

Paratus Energy

Interim Results

Second Quarter 2025



Paratus Energy

SECOND QUARTER 2025 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"), 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") and its 23.8% ownership in Archer Limited ("Archer"). Paratus is listed on the Euronext Oslo Børs under the ticker "PLSV".

- **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, out of which four rigs are under the contract with a state-owned company in Mexico. Titania FE is as of the reporting date warm stacked in Mexico.
- **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.
- **Archer** is a global oil services company which operates in 40 locations providing drilling services, well integrity and intervention, plug and abandonment and decommissioning to its upstream oil and gas clients. Archer is listed on the Euronext Oslo Børs under the ticker "ARCH".

Q2 2025 highlights and post quarter-end developments

Key highlights from Q2 2025 and notable post-quarter developments include:

- Maintained strong operational performance with fleet technical utilization of approximately 98%.
- Generated \$107 million¹ in combined segment revenues and \$57 million¹ in adjusted EBITDA.
- Repurchased own shares for approximately \$4.8 million; with approximately \$75 million remaining capacity under the current repurchase authorization.
- Received first-time dividend from Archer of \$1.3 million; an additional \$1.3 million has been declared for Q2 2025.
- Ended the quarter with \$93 million¹ in Group cash and \$631 million¹ in net debt.
- Post Q2, declared a \$0.22 per share quarterly dividend for Q2 2025, consistent with previous quarters.
- In August, Fontis received first payment from its client in Mexico since Q1 2025.

¹ Combined segment results are presented in accordance with management reporting. In this context, Seagems' financial results are presented using proportional consolidation of accounting. 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".

Operational review for the second quarter of 2025

(In \$ millions, unless stated otherwise)

Selected figures

Contract revenues
Adjusted EBITDA
Net income

Cash and cash equivalents
Net debt
Net Leverage Ratio

Technical utilization rate
Contract backlog

Combined Segment figures*	
Three months ended	
June 30, 2025	March 31, 2025
106.5	102.8
56.5	57.6
5.6	3.2
93.1	176.1
631.5	551.0
2.6	2.2
98.4%	99.0%
907.8	1,004.7

*Combined segment results are presented in accordance with management reporting. In this context, Seagems' financial results are presented using proportional consolidation of accounting. 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".

The following operational review is based on **management reporting** as defined in the alternative performance measures ("APM") section of this report. See also Note 3 - Segment information in the financial statements.

The Group, including the Company's share in Seagems, reported revenues of \$106.5 million and EBITDA of \$56.5 million (Q1 2025: \$102.8 million and \$57.6 million, respectively).

Fontis

Fontis recorded \$43.8 million in contract revenues, compared to \$46.6 million in Q1 2025. The revenue decline primarily reflected no operations on Titania FE during the quarter, lower average dayrates due to market indexation and UWILD survey on Intrepid, partly offset by the absence of rig suspensions during the quarter.

Operating expenses (Opex) totalled \$25.6 million (Q1 2025: \$18.3 million) and general and administrative expenses (G&A) totalled \$0.4 million (Q1 2025: \$1 million). The increase in Opex reflects Titania FE rig relocation costs at the end of its campaign (primarily tugboat and fuel expenses) partially offset by lower overall operational activity. The rig has subsequently been re-imported to Mexico. Additionally, Q1 2025 Opex benefited from favorable changes in accrual estimates. Adjusted EBITDA for Q2 2025 was \$17.8 million (Q1 2025: \$27.4 million).

During Q2 2025, Fontis achieved an average dayrate of \$116 thousand per day (Q1 2025: \$125 thousand per day) and maintained a strong technical utilization of 99.2% (Q1 2025: 99.7%). Fontis contract backlog at quarter-end was approximately \$98 million (Q1 2025: approximately \$139 million).

The successful collection of \$209 million in overdue receivables from Fontis' client in Mexico during Q1 2025 marked a significant milestone. This transaction materially improved the Company's liquidity position and demonstrated that alternative avenues exist for monetizing receivables beyond the traditional collection process.

As of the end of Q2 2025, the notional value of accounts receivable increased to \$232 million, up from \$185 million at the end of Q1 2025. No payments were received during the quarter, in line with broader trends observed among other service providers operating in Mexico with this client. In early August 2025, the Mexican government publicly introduced a comprehensive financial support plan with the aim to make Fontis' client financially self-sufficient by 2027. Key elements of the plan include the settlement of overdue supplier payments, debt reduction initiatives, and a long-term increase in national oil production from approximately 1.6 to 1.8 million barrels per day. As part of this initiative, approximately \$25 billion in new government guaranteed funding has reportedly been secured, including proceeds partially earmarked for capital expenditures and supplier debt settlements. In August, Fontis received a modest payment from its client.

The Company also notes that the client has announced intentions to align its payment practices with international standards going forward in order to reduce processing delays. However, it has been acknowledged that delays may continue to persist in the near to medium term. The Company remains actively engaged with the client to expedite the collection of outstanding receivables and expects to recover the full amount as has been the case in the past, while acknowledging and planning for the possibility of ongoing fluctuations in the timing of collections.

Of the Company's fleet of five jack-up rigs, all are currently contracted through Q1 2026, with the exception of Titania FE. The Company remains confident in the long-term demand for its rigs and anticipates that increased drilling activity in Mexico will be necessary to support its client's production targets, as recently reaffirmed by the Mexican government. The Company also expects more active contract discussions to take place in the second half of this year for the broader Fontis fleet. While Fontis remains focused on maintaining and strengthening its long-standing relationship with its client, it also continues to monitor broader market developments and is selectively evaluating and engaging tender opportunities both within and outside the region.

Seagems

Paratus' 50% share in the Seagems JV contributed \$62.7 million in contract revenues, compared to \$56.2 million in Q1 2025. The revenue increase was primarily driven by higher average dayrates from the newly started contracts with Petrobras partly offset by off-hire days as part of acceptance testing for the new contracts.

Reported Opex was \$15.4 million for the quarter (Q1 2025: \$17.8 million), while G&A was \$3.7 million (Q1 2025: \$2.9 million). Adjusted EBITDA for the quarter was \$40.6 million, up from \$32.5 million in Q1 2025. Q2 2025 EBITDA was positively impacted by stronger revenues in the quarter, reimbursement of an insurance claim for Esmeralda and other changes in accounting provisions.

The JV achieved an average dayrate of \$255 thousand per day (Q1 2025: \$212 thousand per day) and maintained a strong technical utilization of 97.8% (Q1 2025: 98.4%). Seagems contract backlog at quarter-end was approximately \$1.6 billion² (Q1 2025: approximately \$1.7 billion²).

During the first half of 2025, the Seagems JV provided cash distribution of \$33.1 million to Paratus (H1 2024: \$37.6 million). As previously reported in Q1 2025, distributions from Seagems are expected to increase in the second half of the year, consistent with the JV's cash flow profile and the scheduled timing of capital expenditures and other payments. Subsequent Q2 2025, the Company received \$45 million of total cash distributions from Seagems for July and August 2025.

Following Q2 2025, Seagems secured an aggregate \$60 million² in additional capital expenditures financing from local Brazilian banks with amortization scheduled over 3 years starting in 2026.

Other

The Other segment includes general corporate and financing activities as well as the Company's 23.8% ownership in Archer which is accounted for as an equity method investment.

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 fluctuations in receivables collections in Mexico, 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.

The Group closed Q2 2025 with a cash balance of \$93.1 million and net debt of \$631.5 million, including the Company's share in Seagems' cash balance and net debt of \$22.9 million and \$36.6 million, respectively. In comparison, the Group closed Q1 2025 with a cash balance of \$176.1 million and net debt of \$551 million, including the Company's share in Seagems' cash balance and net debt of \$20.2 million and \$39.9 million, respectively. The Group's interest-bearing debt (at notional amounts) totalled \$774.9 million, comprising of \$715.4 million at Paratus plus \$59.5 million at Seagems (Q1 2025: \$775.5 million, comprised of \$715.4 million and \$60.1 million respectively).

As of the date of this report, the Company has senior secured notes with an aggregate principal amount of \$215 million maturing within the next 12 months (the "2026 Notes"; see Note 11). The Company is actively evaluating a range of strategic options to address this upcoming maturity and has initiated discussions with various financial institutions to explore potential refinancing solutions. While no binding agreements have been executed as of the reporting date, the Company intends to redeem or refinance the 2026 Notes either at Paratus holding company level or through a new debt facility at the operating entity level, prior to maturity. Management remains confident in the Company's ability to secure the necessary financing to meet its upcoming obligations and to maintain financial flexibility.

² Figures shown at 100% Seagems Joint Venture level.

Financial summary for the first six months of 2025

	US GAAP financial results			
	Three months ended		Six months ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
<i>(In \$ millions, unless stated otherwise)</i>				
<u>Statements of operations summary</u>				
Operating revenues	35.2	64.2	73.9	111.8
Operating income	31.4	53.7	70.7	88.7
Net financial expense	(21.9)	(15.9)	(57.1)	(36.8)
Income tax expense	(3.9)	(3.7)	(4.8)	(8.1)
Net income/(loss)	5.6	34.1	8.8	43.8
Earnings per share (\$ per share)	0.03	0.22	0.05	0.28
<u>Statements of cash flows</u>				
Cash and cash equivalents at end of period			70.2	232.2
Net cash provided by operating activities			78.8	39.8
Net cash provided by investing activities			32.6	35.1
Net cash used in financing activities			(127.8)	41.8

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.

Operating revenues for the first half of ("year-to-date" or "YTD") 2025 totaled \$73.9 million, a decrease from \$111.8 million in the same period of 2024. The decline was primarily attributable to \$15.2 million of variable revenue recognized in YTD 2024 related to previously unbilled services. Additionally, there were no operations on Titania FE in the quarter, resulting in a net revenue reduction of \$11.3 million, after accounting for a demobilization fee and other related revenue items. Revenues were also impacted by lower average dayrates compared to higher dayrates in 2024 following market indexation to the Fontis rig rates (excluding Titania FE) in February and August 2024. Further contributing to the year-over-year decline were balances of rig suspensions in January 2025 and UWILD survey on the Intrepid during the current quarter.

Total operating expenses YTD 2025 were \$60.7 million, compared to \$64.2 million in the same period of 2024. While YTD 2025 operating expenses included demobilization costs related to Titania FE (partially offset by lower operating rig activity), the YTD 2024 operating expenses were higher, mainly due to personnel and other costs largely driven by one-time activities related to the transition from Seadrill, and costs related to the placement of the 2029 Bonds and the Company's public listing at Paratus.

Share in results from Joint Venture YTD 2025 was \$52.6 million (YTD 2024: \$41.1 million), representing the Company's 50% share of the Seagems' net income (net of taxes). The increase was primarily driven by higher revenues resulting from higher dayrates as vessels commenced new contracts at significantly improved rates.

Other operating income of \$4.9 million is related to an insurance claim refund at Fontis received during YTD 2025.

Operating income YTD 2025 was \$70.7 million, down from \$88.7 million in the same period of 2024 mainly driven by lower operating revenues as described above, partially offset by stronger results in Seagems JV and other income.

Net financial expense was \$57.1 million, up from \$36.8 million in the same period of 2024. The increase in net financial expense was mainly due to the upfront fee paid on receivables monetization agreement, higher net losses in Archer, which were driven by financial expenses related to their bond refinancing activities in the beginning of the year, and foreign currency fluctuations due to stronger MXN compared to USD in 2025.

Tax expense was \$4.8 million, down from \$8.1 million in the same period of 2024, mainly driven by lower estimated corporate tax provision and movement in the provision for the uncertain tax positions ("UTP") in Mexico (see Note 5).

Net income for YTD 2025 was \$8.8 million, compared to \$43.8 million for the same period in 2024.

Consolidated **cash and cash equivalents** (Paratus and Fontis) as of Q2 2025 was \$70.2 million compared to \$86.4 million at year-end 2024.

Net cash from **operating activities** was \$78.8 million, up from \$39.8 million in the same period of 2024. The increase was primarily driven by the \$209 million receivables collection in Mexico during Q1 2025, partly offset by higher vendor payments.

Net cash from **investing activities** was \$32.6 million, mainly related to cash distributions from Seagems to Paratus of \$33.1 million, cash distribution from Archer of \$1.3 million, partly offset by additions to drilling units of \$1.8 million. In comparison, net cash from investing activities for the same period in 2024 was \$35.1 million, consisting of distributions from Seagems to Paratus of \$37.6 million, partly offset by additions to drilling units of \$2.5 million.

Net cash used in **financing activities** was \$127.8 million, comprised of cash distribution to shareholders of \$71.9 million, share buyback of \$24.9 million, interest income of \$2.4 million and interest payments of \$33.4 million. For the same period in 2024, cash provided by financing activities was \$41.8 million comprised of cash from issuance of common shares of \$72.6 million, interest income on bank deposits of \$1.4 million, and payment of interest on borrowings of \$32.2 million.

Subsequent events

Cash distribution to shareholders

On August 26, 2025, the Company announced that the Board of Directors has approved a cash distribution of \$0.22 per share for Q2 2025, to all shareholders of record as of 3 September 2025. The cash dividend will be paid on 16 September 2025.

Risks and uncertainty

The Group is subject to a range of risks and uncertainties which may affect its business operations and financial condition. The description of key risks and uncertainties in the 2024 Annual report gives a fair description of key risks and uncertainties that may affect the Group in the second half of 2025, and we are not aware of any significant new risks or uncertainties or significant changes to those risks or uncertainties, except for those described herein.

Responsibility statement

We confirm, to the best of our knowledge, that the condensed set of financial statements for the period January 1, to June 30, 2025, has been prepared in accordance with United States Generally Accepted Accounting Principles, or “US GAAP” and gives a true and fair view of the Group’s assets, liabilities, financial position and profit or loss as a whole, and that the interim management report includes a fair review of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements. We have disclosed all major related parties’ transactions. A detailed description of the principal risks and uncertainties facing the group is provided in our annual report for the year ended December 31, 2024, as supplemented herein, remains materially unchanged for the remaining six months of the financial year 2025.

The Board of Directors of Paratus Energy Services Ltd.

25 August 2025

Mei Mei Chow
Chair

Robert Jensen
Director

James Ayers
Director

Joachim Bale
Director

Mark Mey
Director

Dag Skindlo
Director

Paratus Energy Services Ltd.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
for the quarter ended June 30, 2025 and 2024

		Three months ended		Six months ended	
		June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
(In \$ millions, except per share amounts)					
	Note				
Total operating revenues	4	35.2	64.2	73.9	111.8
Operating expenses					
Rig operating expenses		(25.6)	(24.2)	(43.9)	(47.7)
General and administrative expenses		(2.3)	(6.3)	(5.5)	(8.9)
Depreciation and amortization		(5.5)	(4.6)	(10.9)	(9.3)
Expected credit losses	4	(3.9)	2.4	(0.4)	1.7
Total operating expenses		(37.3)	(32.7)	(60.7)	(64.2)
Share in results from joint ventures	10	31.5	22.2	52.6	41.1
Other operating income		2.0	-	4.9	-
Operating income		31.4	53.7	70.7	88.7
Financial items					
Share in results from associated companies	10	0.3	0.4	(7.0)	(2.2)
Interest income		1.1	1.2	2.4	1.4
Interest expense	11	(19.1)	(21.6)	(38.1)	(43.1)
Other financial items		(4.2)	4.1	(14.4)	7.1
Net financial expense		(21.9)	(15.9)	(57.1)	(36.8)
Income before taxes		9.5	37.8	13.6	51.9
Income tax expense	5	(3.9)	(3.7)	(4.8)	(8.1)
Net income		5.6	34.1	8.8	43.8
Income per share:					
Basic	13	0.03	0.22	0.05	0.28
Diluted		0.03	0.22	0.05	0.28

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 June 30, 2025 and 2024

	Three months ended		Six months ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
<i>(In \$ millions)</i>				
Net income	5.6	34.1	8.8	43.8
Other comprehensive income/(loss):				
Share of other comprehensive income/(loss) from equity method investments	(0.9)	10.5	(1.6)	11.3
Total other comprehensive income	4.7	44.6	7.2	55.1

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

Paratus Energy Services Ltd.
CONDENSED CONSOLIDATED BALANCE SHEETS
as at June 30, 2025 and December, 31 2024

<i>(In \$ millions, except par value amounts)</i>	Note	June 30, 2025	December 31, 2024
ASSETS			
Current assets			
Cash and cash equivalents	6	70.2	86.4
Accounts receivables, net	4	224.2	339.6
Amounts due from related parties		3.3	3.3
Favorable contracts	4	21.4	28.9
Other current assets	7	28.7	10.0
Total current assets		347.8	468.2
Non-current assets			
Equity method investments	10	368.1	358.2
Drilling units and equipment, net		255.4	259.0
Favorable contracts	4	-	9.0
Other non-current assets		0.9	0.3
Total non-current assets		624.4	626.5
Total assets		972.2	1,094.7
LIABILITIES AND EQUITY			
Current liabilities			
Trade accounts payable		6.0	16.7
Other current liabilities	5, 8	44.0	65.0
Total current liabilities		50.0	81.7
Non-current liabilities			
Interest-bearing debt, long-term	11	697.2	692.5
Other non-current liabilities	5	55.5	61.4
Deferred tax liabilities		2.2	2.2
Total non-current liabilities		754.9	756.1
Equity			
Shareholders' equity		167.3	256.9
Total equity		167.3	256.9
Total liabilities and equity		972.2	1,094.7

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 six months ended June 30, 2025 and 2024

		Six months ended	
		June 30, 2025	* June 30, 2024
<i>(In \$ millions)</i>			
Cash Flows from Operating Activities	Note		
Net income		8.8	43.8
<u>Adjustments to reconcile net income to net cash provided by</u>			
Amortization of favorable contracts	4	16.5	15.4
Depreciation		10.9	9.3
Income from equity method investments	10	(45.6)	(38.9)
Net interest expense and amortization		35.7	41.7
Unrealized foreign exchange (gain)/loss		0.9	(7.1)
Expected credit losses	4	0.4	(1.7)
Share-based compensation		-	0.1
Additions to long-term maintenance		(5.4)	(2.1)
Other		(0.3)	(0.6)
<u>Change in working capital items and other</u>			
Accounts receivables, net	4	115.0	(40.0)
Trade accounts payable		(11.0)	(3.6)
Other assets		(19.3)	4.7
Other liabilities		(27.8)	18.8
Net cash provided by operating activities		78.8	39.8
Investing Activities			
Additions to drilling units and equipment		(1.8)	(2.5)
Distribution from equity method investee	10	34.4	37.6
Net cash provided by investing activities		32.6	35.1
Financing Activities			
Interest on bank deposits		2.4	1.4
Issuance of common shares (net of issue costs)		-	72.6
Payment of interest on borrowings	11	(33.4)	(32.2)
Share buyback		(24.9)	-
Return of capital to shareholders		(71.9)	-
Net cash used in financing activities		(127.8)	41.8
Effect of exchange rate changes on cash and cash equivalents		0.2	0.8
Net increase/(decrease) in cash and cash equivalents		(16.2)	117.5
Cash and cash equivalents at beginning of period		86.4	114.7
Cash and cash equivalents at end of period		70.2	232.2

**Presentation of comparative information has been updated in conformity with the 2024 year-end presentation.*

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 six months ended June 30, 2025 and 2024

	Common shares	Additional paid-in capital	Accumulated other comprehensive income/(loss)	Accumulated deficit	Total equity
<i>(In \$ millions)</i>					
Balances as at January 1, 2024	-	1,290.9	(3.5)	(1,072.5)	214.9
Net income	-	-	-	43.8	43.8
Other comprehensive income	-	-	11.3	-	11.3
Issuance of common shares	-	71.9	-	-	71.9
Balance as at June 30, 2024	-	1,362.8	7.8	(1,028.7)	344.9
Balances as at January 1, 2025	-	1,289.1	8.7	(1,040.9)	256.9
Net income	-	-	-	8.8	8.8
Other comprehensive loss	-	-	(1.6)	-	(1.6)
Share buyback	-	(24.9)	-	-	(24.9)
Return of capital	-	(71.9)	-	-	(71.9)
Balance as at June 30, 2025	-	1,192.3	7.1	(1,032.1)	167.3

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"), 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") and its 23.8% ownership in Archer Limited ("Archer").

- **Fontis Energy** 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. As of the reporting date, four of the rigs are under the contract with a state-owned company in Mexico. Titania FE is as of the reporting date warm stacked in Mexico.
- **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.
- **Archer** is a global oil services company which operates in 40 locations providing drilling services, well integrity and intervention, plug and abandonment and decommissioning to its upstream oil and gas clients. Archer is listed on the Euronext Oslo Børs under the ticker "ARCH".

Note 2 - Basis of presentation and 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, 2024.

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, 2024.

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 - Segment Information

The Company reports its operations under three segments: Fontis, Seagems, and Other.

Fontis Holdings Ltd. and its subsidiaries (collectively "Fontis"), a wholly-owned subsidiary of Paratus, 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. As of the reporting date, four of the rigs are under the contract with a state-owned company in Mexico. Titania FE is as of the reporting date warm stacked in Mexico.

The Seagems segment represents the Company's 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. 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 our 23.8% ownership in Archer which is accounted for as an equity method investment as well as general corporate and finance activities, and basis difference adjustment to equity method investments.

The accounting principles for the segments are the same as for our consolidated financial statements. The following tables provide disclosures of the key metrics used by the chief operating decision maker when assessing the operations of the business.

Reconciling items

Reconciling items in the tables above represent adjustments made to arrive from 50% of Seagems results (proportional consolidation of accounting) to the equity method income as disclosed under operating activities in the statement of operations.

Three months ended						
June 30, 2025						
(In \$ millions)	Seagems (50% share)	Fontis	Other	Total reporting Segments	Reconciling Items	Consol. Total
Contract revenues	62.7	43.8	-	106.5	(62.7)	43.8
Amortization of favorable contracts	-	(8.6)	-	(8.6)	-	(8.6)
Tax on revenues	(3.0)	-	-	(3.0)	3.0	-
Operating revenues	59.7	35.2	-	94.9	(59.7)	35.2
Rig / Vessel operating expenses	(15.4)	(25.6)	-	(41.0)	15.4	(25.6)
General and administrative exp.	(3.7)	(0.4)	(1.9)	(6.0)	3.7	(2.3)
Expected credit losses	-	(3.9)	-	(3.9)	-	(3.9)
Other operating income	-	2.0	-	2.0	-	2.0
Depreciation and amortization	(10.7)	(5.5)	-	(16.2)	10.7	(5.5)
Share in results from joint ventures	-	-	4.1	4.1	27.4	31.5
Operating income	29.9	1.8	2.2	33.9	(2.5)	31.4
Share in results from associated companies	-	-	0.3	0.3	-	0.3
Interest expense	(1.0)	-	(19.1)	(20.1)	1.0	(19.1)
Other financial items, net	1.7	(4.3)	1.2	(1.4)	(1.7)	(3.1)
Income tax benefit/(expense)	(3.2)	(3.9)	-	(7.1)	3.2	(3.9)
Net income/(loss)	27.4	(6.4)	(15.4)	5.6	-	5.6

Three months ended						
June, 30 2024						
(In \$ millions)	Seagems (50% share)	Fontis	Other	Total reporting Segments	Reconciling Items	Consol. Total
Contract revenues	52.2	71.8	-	124.0	(52.2)	71.8
Amortization of favorable contracts	-	(7.6)	-	(7.6)	-	(7.6)
Tax on revenues	(3.6)	-	-	(3.6)	3.6	-
Operating revenues	48.6	64.2	-	112.8	(48.6)	64.2
Rig / Vessel operating expenses	(17.5)	(23.9)	(0.3)	(41.7)	17.5	(24.2)
General and administrative exp.	(3.0)	(1.1)	(5.2)	(9.3)	3.0	(6.3)
Expected credit losses	-	2.4	-	2.4	-	2.4
Other operating expenses	(0.2)	-	-	(0.2)	0.2	-
Depreciation and amortization	(10.4)	(4.6)	-	(15.0)	10.4	(4.6)
Share in results from joint ventures	-	-	2.4	2.4	19.8	22.2
Operating income	17.5	37.0	(3.1)	51.4	2.3	53.7
Share in results from associated companies	-	-	0.4	0.4	-	0.4
Interest expense	(1.2)	-	(21.6)	(22.8)	1.2	(21.6)
Other financial items, net	4.3	5.3	-	9.6	(4.3)	5.3
Income tax benefit/(expense)	(0.8)	(3.7)	-	(4.5)	0.8	(3.7)
Net income/(loss)	19.8	38.6	(24.3)	34.1	-	34.1

Note 3 - Segments (continued)

	Six months ended					
	June 30, 2025					
(In \$ millions)	Seagems (50% share)	Fontis	Other	Total reporting Segments	Reconciling Items	Consol. Total
Contract revenues	118.9	90.4	-	209.3	(118.9)	90.4
Amortization of favorable contracts	-	(16.5)	-	(16.5)	-	(16.5)
Tax on revenues	(5.9)	-	-	(5.9)	5.9	-
Operating revenues	113.0	73.9	-	186.9	(113.0)	73.9
Rig / Vessel operating expenses	(33.2)	(43.9)	-	(77.1)	33.2	(43.9)
General and administrative exp.	(6.6)	(1.3)	(4.2)	(12.1)	6.6	(5.5)
Expected credit losses	-	(0.4)	-	(0.4)	-	(0.4)
Other operating income	-	4.9	-	4.9	-	4.9
Depreciation and amortization	(21.1)	(10.9)	-	(32.0)	21.1	(10.9)
Share in results from joint ventures	-	-	8.1	8.1	44.5	52.6
Operating income	52.1	22.3	3.9	78.3	(7.6)	70.7
Share in results from associated companies	-	-	(7.0)	(7.0)	-	(7.0)
Interest expense	(1.9)	-	(38.1)	(40.0)	1.9	(38.1)
Other financial items, net	0.9	(13.6)	1.6	(11.1)	(0.9)	(12.0)
Income tax benefit/(expense)	(6.6)	(4.8)	-	(11.4)	6.6	(4.8)
Net income/(loss)	44.5	3.9	(39.6)	8.8	-	8.8

	Six months ended					
	June 30, 2024					
	Seagems	Fontis	Other	Total reporting Segments	Reconciling Items	Consol. Total
(In \$ millions)	(50% share)					
Contract revenues	105.3	127.2	-	232.5	(105.3)	127.2
Amortization of favorable contracts	-	(15.4)	-	(15.4)	-	(15.4)
Tax on revenues	(6.7)	-	-	(6.7)	6.7	-
Operating revenues	98.6	111.8	-	210.4	(98.6)	111.8
Rig / Vessel operating expenses	(37.0)	(47.0)	(0.7)	(84.7)	37.0	(47.7)
General and administrative exp.	(6.2)	(2.6)	(6.3)	(15.1)	6.2	(8.9)
Expected credit losses	-	1.7	-	1.7	-	1.7
Other operating expenses	(0.1)	-	-	(0.1)	0.1	-
Depreciation and amortization	(20.8)	(9.3)	-	(30.1)	20.8	(9.3)
Share in results from joint ventures	-	-	4.2	4.2	36.9	41.1
Operating income	34.5	54.6	(2.8)	86.3	2.4	88.7
Share in results from associated companies	-	-	(2.2)	(2.2)	-	(2.2)
Interest expense	(1.0)	-	(43.1)	(44.1)	1.0	(43.1)
Other financial items, net	4.0	8.3	0.2	12.5	(4.0)	8.5
Income tax benefit/(expense)	(0.6)	(8.1)	-	(8.7)	0.6	(8.1)
Net income/(loss)	36.9	54.8	(47.9)	43.8	-	43.8

	June 30, 2025					
	Seagems			Total		
(In \$ millions)	(50% share)	Fontis	Other	reporting Segments	Reconciling Items	Consol. Total
Cash and cash equivalents	22.9	14.6	55.6	93.1	(22.9)	70.2
Property, plant and equipment	591.3	255.4	-	846.7	(591.3)	255.4
Capital Expenditures	12.5	7.2	-	19.7	(12.5)	7.2
Equity method investments	-	-	41.7	41.7	326.4	368.1
Total assets	677.3	544.7	427.5	1,649.5	(677.3)	972.2
Long-term interest-bearing debt, net	59.5	-	697.2	756.7	(59.5)	697.2

	December 31, 2024					
	Seagems			Total	Reconciling	
(In \$ millions)	(50% share)	Fontis	Other	reporting Segments	Items	Consol. Total
Cash and cash equivalent	12.4	21.5	64.9	98.8	(12.4)	86.4
Property, plant and equipment	629.5	259.0	-	888.5	(629.5)	259.0
Capital Expenditures	15.5	16.4	-	31.9	(15.5)	16.4
Equity method investments	-	-	45.7	45.7	312.5	358.2
Total assets	674.5	668.4	426.3	1,769.2	(674.5)	1,094.7
Long-term interest-bearing debt, net	60.5	-	692.5	753.0	(60.5)	692.5

Note 4 - Revenue from contracts with customers

In the three and six months ended June 30, 2025 and 2024 the Company had only one customer with external contract revenues. During the same periods all of our operating drilling units were located in one geographic location, Mexico.

	Three months ended		Six months ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
<i>(In \$ millions)</i>				
Contract revenues	43.8	71.8	90.4	127.2
Amortization of favorable contracts	(8.6)	(7.6)	(16.5)	(15.4)
Operating revenues	35.2	64.2	73.9	111.8

The following tables provide information about trade receivables:

	June 30, 2025	December 31, 2024
<i>(In \$ millions)</i>		
Account receivables	231.9	346.9
Less: Allowance for credit losses	(7.7)	(7.3)
Account receivables, net	224.2	339.6

The following tables provide information about favorable contracts related to our contracts with customers:

	June 30, 2025	December 31, 2024
<i>(In \$ millions)</i>		
Favorable contracts	171.1	171.9
Less: Accumulated amortization	(149.7)	(134.0)
Favorable contracts, net	21.4	37.9
<i>Of which:</i>		
Favorable contracts - current	21.4	28.9
Favorable contracts - non-current	-	9.0

Changes in the favorable contract asset during the period are as follows:

Balance as of January 1, 2025	37.9
Amortization of favorable contracts	(16.5)
Balance as of June 30, 2025	21.4

The amortization is recognized in the condensed consolidated statement of operations as an adjustment to revenue of favorable contracts. The average remaining amortization period for the favorable contracts is 6 months.

Outstanding receivables in Mexico

The successful collection of \$209 million in overdue receivables from the Company's client in Mexico during Q1 2025 marked a significant milestone. This transaction materially improved the Company's liquidity position and demonstrated that alternative avenues exist for monetizing receivables beyond the traditional collection process. The Company believes similar arrangements could potentially be an option should we consider this necessary.

As of the end of Q2 2025, the notional value of accounts receivable increased to \$232 million, up from \$185 million at the end of Q1 2025. No payments were received during the quarter, in line with broader trends observed among other service providers operating in Mexico with this client. In early August 2025, the Mexican government publicly introduced a comprehensive financial support plan with the aim to make Fontis' client financially self-sufficient by 2027. Key elements of the plan include the settlement of overdue supplier payments, debt reduction initiatives, and a long-term increase in national oil production from approximately 1.6 to 1.8 million barrels per day. As part of this initiative, approximately \$25 billion in new government guaranteed funding has reportedly been secured, including proceeds partially earmarked for capital expenditures and supplier debt settlements. In August, Fontis received a modest payment from its client.

The Company also notes that the client has announced intentions to align its payment practices with international standards going forward in order to reduce processing delays. However, it has been acknowledged that delays may continue to persist in the near to medium term. The Company remains actively engaged with the client to expedite the collection of outstanding receivables and expects to recover the full amount as has been the case in the past, while acknowledging and planning for the possibility of ongoing fluctuations in the timing of collections. To proactively manage liquidity, the Company prepares, reviews, and updates cash flow projections regularly. These projections incorporate various scenarios, including fluctuations in receivables collections in Mexico.

Note 5 - Taxation and provisions for uncertain tax positions

Income tax expense mainly relates to current tax provision, withholding taxes and movements in provision for uncertain tax positions ("UTP") in Mexico.

Uncertain Tax Positions in Mexico ("UTP")

As disclosed in the latest annual report, the Group is currently undergoing audits by the Mexican tax authorities ("SAT") in respect of fiscal years 2014, 2018, 2019 and 2020. In Q3 2024, the tax liabilities relating to 2017 tax audit were resolved and settled for approximately \$13 million. In Q1 2025, the tax liabilities in relation to 2014 Titania FE rig operating entity were resolved and settled for approximately \$3.5 million. The UTP estimate, including for those accounting years that are currently not subject to audit, is based on the information available at the time to the best of management's assessment of all relevant available information including the tax audits that have been finalized.

The provision for UTP as of Q2 2025 was \$63.6 million (year-end 2024: \$64 million), of which \$8.6 million (year-end 2024: \$2.7 million) is presented under "Other-current liabilities" and \$55 million (year-end 2024: \$61.3 million) in "Other non-current liabilities" on the balance sheet. Included in the provision for UTP is accrued interest and penalties totaling \$21.4 million (year-end 2024: \$21.1 million). The movement in the UTP provision during the first half of 2025 was mainly driven by fluctuations in foreign currency rates (included in "Other financial items"), settlements made, inflation adjustments and accruals for interest and other (included in "Income tax expense").

Note 6 - Cash and cash equivalents

	June 30, 2025	December 31, 2024
(In \$ millions)		
Cash and cash equivalents, non-restricted	56.0	75.3
Cash and cash equivalents, restricted	14.2	11.1
Total cash and cash equivalents	70.2	86.4

Restricted cash represents cash collateral supporting performance guarantees issued to a large national oil company in Mexico.

Note 7 - Other current assets

Other current assets consist of the following:

	June 30, 2025	December 31, 2024
(In \$ millions)		
VAT asset	17.8	-
Taxes receivable	9.4	8.9
Prepaid expenses	1.5	1.1
Total other current assets	28.7	10.0

Note 8 - Other current liabilities

Other current liabilities consist of the following:

	June 30, 2025	December 31, 2024
(In \$ millions)		
VAT liability	-	21.2
Taxes payable	20.0	21.5
Employee withheld taxes and social security	2.2	2.7
Other current liabilities	12.7	16.4
Uncertain tax positions (UTP) provision	8.6	2.7
Accrued interest on senior secured notes	0.5	0.5
Total other current liabilities	44.0	65.0

Note 9 - 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 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. In circumstances where payments are delayed the fair value could differ for time value of money. For other financial instruments, a comparison of fair value and carrying value is as follows:

(In \$ millions)		June 30, 2025		December 31, 2024	
Assets	Level	Fair value	Carrying value	Fair value	Carrying value
Related party loans receivables – Seagems loans receivables	2	3.0	3.3	3.0	3.3
Liabilities					
2026 Senior secured notes*	1	214.3	209.9	215.4	203.2
2029 Senior secured notes*	1	494.6	487.3	488.2	489.3

* 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 11 – 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 11 – Debt for further information.

Note 10 - Equity method investments

Our equity method investments as of June 30, 2025 and December 31, 2024 are comprised as follows:

	June 30, 2025	December 31, 2024
Ownership percentage		
Seagems	50.0 %	50.0 %
Archer	23.8 %	23.8 %

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

	Seagems*			
	Three months ended		Six months ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
<i>(In \$ millions, except ownership percentage)</i>				
Operating revenues	124.1	121.0	231.1	232.1
Operating income	65.6	40.2	114.1	79.2
Net income/(loss)	55.0	39.5	89.1	73.8
Company's ownership percentage	50.0 %	50.0 %	50.0 %	50.0 %
Share of net income/(loss)	27.4	19.8	44.5	36.9
Amortization of basis differences	4.1	2.4	8.1	4.2
Share in results of Seagems	31.5	22.2	52.6	41.1

	Archer			
	Three months ended		Six months ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
<i>(In \$ millions, except ownership percentage)</i>				
Operating revenues	294.4	309.0	588.6	617.3
Operating income	22.1	15.5	38.4	33.4
Net income / (loss)	0.8	1.0	(28.7)	(9.8)
PES ownership percentage	23.8 %	24.2 %	23.8 %	24.2 %
Share of net income/(loss)	0.2	0.2	(6.8)	(2.4)
Amortization of basis differences	0.1	0.2	(0.2)	0.2
Share in results of Archer	0.3	0.4	(7.0)	(2.2)

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

	Seagems*		Archer	
	June 30, 2025	December 31, 2024	June 30, 2025	December 31, 2024
<i>(In \$ millions, except ownership percentage)</i>				
Current assets	234.6	197.6	394.8	404.1
Non-current assets	1,190.8	1,208.4	628.7	596.5
Current liabilities	(164.4)	(158.3)	(332.3)	(338.2)
Non-current liabilities	(107.1)	(115.3)	(481.9)	(437.2)
Non-controlling interest	-	-	(16.6)	(15.4)
Net Assets (gross, 100%)	1,153.9	1,132.4	192.7	209.8
Company's ownership percentage	50.0 %	50.0 %	23.8 %	23.8 %
Company's share of book equity	577.0	566.2	45.9	50.7
Shareholder loans held as equity	0.9	0.9	-	-
Basis difference	(251.5)	(254.6)	(4.2)	(5.0)
Carrying amount equity method investments	326.4	312.5	41.7	45.7

*Seagems figures are shown prior to elimination of intercompany transactions and balances between JV entities.

Note 11 - Interest-bearing debt

As of June 30, 2025 and December 31, 2024 the carrying value of our debt, all long-term, was comprised as follows:

	Interest Rate	Maturity Date	Carrying Amount	
			June 30, 2025	December 31, 2024
(In \$ millions)				
2026 Senior secured notes plus PIK interest	9.00%	15/07/2026	215.4	215.4
2029 Senior secured bonds	9.50%	27/06/2029	500.0	500.0
Total interest-bearing debt			715.4	715.4
Less: Unamortized discount and debt issuance costs			(18.2)	(22.9)
Total interest-bearing debt, net			697.2	692.5
Less: Current portion, net			-	-
Long-term interest-bearing debt, net			697.2	692.5

The key terms relating to our debt in the year ended June 30, 2025 and year ended December 31, 2024 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 July 2024, the proceeds from the \$500 million bond issue described below ("2029 Bonds") were used to partially refinance the 2026 Notes. As a result, the remaining principal amount under the 2026 Notes was \$215 million as at June 30, 2025 (December 31, 2024: \$215 million). The carrying amount of the 2026 Notes is presented net of unamortized discount and debt issuance costs.

The Company is actively evaluating a range of strategic options to address this upcoming maturity and has initiated discussions with various financial institutions to explore potential refinancing solutions. While no binding agreements have been executed as of the reporting date, the Company intends to redeem or refinance the 2026 Notes either at Paratus holding company level or through a new debt facility at the operating entity level, prior to maturity. Management remains confident in the Company's ability to secure the necessary financing to meet its upcoming obligations and to maintain financial flexibility.

2029 Senior Secured Bonds ("2029 Notes")

Secured bonds were issued on June 27, 2024 and are due June 27, 2029. As at June 30, 2025, the outstanding principal amount is \$500 million (December 31, 2024: \$500 million). The carrying amount of the 2029 Bonds are presented net of unamortized discount and debt issuance costs.

Interest expense is comprised of the following:

	Three months ended		Six months ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
(In \$ millions)				
Loan interest expense	16.7	16.6	33.4	32.2
Amortization of debt discount	2.4	5.0	4.7	10.9
Interest expense	19.1	21.6	38.1	43.1

Note 12 - Share Capital

Paratus, has issued a total of 169,550,049 Class A common shares at par value of US \$0.00002 each at June 30, 2025 and December 31, 2024.

	June 30, 2025	December 31, 2024
Class A ordinary shares in issue	169,550,049	169,550,049
Treasury shares	(6,815,000)	-
Total shares outstanding	162,735,049	169,550,049

Note 13 - 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. Anti-dilutive options granted to employees totaling 780,000 shares were excluded from the computation of diluted EPS.

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

	Three months ended		Six months ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
(in \$ million, except share and per share amounts)				
Net income/(loss)	5.6	34.1	8.8	43.8
Weighted average numbers of shares outs. (basic)	163,186,952	154,857,157	165,515,564	154,436,579
Weighted average numbers of shares outs. (diluted)	163,186,952	154,857,157	165,515,564	154,436,579
Earnings per share:				
Basic	0.03	0.22	0.05	0.28
Diluted	0.03	0.22	0.05	0.28

Note 14 - Subsequent events

Cash distribution to shareholders

On August 26, 2025, the Company announced that the Board of Directors has approved a cash distribution of \$0.22 per share for Q2 2025, to all shareholders of record as of 3 September 2025. The cash dividend will be paid on 16 September 2025.

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.

	Three months ended		Six months ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
<i>(In \$ millions)</i>				
Calculation of adjusted EBITDA				
Net income/(loss)	5.6	34.1	8.8	43.8
Add back: Income tax expense	3.9	3.7	4.8	8.1
Add back: Net financial expense	21.9	15.9	57.1	36.8
Deduct: Share in results from joint ventures	(31.5)	(22.2)	(52.6)	(41.1)
Add back: Expected credit losses	3.9	(2.4)	0.4	(1.7)
Deduct: Other operating income	(2.0)	-	(4.9)	-
Add back: Depreciation and amortization	5.5	4.6	10.9	9.3
Add back: Amortization of favorable contracts	8.6	7.6	16.5	15.4
Adjusted EBITDA (consolidated)	15.9	41.3	41.0	70.6
Net income/(loss) - 50% of Seagems	27.4	19.8	44.5	36.9
Add back: Income tax expense	3.2	0.8	6.6	0.6
Add back: Net financial expense	(0.7)	(3.1)	1.0	(3.0)
Add back: Depreciation and amortization	10.7	10.4	21.1	20.8
Add back: Other operating expenses	-	0.2	-	0.1
Adjusted EBITDA (50% Seagems)	40.6	28.1	73.2	55.4
Combined Segment EBITDA	56.5	69.4	114.2	126.0
			June 30, 2025	December 31 2024
<i>(In \$ millions)</i>				
Net debt				
Interest-bearing debt (notional amount)			715.4	715.4
Paratus			715.4	715.4
Less: Cash and cash equivalents			70.2	86.4
Paratus			55.6	64.9
Fontis			14.6	21.5
Less: Market value Archer shares*			50.3	49.4
Paratus			50.3	49.4
Net debt			594.9	579.6
50% of Seagems interest-bearing debt (notional amount)			59.5	60.5
Less: 50% of Seagems cash and cash equivalents			22.9	12.4
50% of Seagems net debt			36.6	48.1
Net debt (as per management reporting)			631.5	627.7
Net Leverage Ratio				
Net debt (as per management reporting)			631.5	627.7
Combined Segment EBITDA (LTM)**			240.0	251.6
Net Leverage Ratio			2.6	2.5

* Trading venue: Euronext Oslo Børs (ticker: ARCH).

** Last Twelve Months ("LTM")

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 bond indenture agreement, is interest-bearing debt (notional) including the Company's share in Seagems interest-bearing debt (notional) 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's ownership in Archer). 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.

Management reporting represents the Company's internal financial and operational performance assessment. In this context, Seagems' financial results are presented using proportional consolidation of accounting. 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, in management reporting, operating revenues reflect contract revenues before amortization of favorable contracts for Fontis and exclude revenue taxes for Seagems.

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.