197.9	197.9
2029 Senior secured bonds	9.50%	27/06/2029	500.0	500.0
Total interest-bearing debt			697.9	697.9
Less: Unamortized discount and debt issuance costs			(10.5)	(12.8)
Total interest-bearing debt, net			687.4	685.1
Less: Current portion, net			(160.3)	(193.8)
Long-term interest-bearing debt, net			527.1	491.3

The key terms relating to our debt in the quarter ended March 31, 2026 and year-ended December 31, 2025 are explained below.

2026 Senior secured notes ("2026 Notes")

Senior secured notes were issued on January 20, 2022 and are due July 15, 2026. In November 2025, pursuant to a completion of a tender offer, the company repurchased \$17.6 million in principle amount of its 2026 Notes. The remaining principal amount under the 2026 Notes was \$197.9 million as at March 31, 2026 (December 31, 2025: \$197.9 million). The carrying amount of the 2026 Notes are presented net of unamortized discount and debt issuance costs.

On May 7, 2026, the Company announced that it has successfully completed a private placement of \$250 million of five-year senior secured bonds with a coupon rate of 8.125% and a borrowing framework of \$500 million (the "2031 Bonds"). The net proceeds from the bond issue will be used towards the refinancing of the 2026 Notes and for general corporate purposes. In connection with the completion of the 2031 Bonds, the Company also notified all holders of the 2026 Notes on May 7, 2026, that it had commenced the process of redeeming in full the outstanding principal amount of the remaining 2026 Notes by issuing a formal redemption notice to the bondholders. Following US GAAP, the Company has classified the current liability which has been refinanced on a long-term basis subsequent to the reporting period as non-current at March 31, 2026.

2029 Senior Secured Bonds ("2029 Bonds")

Secured bonds were issued on June 27, 2024 and are due June 27, 2029. As at March 31, 2026, the outstanding principal amount is \$500 million (December 31, 2025: \$500 million). The carrying amount of the 2029 Bonds are presented net of unamortized discount and debt issuance costs.

The Fontis Transaction (Note 3) constitutes a Material Asset Sale under the terms of the 2029 bond indenture. Accordingly, in the absence of attractive reinvestment opportunities, the Company expects to apply the anticipated cash consideration at closing of approximately \$163 million toward a partial repayment of the 2029 Bonds. As a result, \$160.3 million, net of unamortized discount, has been classified as current in the Condensed Consolidated Balance Sheet, reflecting the expectation that the repayment will be completed within the next twelve months. Interest expense associated with this portion of the debt amounted to \$4 million for both the current quarter and Q1 2025 and was allocated to net income/(loss) from discontinued operations in the Condensed Consolidated Statements of Operations.

Interest expense is comprised of the following:

	Three months ended	
	March 31, 2026	March 31, 2025
<i>(In \$ millions)</i>		
Loan interest expense	12.4	12.8
Amortization of debt discount	2.2	2.2
Interest expense, continued operations	14.6	15.0
Loan interest expense, discontinued operations	3.9	3.9
Amortization of debt discount, discontinued operations	0.1	0.1
Interest expense, discontinued operations	4.0	4.0
Net interest expense, including discontinued operations	18.6	19.0

Note 10 - Share Capital

Paratus, has issued a total of 169,550,049 Class A common shares at par value of US \$0.00002 each at March 31, 2026 and December 31, 2025.

	March 31, 2026	December 31, 2025
Class A ordinary shares in issue	169,550,049	169,550,049
Treasury shares	(6,815,000)	(6,815,000)
Total shares outstanding	162,735,049	162,735,049

Note 11 - Earnings per Share (EPS)

The computation of basic income/(loss) per share ("EPS") is based on the weighted average number of shares outstanding during the period.

Diluted earnings per share amounts are calculated by dividing the net income/(loss) by the weighted average number of shares outstanding during the period, plus the weighted average number of ordinary shares that would be outstanding if all the dilutive potential ordinary shares were issued. As at the end of Q1 there were no share options that had a dilutive effect.

The following reflects the net income/(loss) and share data used in the earnings per share calculation:

	Three months ended	
	March 31, 2026	March 31, 2025
<i>(in \$ million, except share and per share amounts)</i>		
Net income from continuing operations	19.4	(13.3)
Net income/(loss) from discontinued operations	(5.6)	16.5
Net income including discontinued operations	13.8	3.2
Weighted average numbers of shares outs. (basic)	162,735,049	169,550,049
Weighted average numbers of shares outs. (diluted)	162,735,049	169,553,959
Basic income/(loss) per share		
From continuing operations	0.12	(0.08)
From discontinued operations	(0.03)	0.10
Total basic income per share	0.09	0.02
Diluted income/(loss) per share		
From continuing operations	0.12	(0.08)
From discontinued operations	(0.03)	0.10
Total diluted income per share	0.09	0.02

Note 12 - Subsequent Events

Cash dividend to shareholders

On May 29, 2026, the Company announced that the Board of Directors has approved a cash dividend of \$0.22 per share for Q1 2026, to all shareholders of record as of 5 June 2026. The cash dividend will be paid on 12 June 2026.

Placement of 2031 Senior Secured Bonds and redemption notice of 2026 Notes

On May 7, 2026, the Company announced that it has successfully completed a private placement of \$250 million of five-year senior secured bonds with a coupon rate of 8.125% and a borrowing framework of \$500 million. The net proceeds from the bond issue will be used towards the refinancing of the 2026 Notes and for general corporate purposes. In connection with the completion of the 2031 Bonds, the Company also notified all holders of the 2026 Notes on May 7, 2026, that it had commenced the process of redeeming in full the outstanding principal amount of the remaining 2026 Notes by issuing a formal redemption notice to the bondholders.

Alternative Performance Measures

The Company discloses certain alternative performance measures ("APM") as a supplement to the consolidated financial statement prepared in accordance with US GAAP. These measures provide additional insight into the Group's operating performance, financing, and future prospects, often used by analysts, investors, and other stakeholders.

Other companies may not calculate the APMs in the same manner, and, as a result, the presentation thereof may not be fully comparable to measures used by other companies under the same or similar titles. Accordingly, undue reliance should not be placed on the APMs contained below and should not be considered as a substitute for revenue or other financial metrics.

Calculation of APMs below include Fontis' result and assets which are presented as discontinued operations and assets held for sale and until Fontis Transaction is completed.

	Three months ended	
	March 31, 2026	March 31, 2025
<i>(In \$ millions)</i>		
Calculation of adjusted EBITDA		
Net income/(loss) from continuing operations	19.4	(13.3)
Add back: Income tax expense	-	-
Add back: Net financial expense	13.6	32.3
Deduct: Share in results from joint ventures and associates	(35.5)	(21.1)
Adjusted EBITDA (consolidated)	(2.5)	(2.1)
Net income - 50% of Seagems	31.5	17.1
Add back: Income tax expense	4.3	3.4
Add back: Net financial expense	0.8	1.4
Add back: Depreciation and amortization	11.5	10.6
Adjusted EBITDA (50% Seagems)	48.1	32.5
Combined Segment EBITDA	45.6	30.4
Net income/(loss) from discontinued operations	(5.6)	16.5
Add back: Income tax expense	(3.1)	0.9
Add back: Net financial expense	3.4	2.9
Add back: Operating items, net	10.1	6.9
Add back: Gain/(loss) on disposal	7.1	-
Adjusted EBITDA (Fontis, discontinued)	11.9	27.2
Combined Segment EBITDA incl. discontinued operations	57.5	57.6
	March 31, 2026	December 31 2025
<i>(In \$ millions)</i>		
Net debt		
Interest-bearing debt (notional amount)	697.9	697.9
<i>Paratus</i>	697.9	697.9
<i>Fontis</i>	-	-
Less: Cash and cash equivalents	140.9	178.3
<i>Paratus</i>	112.7	118.2
<i>Fontis</i>	28.2	60.1
Net debt	557.0	519.6
50% of Seagems interest-bearing debt	83.7	87.0
Less: 50% of Seagems cash and cash equivalents	15.3	25.4
50% of Seagems net debt	68.4	61.6
Net debt (as per management reporting)	625.4	581.2
Net Leverage Ratio		
Net debt (as per management reporting)	625.4	581.2
Combined Segment EBITDA incl. discontinued operations (LTM)*	261.1	261.2
Net Leverage Ratio	2.4	2.2
	March 31, 2026	
<i>(In \$ millions)</i>		
Net debt pro forma Fontis Transaction **		
Net debt (as per management reporting)	625.4	
Add back: Fontis Cash & cash equivalents	28.2	
Less: Fontis Transaction price	(400.0)	
Net debt pro forma Fontis Transaction	253.6	
Combined Segment EBITDA (LTM)*	261.1	
Less: Fontis EBITDA (LTM)*	(84.0)	
Combined Segment EBITDA (LTM) excl. Fontis*	177.1	
Net Leverage Ratio pro forma Fontis Transaction	1.4	

*Last Twelve Months ("LTM")

**Calculated in line with definitions prescribed by the debt instrument agreement, except for marketable securities (treasury shares) as is allowed under the agreement, excluding discontinued operations and reflecting proceeds from the Fontis Transaction.

Alternative Performance Measures (continued)

Definitions and explanations of APMs

EBITDA is an abbreviation of "Earnings Before Interest, Income taxes, Depreciation and Amortization" and represents net income/(loss) before net interest expense, income taxes, depreciation and amortization.

Adjusted EBITDA, as applied by the Company, represents EBITDA excluding certain non-cash items such as expected credit gains/(losses), impairment charges, amortization of favorable contracts, and other items that the Company believes are not indicative of ongoing performance of its core operations. The Company presents this APM as it provides useful supplemental information about the financial performance of its business, enables comparison of financial results between periods where certain items may vary independent of business performance, and allows for greater transparency with respect to key metrics used by management in operating our business and measuring our performance. Further, it may provide comparability to similarly titled measures of other companies.

Net debt as defined under the 2029 bond indenture agreement, is interest-bearing debt (notional) and any liability in respect of any lease including the Company's share in Seagems interest-bearing debt (notional) and any liability in respect of any lease less total cash and cash equivalents including the Company's share in Seagems cash and cash equivalents, and the market value of marketable securities. The Company presents this APM as it is a useful indicator of the Group's net interest-bearing indebtedness as it indicates the level of borrowings after taking into account cash that could be utilized to pay down outstanding borrowings.

Net Leverage Ratio is defined as the ratio of Net debt to adjusted EBITDA. The Company presents this APM as it is a useful indicator of the Group's financial leverage, as it measures the level of net debt relative to adjusted EBITDA, providing insight into the Company's ability to service its debt obligations.

Free cash flow (FCF) comprises net cash from/(used in) operating activities less capital expenditures, interest paid and net cash received from equity-accounted investments. The Company presents this APM as it is a useful indicator of the Group's ability to generate cash from operating activities after funding capital expenditures and servicing debt.

Management reporting represents the Company's internal financial and operational performance assessment. In this context, Seagems' financial results are proportionally consolidated. However, in our financial reporting under US GAAP, Seagems' financial results are reported using the equity method, presented under "Share in results from joint ventures."

Additionally, the Company uses other performance indicators that are not considered to be an APM, but is important for assessing the Group's performance:

Contract backlog represents the sum of estimated undiscounted revenue related to secured contracts. Contract backlog may be subject to price indexation clauses or other factors that may intervene with and/or result in delays in revenue realization, and it does not include potential growth or value of non-declared options within existing contracts.

Technical utilization is based on actual operating days versus actual available days excluding days at yard for periodical maintenance, upgrading, transit or idle time between contracts.

Average dayrate is calculated based on recognized revenue divided by the total operational days per period.