Paratus Energy

Interim Results

Q4 and Full-Year 2024

Paratus Energy

FOURTH QUARTER AND FULL-YEAR 2024 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 indicate otherwise.

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 24.2% 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, under contract with a large state-owned company 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".

2024 highlights and post year-end developments

In 2024, Paratus delivered exceptional operational and financial results, highlighted by a fleet utilization rate of approximately 99% and financial results that surpassed initial expectations. The Company generated revenues of $452 million[1] and EBITDA of $252 million[1], representing an increase of 5% and 8% from 2023, respectively. In addition, shareholders benefited from consecutive quarterly cash distributions of $0.22 per share in both Q2 and Q3, reflecting an industry-leading dividend yield of around 22%[2]. Further strengthening its financial flexibility, Paratus successfully issued $500 million in bonds, partially refinancing 2026 notes and completed its listing on Euronext Oslo Børs during 2024, enhancing Paratus' market visibility, trading liquidity, and investor access. Key highlights from 2024 and notable post-quarter developments include:

- Finalized the transition from Seadrill and established Paratus as a fully independent operational organization.
- Successfully completed a $500 million refinancing in the Nordic bond market (upsized from original size of $300 million).
- Successfully completed the IPO and $75 million equity raise (11x oversubscribed), followed by an uplisting to Euronext Oslo Børs in November 2024.
- Invested $12 million (its pro-rata share) in a private placement of Archer to support a strategic acquisition transaction, which is expected to yield cash returns during 2025 following announcement of shareholder distribution.
- Added $2.1 billion of new backlog in Seagems by securing new 3-year contracts across all six vessels.
- Achieved fleet utilization of approximately 99%, with financial results surpassing initial full-year guidance.
- Reported Q4 2024 revenue of $109 million[1], largely in-line with Q3 2024 ($110 million), which included $8 million of variable revenue in Mexico. Adjusted Q4 2024 EBITDA came in at $63 million[1], the same level as Q3 2024.
- For the full-year 2024, revenue and EBITDA grew 5% and 8% year-over-year, reaching $452 million[1] and $252 million[1], respectively.
- Ended 2024 with $99 million[1] in cash and $677 million[1] in net debt.
- In early 2025, the Company collected $209 million from its client in Mexico through the execution of a receivable monetization agreement.
- Initiated and maintained consistent quarterly distributions to shareholders of $0.22 per share.
- Declared a quarterly cash distribution of $0.22 per share for Q4 2024, in line with Q2 and Q3 2024.
- Post Q4 2024, the Company initiated share buyback of $20 million, under the previously announced share repurchase authorization of up to $100 million.
- Post Q4 2024, signed a 78-day contract extension for the Oberon in Mexico.

[1] Based on Management reporting.
[2] Reflects annualized cash distribution yield based on Paratus share price as of 27 February 2025.

Operational review for the fourth quarter of 2024

(In $ millions, unless stated otherwise)	Note	Q4 2024 results per segment Seagems (100% share)	Seagems (50% share)	Fontis	Other	Total Group
Key segment financials						
Contract revenues	4	109.3	54.7	54.3	-	**109.0**
Rig / Vessel operating expenses	3	17.0	8.5	25.8	-	**34.3**
General and administrative expenses	3	6.8	3.4	1.0	4.2	**8.6**
Adjusted EBITDA		79.5	39.8	27.5	(4.2)	**63.1**
Cash and cash equivalents	11	24.7	12.4	21.5	64.9	**98.8**
Interest-bearing debt (notional amount)	11	120.9	60.5	-	715.4	**775.9**
Net debt/(cash)		96.2	48.1	(21.5)	650.5	**677.1**
Key segment operational data						
Average dayrate ($ thousand per day)*		205.6	205.6	133.8		
Opex per unit ($ thousand per day)**		58.7	58.7	56.1		
Technical utilization rate		97.7%	97.7%	99.8%		
Contract backlog		1,868.4	934.2	234.0		**1,168.2**

** Revenue divided by operational days.*
*** For Seagems, added back non-recurring items (see comments below).*

The following operational review is based on **management reporting** as defined in the alternative performance measures ("APM") section of this report. For reconciliation and more information about key figures, see the section on APM.

The Group, including the Company's share in Seagems, reported revenues of $109 million and EBITDA of $63 million, broadly in line with the previous quarter (Q3 2024: $110 million and $63 million, respectively).

Fontis

Fontis recorded total revenues of $54 million (Q3 2024: $63 million). The Q3 2024 revenues included $8 million in recognition of variable revenue from previously unbilled services agreed with the customer. Operating expenses (Opex) were $26 million (Q3 2024: $23 million), while general and administrative expenses (G&A) remained at $1 million. Adjusted EBITDA was $28 million compared to $39 million in Q3, primarily due to the $8 million variable revenue recognized in Q3 and offhire following a 45-day temporarily cessation of operations for both Courageous and the Intrepid in December 2024. The Courageous resumed its contract in mid-January 2025, while the Intrepid resumed late January 2025. As of today, all of Fontis rigs are on contract with its client.

In Q4 2024, Fontis achieved an average dayrate of $133.8 thousand per day (Q3 2024: $135.1 thousand per day) and an average technical utilization of 99.8% (Q3 2024: 98.9%), closing the quarter with a contract backlog of $234 million. Looking ahead, the Company expects lower average contractual dayrates in 2025 due to a general weakening of the global jack-up market, which will impact the market index mechanism for existing contracts. In 2024, Fontis' dayrates increased 15% from the contractual floor rates, driven by a strengthening of the general jack-up market; however, this increase is expected to be fully reversed from February 2025.

At the end of Q4 2024, the notional amount of the accounts receivable was $347 million, up from $283 million in Q3 2024. In early 2025, Fontis entered into an agreement with a leading international bank to facilitate payment to Fontis of $209 million of outstanding overdue invoices with its client in Mexico (the "Receivables Payment"). The Receivables Payment was subject to an undisclosed upfront fee, which was well below 10% of the gross receivables amount. On February 5, 2025, Fontis successfully received the full $209 million payment under this arrangement. In late December 2024, Fontis also received a minor payment from its client.

Seagems

The Company's 50% share in the JV contributed with $55 million in contract revenues (Q3 2024: $47 million) and $40 million in adjusted EBITDA (Q3 2024: $25 million). The revenue increase was primarily driven by higher average dayrates and fewer off-hire days during the quarter. Reported Opex decreased to $9 million from $17 million in Q3, mainly due to reclassification of certain expenditures, from opex to capitalised expenditures (capex) and reimbursement of an insurance claim for Esmeralda. Reported G&A remained stable at $3 million, in line with the previous quarter.

The JV achieved an average dayrate of $205.6 thousand per day (Q3 2024: $185.7 thousand per day) and an average technical utilization of 97.7% (Q3 2024: 97.6%). The higher average dayrate in the quarter compared to Q3 2024 was mainly driven by Esmeralda operating at an average dayrate of ~$349 thousand per day during the quarter (Q3 2024: ~$181 thousand per day). Additionally, the Jade remained fully contracted throughout the quarter, compared to Q3 2024 when the vessel experienced 19 days off-hire due to an unscheduled maintenance stop and acceptance testing ahead of a new contract commencement with Petrobras.

As previously announced, pursuant to an agreed plan amongst the JV shareholders, Seagems distributes all excess cash to its JV shareholders. During Q4 2024, the JV distributed $38 million to Paratus (Q3 2024: $22 million).

During Q4 2024, Seagems secured a $30 million capex funding from a local Brazilian bank to be paid over 3 years.

Other

The Other segment includes general corporate and financing activities as well as the Company's 24.2% 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 equity and debt financings. To ensure liquidity needs are adequately met, cash flow projections are regularly prepared, reviewed, and updated to account for various scenarios, including fluctuations in receivables collections in Mexico. These projections serve as a critical tool for decision-making by the Company's Board of Directors and executive management.

The Group closed Q4 2024 with a cash balance of $99 million and net debt of $677 million, including the Company's share in Seagems' cash balance and net debt of $12 million and $48 million, respectively. In comparison, the Group closed Q3 2024 with a cash balance of $165 million and net debt of $597 million, including the Company's share in Seagems' cash balance and net debt of $15 million and $32 million, respectively. The Group's interest-bearing debt (at notional amounts) totalled $776 million, comprised of $715 million at Paratus plus $60 million in Seagems (Q3 2024: $762 million, comprised of $715 million and $47 million respectively).

Financial summary for full-year 2024

(In $ millions, unless stated otherwise)	Note	Three months ended December 31, 2024	Three months ended December 31, 2023	Twelve months ended December 31, 2024	Twelve months ended December 31, 2023
Statements of operations summary					
Operating revenues	4	46.6	46.6	213.9	166.8
Operating income	3	37.3	42.4	167.0	101.0
Net financial expense		(20.6)	(29.7)	(108.8)	(100.0)
Income tax benefit/(expense)	5	(14.2)	(11.9)	(26.6)	(23.8)
Net income/(loss)	3	2.5	0.8	31.6	(22.8)
Earnings per share ($ per share)	13	0.01	0.01	0.20	(0.15)

Other key financial figures	Note	December 31, 2024	December 31, 2023
Cash and cash equivalents	6	86.4	114.7
Net cash (used in)/provided by operating activities		(27.6)	16.8
Net cash (used in)/provided by investing activities		77.7	86.8
Net cash (used in)/provided by financing activities		(74.8)	(82.5)

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.

Net income 2024 was $32 million compared to a net loss of $23 million in 2023.

Operating income was $167 million, up $66 million compared to $101 million in 2023. The increase in operating income was mainly driven by higher revenues and higher income from equity method investment in Seagems. Additionally, the 2023 operating income was impacted by the accounting effects from the termination of the management incentive deed ("MID") with Seadrill in Q2 2023, of which $13 million was recognized as other operating expense.

Operating revenues were $214 million, up $47 million, compared to $167 million in 2023. The revenue increase was primarily driven by the recognition of variable revenue from previously unbilled services agreed with the customer ($23 million), higher dayrates following market indexation in February and August 2024 ($12 million), and lower amortization of favorable contracts ($8 million). Furthermore, 2024 operating revenues were impacted by the planned downtime for the Courageous due to installation of a new crane ($7 million), while the operating revenues for 2023 were impacted by downtime for the Courageous and Defender in parts of Q1 2023 ($9 million).

Opex was $96 million compared to $94 million. In 2023, Opex was impacted by higher repair and maintenance ("R&M") costs related to the Courageous and Defender incidents in part of Q1 2023 and management services fees from the previous manager of the Company, Seadrill, while the 2024 opex involved higher personnel costs following the termination of these management service contracts. The G&A costs of $17 million in 2024 (2023: $10 million) was largely impacted by transaction costs incurred in relation to the placement of bonds, and activities in relation to the IPO with subsequent uplisting to Euronext Oslo Børs.

Depreciation was $18 million ($3 million increase), compared to $15 million in 2023.

Share in results from Joint Venture was $85 million, up from $67 million in 2023 and represents the Company's 50% share in the Seagems' net income (net of taxes).

Net financial expense was $109 million, compared to $100 million in 2023. The increase in net financial expense of $9 million compared to 2023 was primarily due to the partial redemption of the 2026 Notes ($34 million) and share in net loss from Archer, partially offset by an accounting gain related to the conversion of Archer debt in 2023 and unrealized foreign exchange gain from the revaluation of provisions for uncertain tax positions ("UTP") in Mexico, compared with an unrealized foreign exchange loss recorded in 2023.

Tax expense was $27 million, compared to $24 million in 2023.

Consolidated **cash and cash equivalents** (Paratus and Fontis) at year-end 2024 was $86 million (year-end 2023: $115 million).

Net cash used in **operating activities** was $28 million, compared to net cash from operating activities of $17 million in 2023. This decrease was primarily due to increase in receivables in Mexico relative to collections, partly offset by higher net income.

Net cash from **investing activities** was $78 million, mainly related to distributions from Seagems to Paratus of $98 million, partly offset by additions to drilling units of $8 million and investment of $12m (its pro-rata share) in a private placement of

Archer. In comparison, net cash from investing activities in 2023 was $87 million, consisting of distributions from Seagems to Paratus of $114 million, partly offset by additions to drilling units of $12 million and purchase of marketable securities in Archer of $16 million.

Net cash used in **financing activities** in 2014 was $75 million, comprised of net proceeds from the private placement in June 2024 of $73 million, interest income of $5 million, interest payments of $67 million, cash distribution to shareholders of $74 million and transaction costs of $12 million related to the bond issuance in June 2024. In 2023, financing activities comprised of repayment of external loan at Fontis (SeaMex notes) of $48 million, interest income of $1 million and interest payments of $35 million.

Subsequent Events

The Board of Directors Authorizes a Cash Distribution to Shareholders of $0.22/Share
On February 28, 2025, the Company announced that the Board of Directors has approved a cash distribution to shareholders of $0.22 per share for the fourth quarter of 2024, to be made on or about 21 March 2025 to all shareholders of record as of 12 March 2025. The distribution will be in the form of return of capital and will be made from the Company's Contributed Surplus account which consists of previously paid in share premium transferred from the Company's Share Premium account.

Paratus Initiates Share Buyback
On February 20, 2025, the Company announced the launch of its previously announced share buyback program, under which the Company intends to repurchase shares for an amount of approximately $20 million by way of a reverse bookbuilding (“the Buyback”). The Buyback will commence on 28 February 2025 and is expected to close on 4 March 2025, marking the first step in deploying the previously announced share repurchase authorization of up to $100 million.

Receivables Monetization Agreement and Receipt of Payment in Mexico
On January 24, 2025, the Company announced that its wholly owned subsidiary Fontis had entered into an agreement with a leading international bank to facilitate payment to Fontis of approximately $209 million of outstanding overdue invoices with its client in Mexico. The Receivables Payment was subject to an undisclosed upfront fee, which was well below 10% of the gross receivables amount.

On February 5, 2025, the Company announced that Fontis had successfully received full payment of approximately $209 million of overdue invoices from its client in Mexico under this arrangement. The Receivables Payment was completed in accordance with the terms of the agreement.

Paratus Energy Services Ltd.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

		Three months ended		Twelve months ended	
		December 31,	December 31,	December 31,	December 31,
(In $ millions, except per share amounts)	**Note**	**2024**	**2023**	**2024**	**2023**
Operating revenues					
Operating revenues	4	46.6	46.6	213.9	166.8
Total operating revenues		**46.6**	**46.6**	**213.9**	**166.8**
Operating expenses					
Rig operating expenses		(25.8)	(17.3)	(96.0)	(94.0)
General and administrative expenses		(5.2)	0.4	(16.7)	(9.9)
Depreciation and amortization		(4.1)	(3.8)	(17.9)	(15.2)
Settlement of Management Incentive Deed		-	-	-	(12.9)
Expected credit gains/(losses)		(3.3)	(1.0)	(1.6)	(0.8)
Total operating expenses		**(38.4)**	**(21.7)**	**(132.2)**	**(132.8)**
Share in results from joint ventures	10	**29.1**	**17.5**	**85.3**	**67.0**
Operating income		**37.3**	**42.4**	**167.0**	**101.0**
Financial items					
Share in results from associated companies	10	(4.2)	2.8	(5.5)	(0.7)
Interest income		1.4	0.2	5.0	2.2
Interest expense	11	(17.9)	(21.4)	(82.1)	(85.3)
Gain /(loss) extinguishment of financial instruments	11	0.7	-	(34.3)	4.4
Other financial items		(0.6)	(11.3)	8.1	(20.6)
Net financial expense		**(20.6)**	**(29.7)**	**(108.8)**	**(100.0)**
Income/(loss) before income taxes		**16.7**	**12.7**	**58.2**	**1.0**
Income tax benefit/(expense)	5	(14.2)	(11.9)	(26.6)	(23.8)
Net income/(loss)		**2.5**	**0.8**	**31.6**	**(22.8)**
Income/(loss) per share:	13				
Basic		**0.01**	0.01	**0.20**	(0.15)
Diluted		**0.01**	0.01	**0.19**	(0.15)

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Paratus Energy Services Ltd.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OTHER COMREHENSIVE INCOME/(LOSS)

(In $ millions)	Three months ended December 31, 2024	Three months ended December 31, 2023	Twelve months ended December 31, 2024	Twelve months ended December 31, 2023
Net income/(loss)	**2.5**	**0.8**	**31.6**	**(22.8)**
Other comprehensive income/(loss), net of tax:				
Share of other comprehensive income/(loss) from equity method investments	2.3	0.3	11.9	(3.5)
Archer convertible bond reclassification	-	-	-	(6.0)
Total other comprehensive income / (loss)	**4.8**	**1.1**	**43.5**	**(32.3)**

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Paratus Energy Services Ltd.
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS

(In $ millions, except par value amounts)	Note	At the end of December 31, 2024	At the end of December 31, 2023
ASSETS			
Current assets			
Cash and cash equivalents	6	86.4	114.7
Accounts receivables, net	4	339.6	169.3
Amounts due from related parties		3.3	3.3
Favorable contracts	4	28.9	30.7
Other current assets	7	10.0	22.5
Total current assets		**468.2**	**340.5**
Non-current assets			
Equity method investments	10	358.2	354.5
Drilling units and equipment, net		259.0	258.3
Favorable contracts	4	9.0	37.9
Other non-current assets		0.3	0.3
Total non-current assets		**626.5**	**651.0**
Total assets		**1,094.7**	**991.5**
LIABILITIES AND EQUITY			
Current liabilities			
Trade accounts payable		16.7	18.5
Other current liabilities	5, 8	65.0	18.0
Total current liabilities		**81.7**	**36.5**
Non-current liabilities			
Interest-bearing debt, long-term	11	692.5	655.4
Other non-current liabilities	5	61.4	84.7
Deferred tax liability		2.2	-
Total non-current liabilities		**756.1**	**740.1**
Equity			
Shareholders' equity		256.9	214.9
Total equity		**256.9**	**214.9**
Total liabilities and equity		**1,094.7**	**991.5**

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Paratus Energy Services Ltd.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(In $ millions)	Note	Twelve months ended December 31, 2024	Twelve months ended December 31, 2023
Operating Activities			
Net income/(loss)		31.6	(22.8)
Adjustments to add/(deduct) non-cash items:			
Amortization of favorable contracts	4	30.7	38.6
Depreciation		17.9	15.2
Settlement of Management Incentive Deed (MID)		-	12.9
Income from equity method investments	10	(79.8)	(66.3)
Net interest expense and amortization		77.1	83.1
Loss/(gain) on realization of marketable securities		-	4.9
Unrealized foreign exchange (gain)/loss		(12.0)	15.1
Deferred and other taxes		2.2	1.6
Expected credit gains/(losses)		1.6	0.8
(Gain)/loss on debt extinguishment	11	34.3	(4.4)
Share-based compensation		0.3	
Payments for long-term maintenance		(8.7)	(11.2)
Other		(0.4)	
Change in working capital items and other			
Accounts receivables, net		(171.9)	(56.5)
Trade accounts payable		1.8	8.5
Related party balances		-	(2.0)
Other assets		12.5	2.7
Other liabilities		35.2	(3.4)
Net cash (used in)/provided by operating activities		**(27.6)**	**16.8**
Investing Activities			
Additions to drilling units and equipment		(7.7)	(11.6)
Investment in equity method investee		(12.1)	(15.6)
Distribution from equity method investments		97.5	114.0
Net cash (used in)/provided by investing activities		**77.7**	**86.8**
Financing Activities			
Interest on bank deposits		5.0	1.1
Redemption of bonds	11	(500.0)	(48.4)
Issuance of bonds net of debt issue costs	11	491.8	-
Payment of debt issuance costs	11	(3.4)	-
Payment of interest on borrowings		(66.6)	(35.2)
Issuance of common shares (net of issue costs)	12	72.5	-
Return of capital to shareholders		(74.1)	-
Net cash (used in)/provided by financing activities		**(74.8)**	**(82.5)**
Effect of exchange rate changes on cash and cash equivalents		(3.6)	(0.3)
Net increase/(decrease) in cash and cash equivalents		(28.3)	20.8
Cash and cash equivalents at beginning of period		114.7	93.9
Cash and cash equivalents at end of period		**86.4**	**114.7**

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Paratus Energy Services Ltd.
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(In $ millions)	Common shares	Additional paid-in capital	Accumulated other comprehensive loss	Accumulated deficit	Total equity
Balances as at January 1, 2024	**-**	**1,290.9**	**(3.5)**	**(1,072.5)**	**214.9**
Net income	-	-	-	31.6	31.6
Other comprehensive income	-	-	11.9	-	11.9
Effects of correction of prior period error				0.3	0.3
Issuance of common shares	-	72.5		-	72.5
Stock based compensation		0.3		-	0.3
Return of capital	-	(74.6)	-	-	(74.6)
Balance as at December 31, 2024	**-**	**1,289.1**	**8.4**	**(1,040.6)**	**256.9**
Balances as at January 1, 2023	**-**	**1,278.0**	**6.0**	**(1,049.7)**	**234.3**
Net loss	-	-	-	(22.8)	(22.8)
Issuance of C-shares in connection with termination of MID	-	12.9	-	-	12.9
Other comprehensive income	-	-	(9.5)	-	(9.5)
Balance as at December 31, 2023	**-**	**1,290.9**	**(3.5)**	**(1,072.5)**	**214.9**

The accompanying notes are an integral part of these unaudited condensed 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, its ownership in Joint Ventures (“JV”) and investment in Archer.

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- **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, 2023.

The amounts are presented in millions of United States dollars ("U.S. dollar" or "$"), unless otherwise stated.

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.

Certain line items in these unaudited interim condensed consolidated financial statements have been renamed to better align with the nature of the accounts and internal reporting.

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, 2023.

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.

Change in presentation of income from equity investments in the Statements of operations
The Company accounts for its investments in the Seagems JV applying the equity method. Until the 2023 annual report, the Company's share of income from Seagems was presented under "Financial items and other" in the Statements of Operations. However, after evaluating the relevant facts and circumstances, the Company has decided to present its share of income from Seagems in a separate line within operating income, effective January 1, 2024. This change reflects the view that the operations of the Company's investment in Seagems is "integral" to our business. The Company believes this adjustment will provide users of our financial statements with more relevant information and aligns with industry practices. Comparative figures have been updated accordingly.

Note 3 - Segments

From January 1, 2024, the Company reports its operations under three segments: Fontis, Seagems, and Other. This change (i.e., presenting Seagems JV operating results and the Company 50% share of the JV) reflects the view that the operations of the JV are "integral" to our business. The Company believes this adjustment will provide users of our financial statements with more relevant information and aligns with industry practices.

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, under contract with a large state-owned company 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. The full operating results included below for Seagems are not included within our consolidated results and are thus adjusted for under "Seagems (50% share)" and "Reconciling Items" and replaced with our equity in earnings of the equity method investment.

The Other segment includes our 24.2% ownership in Archer which is accounted for as an equity method investment as well as general corporate activities, presented under Financial items.

The following tables provide disclosures of the key metrics used by the chief operating decision maker ("CODM") when assessing the operations of the business.

	Three months ended December 31, 2024					
(In $ millions)	**Seagems JV (100% share)**	**Seagems (50% share)**	**Reconciling Items**	**Fontis**	**Other**	**Consol. Total**
Contract revenues	**109.3**	**54.7**	**(54.7)**	**54.3**	**-**	**54.3**
Amortization of favorable contracts	-	-	-	(7.7)	-	(7.7)
Tax on revenues	(6.0)	(3.0)	3.0	-	-	-
Operating revenues	**103.3**	**51.7**	**(51.7)**	**46.6**	**-**	**46.6**
Rig / Vessel operating expenses	(17.0)	(8.5)	8.5	(25.8)	-	(25.8)
General and administrative exp.	(6.8)	(3.4)	3.4	(1.0)	(4.2)	(5.2)
Other operating expenses	-	-	-	(3.3)	-	(3.3)
Depreciation and amortization	(22.2)	(11.1)	11.1	(4.1)	-	(4.1)
Income from equity method inv.	-	-		-	29.1	29.1
Operating income	**57.3**	**28.7**	**(28.7)**	**12.4**	**24.9**	**37.3**
Financial items, net	(2.1)	(1.1)	1.1	(0.8)	(19.8)	(20.6)
Income tax benefit/(expense)	(4.9)	(2.5)	2.5	(14.2)	-	(14.2)
Net income/(loss)	**50.3**	**25.1**	**(25.1)**	**(2.6)**	**5.1**	**2.5**

	Three months ended December 31, 2023					
(In $ millions)	**Seagems JV (100% share)**	**Seagems (50% share)**	**Reconciling Items**	**Fontis**	**Other**	**Consol. Total**
Contract revenues	**112.3**	**56.2**	**(56.2)**	**54.3**	**-**	**54.3**
Amortization of favorable contracts	-	-	-	(7.7)	-	(7.7)
Tax on revenues	(5.2)	(2.6)	2.6	-	-	-
Operating revenues	**107.1**	**53.6**	**(53.6)**	**46.6**	**-**	**46.6**
Rig / Vessel operating expenses	(36.5)	(18.3)	18.3	(16.4)	(0.9)	(17.3)
General and administrative exp.	(7.7)	(3.9)	3.9	(0.1)	0.5	0.4
Other operating expenses	0.4	0.2	(0.2)	(2.8)	1.8	(1.0)
Depreciation and amortization	(21.3)	(10.7)	10.7	(3.8)	-	(3.8)
Income from equity method inv.	-	-		-	17.5	17.5
Operating income	**42.0**	**20.9**	**(20.9)**	**23.5**	**18.9**	**42.4**
Financial items, net	(2.5)	(1.3)	1.3	(12.3)	(17.4)	(29.7)
Income tax benefit/(expense)	(3.3)	(1.7)	1.7	(11.9)	-	(11.9)
Net income/(loss)	**36.2**	**17.9**	**(17.9)**	**(0.7)**	**1.5**	**0.8**

Note 3 - Segments (continued)

(In $ millions)	Seagems JV (100% share)	Seagems (50% share)	Reconciling Items	Fontis	Other	Consol. Total
	Twelve months ended December 31, 2024					
Contract revenues	**413.8**	**206.9**	**(206.9)**	**244.6**	**-**	**244.6**
Amortization of favorable contracts	-	-	-	(30.7)	-	(30.7)
Tax on revenues	(24.1)	(12.1)	12.1	-	-	-
Operating revenues	**389.7**	**194.8**	**(194.8)**	**213.9**	**-**	**213.9**
Rig / Vessel operating expenses	(125.0)	(62.5)	62.5	(96.0)	-	(96.0)
General and administrative exp.	(25.2)	(12.6)	12.6	(4.8)	(11.9)	(16.7)
Other operating expenses	(0.4)	(0.2)	0.2	(1.6)	-	(1.6)
Depreciation and amortization	(84.6)	(42.3)	42.3	(17.9)	-	(17.9)
Income from equity method inv.	-	-	-	-	85.3	85.3
Operating income	**154.5**	**77.2**	**(77.2)**	**93.6**	**73.4**	**167.0**
Financial items, net	2.2	1.1	(1.1)	9.3	(118.1)	(108.8)
Income tax benefit/(expense)	(6.3)	(3.2)	3.2	(26.6)	-	(26.6)
Net income/(loss)	**150.4**	**75.1**	**(75.1)**	**76.3**	**(44.7)**	**31.6**

(In $ millions)	Seagems JV (100% share)	Seagems (50% share)	Reconciling Items	Fontis	Other	Consol. Total
	Twelve months ended December 31, 2023					
Contract revenues	**449.6**	**224.8**	**(224.8)**	**205.4**	**-**	**205.4**
Amortization of favorable contracts	-	-	-	(38.6)	-	(38.6)
Tax on revenues	(20.9)	(10.5)	10.5	-	-	-
Operating revenues	**428.7**	**214.3**	**(214.3)**	**166.8**	**-**	**166.8**
Rig / Vessel operating expenses	(133.4)	(66.7)	66.7	(90.0)	(4.0)	(94.0)
General and administrative exp.	(31.4)	(15.7)	15.7	(6.9)	(3.0)	(9.9)
Other operating expenses	0.8	0.4	(0.4)	(2.6)	(11.1)	(13.7)
Depreciation and amortization	(82.3)	(41.2)	41.2	(15.2)	-	(15.2)
Income from equity method inv.	-	-	-	-	67.0	67.0
Operating income	**182.4**	**91.1**	**(91.1)**	**52.1**	**48.9**	**101.0**
Financial items, net	(22.0)	(11.0)	11.0	(20.5)	(79.5)	(100.0)
Income tax benefit/(expense)	(12.1)	(6.1)	6.1	(23.8)	-	(23.8)
Net income/(loss)	**148.3**	**74.0**	**(74.0)**	**7.8**	**(30.6)**	**(22.8)**

(In $ millions)	Seagems JV (100% share)	Seagems (50% share)	Reconciling Items	Fontis	Other	Consol. Total
	December 31, 2024					
Cash and cash equivalent	24.7	12.4	(12.4)	21.5	64.9	**86.4**
Equity method investments		-		-	358.2	**358.2**
Total assets	1,349.0	674.5	(674.5)	668.4	426.3	**1,094.7**
Interest-bearing debt (notional)	120.9	60.5	(60.5)	-	715.4	**715.4**

(In $ millions)	Seagems JV (100% share)	Seagems (50% share)	Reconciling Items	Fontis	Other	Consol. Total
	December 31, 2023					
Cash and cash equivalent	38.1	19.1	(19.1)	55.1	59.6	**114.7**
Equity method investments		-		-	354.5	**354.5**
Total assets	1,497.1	748.6	(748.6)	586.4	405.1	**991.5**
Interest-bearing debt (notional)	102.5	51.3	(51.3)	-	715.4	**715.4**

Note 4 - Revenue from contracts with customers

In the three and twelve months ended December 31, 2024 and 2023 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		Twelve months ended	
(In $ millions)	**December 31, 2024**	**December 31, 2023**	**December 31, 2024**	**December 31, 2023**
Contract revenues	54.3	54.3	244.6	205.4
Amortization of favorable contracts	(7.7)	(7.7)	(30.7)	(38.6)
Operating revenues	**46.6**	**46.6**	**213.9**	**166.8**

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

	December 31, 2024	**December 31, 2023**
(In $ millions)		
Account receivables	346.9	175.1
Less: Allowance for credit losses	(7.3)	(5.8)
Account receivables, net	**339.6**	**169.3**

	December 31, 2024	**December 31, 2023**
(In $ millions)		
Favorable contracts	171.9	171.9
Less: Accumulated amortization	(134.0)	(103.3)
Favorable contracts, net	37.9	68.6
Less: Favorable contracts - current	28.9	30.7
Favorable contracts - non-current	**9.0**	**37.9**

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

Balance as of January 1, 2024	**68.6**
Amortization of favorable contracts	(30.7)
Balance as of December 31, 2024	**37.9**

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 13 months.

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 audited annual report, the Company is in the process of negotiating a settlement with the Mexican tax authorities ("SAT") in respect of unsettled tax liabilities for the accounting years 2014, 2018, 2019 and 2020, including interest and penalties for late payments.

In 2023, the tax liabilities relating to 2016 tax audit were resolved and settled for approximately $9 million. In Q3 2024, the tax liabilities relating to 2017 tax audit were resolved and settled for approximately $13 million. Subsequent to Q4 2024, the tax liabilities in relation to 2014 Titania rig operating entity were resolved and settled for approximately $3.5 million. For the tax years that are currently open or have not yet been audited, the Company's estimate is based on the information available at the time to the best of management's knowledge. The work performed by Company was based upon the results from the concluded tax audits and it assumes similar facts and circumstances apply to all periods.

The provision for UTP as of December 31, 2024 was $64 million (December 31, 2023: $85.3 million), of which $2.7 million (December 31, 2023: nil) was included in "Other-current liabilities" and $61.3 million (December 31, 2023: $85.3 million) in "Other non-current liabilities" on the balance sheet. Included in the provision for UTP is accrued interest and penalties totaling $21.1 million (December 31, 2023: $41.3 million). The movement in the UTP provision compared to year-end 2023 was mainly driven by fluctuations in foreign currency rate (included in "Other financial items"), inflation adjustment and accrual for interests (included in "Income tax expense").

Note 6 - Cash and cash equivalents

(In $ millions)	**December 31, 2024**	**December 31, 2023**
Cash and cash equivalents, non-restricted	75.3	91.7
Cash and cash equivalents, restricted	11.1	23.0
Total cash and cash equivalents	**86.4**	**114.7**

Restricted cash represents cash collateral supporting performance guarantees issued to a large national oil company in Mexico. In Q4 2024, the restricted cash was partially released.

Note 7 - Other current assets

Other current assets consist of the following:

(In $ millions)	**December 31, 2024**	**December 31, 2023**
VAT asset*	-	9.2
Taxes receivable	8.9	11.3
Prepaid expenses	1.1	2.0
Total other current assets	**10.0**	**22.5**

*Previous year balances were reclassified to conform with 2024 presentation.

Note 8 - Other current liabilities

Other current liabilities consist of the following:

(In $ millions)	**December 31, 2024**	**December 31, 2023**
VAT liability*	21.2	-
Taxes payable*	21.5	7.6
Employee withheld taxes and social security	2.7	2.1
Other current liabilities	16.4	8.3
Uncertain tax positions (UTP) provision	2.7	-
Accrued interest on senior secured notes	0.5	-
Total other current liabilities	**65.0**	**18.0**

*Previous year balances were reclassified to conform with 2024 presentation.

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. For other financial instruments, a comparison of fair value and carrying value is as follows:

(In $ millions)		December 31, 2024		December 31, 2023	
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					
$620m of Senior Secured Notes*	1	215.4	203.2	699.0	655.4
$500m of Senior Secured Notes*	1	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
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
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 December 31, 2024 and December 31, 2023 are comprised as follows:

Ownership percentage	December 31, 2024	December 31, 2023
Seagems	50.0 %	50.0 %
Archer	24.2 %	24.2 %

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		Twelve months ended	
(In $ millions, except ownership percentage)	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Operating revenues	117.4	108.4	439.3	433.0
Operating income	62.3	47.5	174.3	207.0
Net income/(loss)	50.2	35.8	150.4	148.0
Company's ownership percentage	50.0 %	50.0 %	50.0 %	50.0 %
Share of net income/(loss)	**25.1**	**17.9**	**75.2**	**74.0**
Amortization of basis differences	4.0	(0.4)	10.1	(7.0)
Share in results of Seagems	**29.1**	**17.5**	**85.3**	**67.0**

	Archer			
	Three months ended		Twelve months ended	
(In $ millions, except ownership percentage)	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Operating revenues	491.7	359.7	1,300.7	695.0
Operating income	18.1	17.0	71.3	48.0
Net income / (loss)	(17.6)	8.4	(24.5)	(7.0)
PES ownership percentage*	24.2 %	24.2 %	24.2 %	24.2 %
Share of net income/(loss)	**(4.3)**	**2.0**	**(5.9)**	**(1.7)**
Amortization of basis differences	0.1	0.8	0.4	1.0
Share in results of Archer	**(4.2)**	**2.8**	**(5.5)**	**(0.7)**

* On April 20, 2023, the Company exchanged Archer convertible debt in exchange for new common shares issued. As a result of the conversion, the Company's holding in Archer increased to 24.2%. Prior to the conversion in April 2023, the investment in Archer was accounted for as a marketable security. Archer results are shown for the period from April 20, 2023 to December 31, 2023 in the comparative periods.

On October 30, 2024, the Company subscribed to a pro-rata number of shares in Archer issued as part of the Private Placement transaction. The Company's ownership in Archer following the transaction is unchanged.

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

	Seagems		Archer	
(In $ millions, except ownership percentage)	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Current assets	197.6	192.3	404.1	354.8
Non-current assets	1,208.4	1,304.8	596.5	550.9
Current liabilities	(158.3)	(309.0)	(338.2)	(277.5)
Non-current liabilities	(115.3)	(126.3)	(437.2)	(432.0)
Non-controlling interest	-	-	(15.4)	-
Net Assets (gross, 100%)	**1,132.4**	**1,061.8**	**209.8**	**196.2**
Company's ownership percentage	50.0 %	50.0 %	24.2 %	24.2 %
Company's share of book equity	**566.2**	**530.9**	**50.7**	**47.5**
Shareholder loans held as equity	0.9	57.6	-	-
Basis difference	(254.6)	(276.1)	(5.0)	(5.4)
Carrying amount equity method investments	**312.5**	**312.4**	**45.7**	**42.1**

Note 11 - Interest-bearing debt

As of December 31, 2024 and December 31, 2023 the carrying value of our debt, all long-term, was comprised as follows:

			Carrying Amount	
(In $ millions)	Interest Rate	Maturity Date	December 31, 2024	December 31, 2023
$620m Senior Secured Notes plus PIK interest	9.00%	15/07/2026	215.4	715.4
$500m Senior Secured Notes	9.50%	27/06/2029	500.0	-
Total interest-bearing debt			**715.4**	**715.4**
Less: Unamortized debt issuance costs			(22.9)	(60.0)
Total interest-bearing debt, net			**692.5**	**655.4**
Less: Current portion, net			-	-
Long-term interest-bearing debt, net			**692.5**	**655.4**

The key terms relating to our debt in the year ended December 31, 2024 and year ended December 31, 2023 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 Q3 2024, the proceeds from the $500 million bond issue (“2029 Notes”, below) were used to partially refinance the 2026 Notes. As a result, the remaining principal amount under the 2026 Notes was $215 million at December 31, 2024. The carrying amount of the Senior Secured Notes are presented net of unamortized discount and debt issuance costs.

In connection with the partial redemption of the 2026 Notes, a $34 million non-cash accounting expense was recognized in the statements of operations presented under “Gain/(loss) extinguishment of financial instruments”.

2029 Senior Secured Bonds ("2029 Notes")
Secured bonds were issued on June 27, 2024 and are due June 27, 2029. At December 31, 2024, the outstanding principal amount is $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		Twelve months ended	
(In $ millions)	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Loan interest expense	16.7	16.4	67.2	69.7
Amortization of debt discount	1.2	5.0	14.9	15.6
Interest expense	**17.9**	**21.4**	**82.1**	**85.3**

Note 12 - Share capital

On May 21, 2024, the Company, with the approval of its shareholders, undertook and completed a share split of its existing A-shares into 500 class A-shares, via the following steps:

i. with effect from March 15, 2024, the Class C shares of US $0.01 each in the Company were redesignated to Class A shares of US $0.01 each in the Company; and
ii. with effect from May 21, 2024, each of the Class A shares of US$0.01 each in the Company, were split into 500 A shares of US$0.00002 each.

The number of shares outstanding and share equivalents have been retroactively restated for this change.

On June 26, 2024, the Company issued 15,309,059 new shares in relation with a private placement immediately before the Initial Public Offering ("IPO") in June.

On September 12, 2024, the Company issued 225,000 new shares in relation with exercise of warrants by the chair of the board of directors.

Following the above, Paratus, had total Class A common shares of 169,550,049 at par value of US $0.00002 each.

	December 31, 2024	December 31, 2023
Class A ordinary shares	169,550,049	142,849,991
Class C ordinary shares	-	11,165,999
Total	**169,550,049**	**154,015,990**

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.

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

	Three months ended		**Twelve months ended**	
(in USD million, except share and per share amounts)	**December 31, 2024**	**December 31, 2023**	**December 31, 2024**	**December 31, 2023**
Net income/(loss)	**2.5**	**0.8**	**31.6**	**(22.8)**
Weighted average numbers of shares outs. (basic)	169,550,049	154,016,000	161,989,730	149,610,784
Weighted average numbers of shares outs. (diluted)	169,620,812	154,016,000	162,071,665	149,610,784
Earnings per share:				
Basic	0.01	0.01	0.20	(0.15)
Diluted	0.01	0.01	0.19	(0.15)

Note 14 - Subsequent events

The Board of Directors Authorizes a Cash Distribution to Shareholders of $0.22/Share
On February 28, 2025, the Company announced that the Board of Directors has approved a cash distribution to shareholders of $0.22 per share for the fourth quarter of 2024, to be made on or about 21 March 2025 to all shareholders of record as of 12 March 2025. The distribution will be in the form of return of capital and will be made from the Company's Contributed Surplus account which consists of previously paid in share premium transferred from the Company's Share Premium account.

Paratus Initiates Share Buyback
On February 20, 2025, the Company announced the launch of its previously announced share buyback program, under which the Company intends to repurchase shares for an amount of approximately $20 million by way of a reverse bookbuilding ("the Buyback"). The Buyback commences on 28 February 2025 and is expected to close on 4 March 2025, marking the first step in deploying the previously announced share repurchase authorization of up to $100 million.

Receivables Monetization Agreement and Receipt of Payment in Mexico
On January 24, 2025, the Company announced that its wholly owned subsidiary Fontis had entered into an agreement with a leading international bank to facilitate payment to Fontis of approximately $209 million of outstanding overdue invoices with its client in Mexico (the "Receivables Payment"). The Receivables Payment is subject to an undisclosed upfront fee that is well below 10% of the gross amount.

On February 5, 2025, the Company announced that Fontis had successfully received full payment of approximately $209 million of overdue invoices from its client in Mexico under the receivables monetization agreement. The Receivables Payment was completed in accordance with the terms of the agreement.

Alternative performance measures

The Group discloses certain alternative performance measures ("APM") as a supplement to the 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

	Note	Three months ended		Twelve months ended	
(In $ millions)		**December 31, 2024**	**December 31, 2023**	**December 31, 2024**	**December 31, 2023**
Calculation of adjusted EBITDA					
Contract revenues		54.3	54.3	244.6	205.4
Rig operating expenses		(25.8)	(17.3)	(96.0)	(94.0)
General and administrative expenses		(5.2)	0.4	(16.7)	(9.9)
Adjusted EBITDA (consolidated)		**23.3**	**37.4**	**131.9**	**101.5**
Contract revenues	3	54.7	56.2	206.9	224.8
Tax on revenues		(3.0)	(2.6)	(12.1)	(10.5)
Vessel operating expenses		(8.5)	(18.3)	(62.5)	(66.7)
General and administrative expenses		(3.4)	(3.9)	(12.6)	(15.7)
Adjusted EBITDA (50% Seagems)		**39.8**	**31.4**	**119.7**	**131.9**
Adjusted EBITDA (including 50% Seagems)		**63.1**	**68.8**	**251.6**	**233.4**

(In $ millions)	**December 31, 2024**	**December 31 2023**
Net debt		
Interest-bearing debt (notional amount)	715.4	715.4
Paratus	*715.4*	*715.4*
Fontis	-	-
Less: Cash and cash equivalents	86.4	114.7
Paratus	*64.9*	*59.6*
Fontis	*21.5*	*55.1*
Net debt	**629.0**	**600.7**
50% of Seagems interest-bearing debt (notional amount)	60.5	51.3
Less: 50% of Seagems cash and cash equivalents	12.4	19.1
50% of Seagems net debt	**48.1**	**32.2**
Net debt (as per management reporting)	**677.1**	**632.9**

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 EBTIDA 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 is defined as external interest-bearing debt, excluding any unamortized discounts, less cash and cash equivalents. 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.

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 "Income from equity method investments." Additionally, in management reporting, operating revenues include contract revenues before amortization of favorable contracts for Fontis and exclude revenue taxes for Seagems.

Additionally, the Group 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.