

Paratus Energy

Interim Results

Q4 and Full-Year 2025



Paratus Energy

FOURTH QUARTER AND FULL-YEAR 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") and 50/50 joint venture interest in Seagems joint venture, comprising of Seabras Sapura Holding GmbH and Seabras Sapura Participacoes SA, (collectively "Seagems" or the "JV"). Paratus is listed on the Euronext Oslo Børs under the ticker "PLSV".

- **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. As of year-end 2025, four of the rigs were under contract with a state-owned company in Mexico. Titania FE is 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.

2025 highlights and post year-end developments

Paratus delivered strong operational and financial performance in 2025, achieving approximately 99% fleet technical utilization, and financial results exceeding initial guidance despite one stacked unit most of the year. Combined segment revenues were \$452 million, in line with the prior year, while adjusted EBITDA increased 4% to \$261 million. Shareholders benefited from consistent cash returns, with quarterly distributions of \$0.22 per share, totaling \$144 million paid in 2025. In parallel, the Company executed \$25 million in share repurchases under its previously announced authorization and simplified its group structure through the monetization of its shareholding in Archer. In Mexico, the Company worked actively to reduce its overdue receivables, collecting \$356 million during the year, including \$209 million through a receivable monetization agreement, while in Brazil timely fleet acceptance was completed and all PLSVs contracted at materially higher Petrobras dayrates. Paratus ended the year with \$204 million in cash, providing solid liquidity and financial flexibility entering 2026.

Key highlights from Q4 and full-year 2025, including notable post-quarter developments:

- Achieved full-year fleet utilization of approximately 99%, with financial results exceeding initial full-year guidance.
- Combined full-year segment revenues were \$452 million while adjusted EBITDA grew 4% to \$261 million.
- Collected \$356 million in Mexico, including \$209 million through a receivable monetization agreement.
- Simplified Group structure through sale of its 24% Archer stake, unlocking \$48 million of cash, of which \$18 million was applied toward debt reduction.
- Delivered \$168 million of capital returns to shareholders through cash distributions and share buybacks
- Successfully completed acceptance testing across PLSV fleet, with all vessels contracted with Petrobras at materially higher dayrates by year-end 2025.
- Reported Q4 2025 combined segment revenue of \$115 million and adjusted EBITDA of \$69 million.
- Ended the year with \$204 million in Group cash and \$581 million in net debt.
- Post Q4, declared a \$0.22 per share quarterly dividend for Q4 2025, consistent with previous quarters.

Operational review for the fourth quarter of 2025

(In \$ millions, unless stated otherwise)

Selected figures

	Combined Segment figures*	
	Three months ended	
	December 31, 2025	September 30, 2025
Contract revenues	115.3	127.4
Adjusted EBITDA	69.2	77.8
Net income	20.0	46.0
Cash and cash equivalents	203.7	144.1
Net debt	581.2	659.4
Net Leverage Ratio	2.2	2.6
Technical utilization rate	98.6%	99.0%
Contract backlog	685.0	794.7

*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 \$115.3 million and Adjusted EBITDA of \$69.2 million (Q3 2025: \$127.4 million and \$77.8 million, respectively).

Fontis

Fontis reported contract revenues of \$41.8 million (Q3 2025: \$54.8 million). Revenues in the prior quarter included \$12.1 million of variable revenue which is only recognized until it is agreed by the customer. Operating expenses (Opex) totaled \$21.3 million, compared to \$19.5 million in Q3 2025, primarily reflecting higher year-end accruals, while general and administrative expenses (G&A) were \$0.9 million (Q3 2025: \$0.5 million). Adjusted EBITDA was \$19.6 million, compared with \$34.8 million in Q3 2025.

During Q4 2025, Fontis achieved an average dayrate of \$114 thousand per day (Q3 2025: \$116 thousand per day) and maintained strong technical utilization of 99.5% (Q3 2025: 99.7%). The company's contract backlog at quarter-end stood at approximately \$20 million (Q3 2025: approximately \$56 million).

At the end of Q4 2025, the notional value of the receivable balance was \$199.1 million, down from \$293.1 million as of Q3 2025. During the quarter, Fontis received \$143 million in payments toward overdue invoices from its client in Mexico, with payments made via a Mexican government investment fund. Including these receipts, the Company collected approximately \$356 million in 2025. Post Q4, Fontis received \$5 million in collections from its client.

The Company continues to actively pursue the collection of its remaining outstanding receivables and remains committed to recovering the full amounts due, consistent with its past practice. While the Company recognizes that the timing of collections may continue to fluctuate, recent payments and ongoing government support initiatives provide greater confidence that the payment cycle is normalizing.

The Company observes continued improvement in the global jack-up market, supported by operating and tender activity levels in key regions, particularly in Saudi Arabia, as well as in other markets. Near-term demand for jack-ups in Mexico in 2026 appears to be driven more by the client's approved budgets than by drilling activity required to maintain production, resulting in contracting processes progressing more slowly than anticipated. Recent public statements by the national oil company indicating a 34% year-over-year increase in total capital expenditures, together with its stated objective to increase crude oil production, point to the potential for improved budget availability and activity levels over the medium-term. As of the reporting date, Oberon completed operations in late January and has subsequently been demobilized for warm stacking in anticipation of new work, while Defender has been awarded a two-month contract extension. While no assurances can be provided, the Company remains engaged in ongoing discussions with its client regarding potential contract extensions in Mexico for Defender, Courageous and Intrepid, in direct continuation of their existing commitments. If secured, such extensions would be expected to maintain utilization for these rigs into the first quarter of 2027 and potentially beyond.

Titania and Oberon are currently being actively marketed for new contract opportunities in Mexico and internationally. The Company has received several unsolicited bids and indications of interest and is evaluating potential sale transactions for one or both rigs. Any such transaction will be considered in the context of broader strategic alternatives for the jack-up business as a whole. The evaluation of potential sale transactions for Titania and Oberon, as well as the broader review of strategic alternatives for the jack-up business, is progressing constructively. The Company intends to conclude its assessment of these opportunities in the near term, with the objective of determining the most value-accretive path forward for Paratus and its stakeholders.

Seagems

Paratus' 50% share in the Seagems joint venture contributed \$73.5 million in contract revenues, a modest increase from \$72.6 million in the prior quarter. Opex totaled \$14.8 million (Q3 2025: \$21.3 million), while G&A expenses were \$3.9 million (Q3 2025: \$3.2 million). The decrease in Opex primarily reflects a one-time presentation reclassification of certain withholding taxes from Opex to Income tax. Adjusted EBITDA increased to \$51.6 million from \$44.8 million in Q3, driven by stronger revenues and lower Opex.

The JV achieved an average dayrate of \$278 thousand per day (Q3 2025: \$272 thousand per day) and maintained strong technical utilization of 98% (Q3 2025: 98.4%). Seagems JV's contract backlog at quarter-end was approximately \$1.3 billion (Q3 2025: approximately \$1.5 billion). In Q4 2025 the entire fleet operated under the new Petrobras contracts.

During the quarter, the Seagems JV distributed \$38.1 million to Paratus (Q3 2025: \$57.8 million), bringing total distributions received in 2025 to \$129 million (2024: \$97.5 million).

Earlier this year, Petrobras issued a PLSV tender for start-up in 2027-28, offering four-year contracts across five different lots with varying technical specifications. The tender deadline is currently set for mid-April, and Seagems is well positioned to submit a bid with at least one vessel.

The Company has, in recent quarters, evaluated opportunities to expand the Seagems business and leverage the strong operational platform it has developed. In this context, Seagems has submitted a commercial proposal in response to a Petrobras tender for the demobilization of flexible lines. To support this bid, Seagems has secured access to a third-party vessel, which would be deployed in the event of a contract award.

Other

The Other segment includes general corporate and financing activities as well as the Company's 23.8% ownership in Archer, which was accounted for as an equity method investment until September 25, 2025 when the Company sold its entire shareholding. In the prior quarter, the Company recognized an accounting gain of \$13.2 million as part of the sale.

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 and scheduled debt payments, 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 the year with a cash balance of \$203.7 million and net debt of \$581.2 million, including the Company's share in Seagems' cash balance and net debt of \$25.4 million and \$61.6 million, respectively. In comparison, the Group closed Q3 2025 with a cash balance of \$144.1 million and net debt of \$659.4 million, including the Company's share in Seagems' cash balance and net debt of \$26.1 million and \$62 million, respectively. The Group's interest-bearing debt (at notional amounts) totalled \$784.9 million, comprising of \$697.9 million at Paratus and the balance of \$87 million at Seagems (Q3 2025: \$803.5 million, comprised of \$715.4 million and \$88.1 million respectively).

The Company has senior secured notes with an aggregate principal amount of \$197.9 million maturing in July 2026 (the "2026 Notes", see Note 11). The Company is evaluating its options to address this maturity, which are closely linked to the broader strategic assessment of the jack-up business discussed above. In parallel, discussions have been initiated with various financial institutions to explore potential refinancing alternatives. While no binding agreements have been entered into as of the reporting date, the Company intends to redeem or refinance, or pursue a combination thereof, the 2026 Notes prior to maturity.

Financial summary for full-year 2025

	US GAAP financial results			
	Three months ended		Twelve months ended	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
<i>(In \$ millions, unless stated otherwise)</i>				
<u>Statements of operations summary</u>				
Total operating revenues	33.1	46.6	153.2	213.9
Total operating expenses	(27.4)	(38.4)	(117.2)	(132.2)
Share in results from joint ventures	34.3	29.1	121.8	85.2
Operating income	40.0	37.3	162.7	166.9
Net financial expense and other items	(20.5)	(20.6)	(83.2)	(108.7)
Income tax expense	0.5	(14.2)	(4.7)	(26.6)
Net income/(loss)	20.0	2.5	74.8	31.6
Earnings per share (\$ per share)	0.12	0.01	0.46	0.20
<u>Statements of cash flows</u>				
Cash and cash equivalents at end of period			178.3	86.4
Net cash (used in)/provided by operating activities			166.6	(27.6)
Net cash provided by investing activities			173.8	77.7
Net cash used in financing activities			(249.2)	(74.8)

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.

Total operating revenues were \$153.2 million, a decrease of \$60.7 million compared to \$213.9 million in 2024. The revenue decrease was primarily driven by Titania FE being warm stacked since end-February 2025, lower variable revenues recognized in 2025 from previously unrecognized receivables, and lower dayrates. These impacts were partly offset by the absence in 2025 of the planned downtime incurred in 2024 for the Courageous related to the installation of a new crane.

Total operating expenses were \$117.2 million, a decrease of \$15 million compared to \$132.2 million in 2024. The cost reduction was mainly driven by lower personnel costs, reflecting reduced headcount and costs mainly related to Titania FE, as well as lower G&A expenses. The operating costs in 2024 were elevated and largely driven by the transition from Seadrill, the issuance of the 2029 Bonds and partial redemption of the 2026 Notes, and the Company's public listing. The decrease in operating expenses was partly offset by higher depreciation.

Share in results from Joint Venture was \$121.8 million (2024: \$85.2 million), representing the Company's 50% share of the Seagems' net income (net of taxes). The increase compared to 2024, was primarily driven by higher PLSV dayrates as all the vessels commenced new contracts at significantly improved rates.

Other operating income of \$4.9 million was related to an insurance claim refund at Fontis received in 2025.

Operating income was \$162.7 million, down from \$166.9 million in 2024. This was mainly driven by lower operating revenues as described above, partially offset by stronger results in Seagems JV and other income in Fontis.

Net financial expense and other items was \$83.2 million, down from \$108.7 million in 2024. The decrease primarily reflects the gain on the sale of Archer shares of \$13.2 million and the absence of a \$34.3 million expense related to the partial redemption of the 2026 Notes recorded in 2024. These effects were partly offset by the inclusion of an upfront fee related to the receivables monetization agreement, and effects of exchange rate fluctuations.

Tax expense was \$4.7 million, down from \$26.6 million in 2024, mainly driven by lower taxable results from Fontis operating subsidiaries in Mexico and movement in the provision for the uncertain tax positions ("UTP"). This was partly offset by an adjustment of the tax receivable recognized in the balance sheet.

Net income for 2025 was \$74.8 million, compared to \$31.6 million in 2024.

Consolidated **cash and cash equivalents** (Paratus and Fontis) at the year-end 2025 was \$178.3 million compared to \$86.4 million at year-end 2024.

Net cash from **operating activities** was \$166.6 million, up from cash used in operating activities of \$27.6 million in 2024. The increase was primarily driven by higher collections of receivables in Mexico.

Net cash from **investing activities** was \$173.8 million, primarily reflecting cash distributions from Seagems to Paratus of \$129 million, cash distributions from Archer of \$2.6 million, and cash proceeds from the sale of the Company's shareholding in Archer of \$48.1 million. These inflows were partly offset by additions to drilling units of \$5.9 million. In comparison, net cash from investing activities in 2024 totaled \$77.7 million, mainly relating to distributions from Seagems to Paratus of \$97.5 million, partly offset by additions to drilling units of \$7.7 million and investment of \$12.1m (Paratus's pro-rata share) in a private placement of Archer.

Net cash used in **financing activities** was \$249.2 million, primarily reflecting cash distributions to shareholders of \$143.5 million (excluding distributions on treasury shares held by the Company), share buybacks totaling \$24.9 million, partial redemption of 2026 Notes of \$18.1 million (including fees), interest income of \$4.2 million, and interest payments of \$66.7 million. In 2024, cash used in financing activities totaled \$74.8 million, comprising of net proceeds from the private placement in June 2024 of \$72.5 million, interest income of \$5 million, offset by interest payments of \$66.6 million, cash distribution to shareholders of \$74.1 million and transaction costs of \$11.6 million related to the bond issuance in June 2024.

Subsequent events

Cash dividend to shareholders

On February 27, 2026, the Company announced that the Board of Directors has approved a cash dividend of \$0.22 per share for Q4 2025, to all shareholders of record as of 6 March 2026. The cash dividend will be paid on 13 March 2026.

Paratus Energy Services Ltd.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
for the quarter ended December 31, 2025 and 2024

(In \$ millions, except per share amounts)	Note	Three months ended		Twelve months ended	
		December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
Total operating revenues	4	33.1	46.6	153.2	213.9
Operating expenses					
Rig operating expenses		(21.3)	(25.8)	(84.7)	(96.0)
General and administrative expenses		(2.9)	(5.2)	(10.7)	(16.7)
Depreciation and amortization		(6.3)	(4.1)	(23.0)	(17.9)
Expected credit losses	4	3.1	(3.3)	1.2	(1.6)
Total operating expenses		(27.4)	(38.4)	(117.2)	(132.2)
Share in results from joint ventures	10	34.3	29.1	121.8	85.2
Other operating income		-	-	4.9	-
Operating income		40.0	37.3	162.7	166.9
Financial and other items					
Share in results from associated companies	10	-	(4.2)	(6.1)	(5.4)
Interest income		1.1	1.4	4.2	5.0
Interest expense	11	(19.2)	(17.9)	(76.5)	(82.1)
Gain/(loss) on sale of equity method investee	10	(0.2)	-	13.2	-
Gain/(loss) on extinguishment of financial instruments	11	(1.0)	0.7	(1.0)	(34.3)
Other financial items		(1.2)	(0.6)	(17.0)	8.1
Net financial expense and other items		(20.5)	(20.6)	(83.2)	(108.7)
Income before taxes		19.5	16.7	79.5	58.2
Income tax expense	5	0.5	(14.2)	(4.7)	(26.6)
Net income		20.0	2.5	74.8	31.6
Income/(loss) per share:	13				
Basic		0.12	0.01	0.46	0.20
Diluted		0.12	0.01	0.46	0.19

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 December 31, 2025 and 2024

<i>(In \$ millions)</i>	Note	Three months ended		Twelve months ended	
		December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
Net income		20.0	2.5	74.8	31.6
Other comprehensive income/(loss):					
Share of other comprehensive income from equity method investments		1.6	2.3	1.0	12.2
Reclassification on the sale of equity method investee	10	-	-	(8.5)	-
Total other comprehensive income		21.6	4.8	67.3	43.8

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

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

<i>(In \$ millions, except par value amounts)</i>	Note	December 31, 2025	December 31, 2024
ASSETS			
Current assets			
Cash and cash equivalents	6	178.3	86.4
Accounts receivables, net	4	193.0	339.6
Amounts due from related parties		3.3	3.3
Favorable contracts	4	4.1	28.9
Other current assets	7	14.5	10.0
Total current assets		393.2	468.2
Non-current assets			
Equity method investments	10	299.9	358.2
Drilling units and equipment, net		249.8	259.0
Deferred tax assets		3.1	-
Favorable contracts	4	-	9.0
Other non-current assets		0.7	0.3
Total non-current assets		553.5	626.5
Total assets		946.7	1,094.7
LIABILITIES AND EQUITY			
Current liabilities			
Trade accounts payable		1.9	16.7
Interest-bearing debt, short-term	11	193.8	-
Other current liabilities	5, 8	53.0	65.0
Total current liabilities		248.7	81.7
Non-current liabilities			
Interest-bearing debt, long-term	11	491.3	692.5
Other non-current liabilities	5	51.0	61.4
Deferred tax liabilities		-	2.2
Total non-current liabilities		542.3	756.1
Equity			
Shareholders' equity		155.7	256.9
Total equity		155.7	256.9
Total liabilities and equity		946.7	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 twelve months ended December 31, 2025 and 2024

(In \$ millions)	Note	Twelve months ended	
		December 31, 2025	December 31, 2024
Cash Flows from Operating Activities			
Net income		74.8	31.6
<u>Adjustments to reconcile net income to net cash provided by</u>			
Amortization of favorable contracts	4	33.8	30.7
Depreciation		23.0	17.9
Income from equity method investments (associated companies and joint ventures)	10	(115.7)	(79.8)
Net interest expense and amortization		72.3	77.1
Unrealized foreign exchange (gain)/loss		3.9	(12.0)
Deferred and other taxes		(5.3)	2.2
Expected credit losses	4	(1.2)	1.6
Gain on sale of equity method investee	10	(13.2)	-
Loss on extinguishment of financial instruments	11	1.0	34.3
Share-based compensation		0.2	0.3
Additions to long-term maintenance		(7.8)	(8.7)
Other		(0.3)	(0.4)
<u>Change in working capital items and other</u>			
Accounts receivables, net	4	147.8	(171.9)
Trade accounts payable		(15.5)	1.8
Other assets		(4.9)	12.5
Other liabilities		(26.3)	35.2
Net cash (used in)/provided by operating activities		166.6	(27.6)
Investing Activities			
Additions to drilling units and equipment		(5.9)	(7.7)
Proceeds received from the sale of equity method investments (net)	10	48.1	-
Investment in equity method investee		-	(12.1)
Distribution from equity method investees	10	131.6	97.5
Net cash provided by investing activities		173.8	77.7
Financing Activities			
Interest on bank deposits		4.2	5.0
Redemption of bonds (inclusive of premium)	11	(18.1)	(500.0)
Issuance of bonds (net of debt issuance costs)	11	-	488.4
Payment of interest on borrowings	11	(66.7)	(66.6)
Share buyback		(24.9)	-
Issuance of common shares (net of issue costs)		-	72.5
Return of capital to shareholders		(71.9)	(74.1)
Cash dividends paid*		(71.6)	-
Cash settlement of share-based payment awards		(0.2)	-
Net cash used in financing activities		(249.2)	(74.8)
Effect of exchange rate changes on cash and cash equivalents		0.7	(3.6)
Net increase/(decrease) in cash and cash equivalents		91.9	(28.3)
Cash and cash equivalents at beginning of period		86.4	114.7
Cash and cash equivalents at end of period		178.3	86.4

*Excludes dividend on treasury shares held by the Company.

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 twelve months ended December 31, 2025 and 2024

<i>(In \$ millions)</i>	Common shares	Additional paid-in capital	Accumulated other comprehensive income/(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	-	-	12.2	-	12.2
Issuance of common shares	-	72.5	-	-	72.5
Return of capital	-	(74.6)	-	-	(74.6)
Stock based compensation	-	0.3	-	-	0.3
Balance as at December 31, 2024	-	1,289.1	8.7	(1,040.9)	256.9
Balances as at January 1, 2025	-	1,289.1	8.7	(1,040.9)	256.9
Net income	-	-	-	74.8	74.8
Other comprehensive loss	-	-	(7.5)	-	(7.5)
Share buyback	-	(24.9)	-	-	(24.9)
Stock based compensation	-	(0.1)	-	-	(0.1)
Return of capital	-	(71.9)	-	-	(71.9)
Cash dividends paid	-	-	-	(71.6)	(71.6)
Balance as at December 31, 2025	-	1,192.2	1.2	(1,037.7)	155.7

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

Note 1 - General information

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

Company details

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

Business

Paratus is a holding company of a group of energy services companies and is comprised of its wholly owned subsidiary Fontis Holdings Ltd. and its subsidiaries (collectively "Fontis") and 50/50 joint venture interest in Seagems joint venture, comprising of Seabras Sapura Holding GmbH and Seabras Sapura Participacoes SA, (collectively "Seagems" or the "JV"). Paratus also held a 23.8% ownership in Archer Limited ("Archer") until 25 September 2025, at which time the shares were sold.

- **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. As of year-end 2025, four of the rigs were under the contract with a state-owned company in Mexico. Titania FE is 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.

Note 2 - Significant accounting policies

Basis of presentation

These unaudited interim condensed consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP"). The unaudited interim condensed consolidated financial statements do not include all of the disclosures required under U.S. GAAP in the annual consolidated financial statements and should be read in conjunction with our audited annual consolidated financial statements and notes for the year ended December 31, 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 year-end 2025, four of the rigs were under contract with a state-owned company in Mexico. Titania FE was as of the reporting date warm stacked in Mexico.

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

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

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

Three months ended						
December 31, 2025						
	Seagems	Fontis	Other	Total	Reconciling	Consol.
(In \$ millions)	(50% share)			reporting	Items	Total
Contract revenues	73.5	41.8	-	115.3	(73.5)	41.8
Amortization of favorable contracts	-	(8.7)	-	(8.7)	-	(8.7)
Tax on revenues	(3.2)	-	-	(3.2)	3.2	-
Operating revenues	70.3	33.1	-	103.4	(70.3)	33.1
Rig / Vessel operating expenses	(14.8)	(21.3)	-	(36.1)	14.8	(21.3)
General and administrative exp.	(3.9)	(0.9)	(2.0)	(6.8)	3.9	(2.9)
Expected credit losses	-	3.1	-	3.1	-	3.1
Other operating income	-	-	-	-	-	-
Depreciation and amortization	(11.8)	(6.3)	-	(18.1)	11.8	(6.3)
Share in results from joint ventures	-	-	4.2	4.2	30.1	34.3
Operating income	39.8	7.7	2.2	49.7	(9.7)	40.0
Share in results from associated companies	-	-	-	-	-	-
Interest expense	(1.4)	-	(19.2)	(20.6)	1.4	(19.2)
Other financial items, net	0.9	(0.5)	(0.8)	(0.4)	(0.9)	(1.3)
Income tax benefit/(expense)	(9.2)	0.5	-	(8.7)	9.2	0.5
Net income/(loss)	30.1	7.7	(17.8)	20.0	-	20.0

Three months ended*						
December 31, 2024						
	Seagems	Fontis	Other	Total	Reconciling	Consol.
(In \$ millions)	(50% share)			reporting	Items	Total
Contract revenues	54.7	54.3	-	109.0	(54.7)	54.3
Amortization of favorable contracts	-	(7.7)	-	(7.7)	-	(7.7)
Tax on revenues	(3.0)	-	-	(3.0)	3.0	-
Operating revenues	51.7	46.6	-	98.3	(51.7)	46.6
Rig / Vessel operating expenses	(8.5)	(25.8)	-	(34.3)	8.5	(25.8)
General and administrative exp.	(3.4)	(1.0)	(4.2)	(8.6)	3.4	(5.2)
Expected credit losses	-	(3.3)	-	(3.3)	-	(3.3)
Other operating expenses	-	-	-	-	-	-
Depreciation and amortization	(11.1)	(4.1)	-	(15.2)	11.1	(4.1)
Share in results from joint ventures	-	-	4.0	4.0	25.1	29.1
Operating income	28.7	12.4	(0.2)	40.9	(3.6)	37.3
Share in results from associated companies	-	-	(4.2)	(4.2)	-	(4.2)
Interest expense	(1.0)	-	(17.9)	(18.9)	1.0	(17.9)
Other financial items, net	(0.1)	(0.8)	2.3	1.4	0.1	1.5
Income tax benefit/(expense)	(2.5)	(14.2)	-	(16.7)	2.5	(14.2)
Net income/(loss)	25.1	(2.6)	(20.0)	2.5	-	2.5

Note 3 - Segments (continued)

Twelve months ended						
December 31, 2025						
(In \$ millions)	Seagems (50% share)	Fontis	Other	Total reporting Segments	Reconciling Items	Consol. Total
Contract revenues	265.0	187.0	-	452.0	(265.0)	187.0
Amortization of favorable contracts	-	(33.8)	-	(33.8)	-	(33.8)
Tax on revenues	(12.4)	-	-	(12.4)	12.4	-
Operating revenues	252.6	153.2	-	405.8	(252.6)	153.2
Rig / Vessel operating expenses	(69.3)	(84.7)	-	(154.0)	69.3	(84.7)
General and administrative exp.	(13.7)	(2.7)	(8.0)	(24.4)	13.7	(10.7)
Expected credit losses	-	1.2	-	1.2	-	1.2
Other operating income	0.2	4.9	-	5.1	(0.2)	4.9
Depreciation and amortization	(44.0)	(23.0)	-	(67.0)	44.0	(23.0)
Share in results from joint ventures	-	-	16.5	16.5	105.3	121.8
Operating income	125.8	48.9	8.5	183.2	(20.5)	162.7
Share in results from associated companies	-	-	(6.1)	(6.1)	-	(6.1)
Interest expense	(4.8)	-	(76.5)	(81.3)	4.8	(76.5)
Other financial items, net	2.7	(16.0)	15.4	2.1	(2.7)	(0.6)
Income tax benefit/(expense)	(18.4)	(4.4)	(0.3)	(23.1)	18.4	(4.7)
Net income/(loss)	105.3	28.5	(59.0)	74.8	-	74.8

Twelve months ended*						
December 31, 2024						
(In \$ millions)	Seagems (50% share)	Fontis	Other	Total reporting Segments	Reconciling Items	Consol. Total
Contract revenues	206.9	244.6	-	451.5	(206.9)	244.6
Amortization of favorable contracts	-	(30.7)	-	(30.7)	-	(30.7)
Tax on revenues	(12.1)	-	-	(12.1)	12.1	-
Operating revenues	194.8	213.9	-	408.7	(194.8)	213.9
Rig / Vessel operating expenses	(62.5)	(96.0)	-	(158.5)	62.5	(96.0)
General and administrative exp.	(12.6)	(4.8)	(11.9)	(29.3)	12.6	(16.7)
Expected credit losses	-	(1.6)	-	(1.6)	-	(1.6)
Other operating expenses	(0.2)	-	-	(0.2)	0.2	-
Depreciation and amortization	(42.3)	(17.9)	-	(60.2)	42.3	(17.9)
Share in results from joint ventures	-	-	10.0	10.0	75.2	85.2
Operating income	77.2	93.6	(1.9)	168.9	(2.0)	166.9
Share in results from associated companies	-	-	(5.4)	(5.4)	-	(5.4)
Interest expense	(2.6)	-	(82.1)	(84.7)	2.6	(82.1)
Other financial items, net	3.7	9.3	(30.5)	(17.5)	(3.7)	(21.2)
Income tax benefit/(expense)	(3.1)	(26.6)	-	(29.7)	3.1	(26.6)
Net income/(loss)	75.2	76.3	(119.9)	31.6	-	31.6

December 31, 2025						
(In \$ millions)	Seagems (50% share)	Fontis	Other	Total reporting Segments	Reconciling Items	Consol. Total
Cash and cash equivalents	25.4	60.1	118.2	203.7	(25.4)	178.3
Property, plant and equipment	576.9	249.8	-	826.7	(576.9)	249.8
Capital Expenditures	20.9	13.7	-	34.6	(20.9)	13.7
Equity method investments	-	-	-	-	299.9	299.9
Total assets	664.6	524.9	121.9	1,311.4	(664.6)	646.8
Short-term interest-bearing debt, net	21.3	-	193.8	215.1	(21.3)	193.8
Long-term interest-bearing debt, net	65.7	-	491.3	557.0	(65.7)	491.3

December 31, 2024						
(In \$ millions)	Seagems (50% share)	Fontis	Other	Total reporting Segments	Reconciling 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

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

Reconciling items

Reconciling items in the tables above represent adjustments made to arrive from combined segments result including the Company's share in Seagems to the equity method income as disclosed under operating activities in the statement of operations.

Note 4 - Revenue from contracts with customers

In the three and twelve months ended December 31, 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		Twelve months ended	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
<i>(In \$ millions)</i>				
Contract revenues	41.8	54.3	187.0	244.6
Amortization of favorable contracts	(8.7)	(7.7)	(33.8)	(30.7)
Operating revenues	33.1	46.6	153.2	213.9

The following tables provide information about trade receivables:

	December 31, 2025	December 31, 2024
<i>(In \$ millions)</i>		
Account receivables	199.1	346.9
Less: Allowance for credit losses	(6.1)	(7.3)
Account receivables, net	193.0	339.6

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

	December 31, 2025	December 31, 2024
<i>(In \$ millions)</i>		
Favorable contracts	171.9	171.9
Less: Accumulated amortization	(167.8)	(134.0)
Favorable contracts, net	4.1	37.9
<i>Of which:</i>		
Favorable contracts - current	4.1	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	(33.8)
Balance as of December 31, 2025	4.1

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 two months, as of December 31, 2025.

Outstanding receivables in Mexico

At the end of Q4 2025, the notional value of the receivable balance was \$199.1 million, down from \$293.1 million as of Q3 2025. During the quarter, Fontis received \$143 million in payments toward overdue invoices from its client in Mexico, with payments made via a Mexican government investment fund. Including these receipts, the Company collected approximately \$356 million in 2025. Subsequent to Q4 2025, Fontis received \$5 million in collections from its client.

The Company continues to actively pursue the collection of its remaining outstanding receivables and remains committed to recovering the full amounts due, consistent with its past practice. While the Company recognizes that the timing of collections may continue to fluctuate, recent payments and ongoing government support initiatives provide greater confidence that the payment cycle is normalizing.

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. During 2025, the tax liabilities relating to 2014 Titania FE rig operating entity were resolved and settled for approximately \$3.5 million. In 2024, the tax liabilities relating to 2017 tax audit were resolved and settled for approximately \$13 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 year-end 2025 was \$68.1 million (year-end 2024: \$64 million), of which \$17.7 million (year-end 2024: \$2.7 million) is presented under "Other-current liabilities" and \$50.4 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 \$22.9 million (year-end 2024: \$21.1 million). The movement in the UTP provision compared to year-end 2024 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"). Subsequent to Q4 2025, the tax liabilities relating to 2018 tax audit were settled for approximately \$18 million.

Note 6 - Cash and cash equivalents

<i>(In \$ millions)</i>	December 31, 2025	December 31, 2024
Cash and cash equivalents, non-restricted	163.9	75.3
Cash and cash equivalents, restricted	14.4	11.1
Total cash and cash equivalents	178.3	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:

<i>(In \$ millions)</i>	December 31, 2025	December 31, 2024
VAT asset	7.5	-
Taxes receivable	5.5	8.9
Prepaid expenses	1.5	1.1
Total other current assets	14.5	10.0

Note 8 - Other current liabilities

Other current liabilities consist of the following:

<i>(In \$ millions)</i>	December 31, 2025	December 31, 2024
VAT liability	-	21.2
Taxes payable	16.4	21.5
Employee withheld taxes and social security	2.1	2.7
Other current liabilities	16.3	16.4
Uncertain tax positions (UTP) provision	17.7	2.7
Accrued interest on senior secured notes	0.5	0.5
Total other current liabilities	53.0	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:

<i>(In \$ millions)</i>	Level	December 31, 2025		December 31, 2024	
		Fair value	Carrying value	Fair value	Carrying value
Assets					
Related party loans receivables – Seagems loans receivables	2	3.0	3.3	3.0	3.3
Liabilities					
2026 Senior secured notes*	1	198.4	193.8	215.4	203.2
2029 Senior secured notes*	1	500.8	491.3	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 December 31, 2025 and 2024 are comprised as follows:

	December 31, 2025	December 31, 2024
Ownership percentage		
Seagems	50.0 %	50.0 %
Archer	0.0 %	23.8 %

Sale of Paratus' ownership in Archer

On September 25, 2025, the Company sold its entire holding of 21,583,826 shares in Archer Limited at NOK 22.50 per share, receiving net cash proceeds of approximately \$48.1 million.

Prior to the sale, the investment was accounted for under the equity method with a carrying amount of \$43.1 million which was reduced by \$8.5 million reclassified from Other Comprehensive Income ("OCI") to the carrying amount. The investment was derecognized upon completion of the sale, and the Company recognized a gain of \$13.2 million, presented within "Gain on sale of financial assets" in the Consolidated Statement of Operations. The net proceeds are reflected within investing activities in the Consolidated Statement of Cash Flows.

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

	Seagems*			
	Three months ended		Twelve months ended	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
<i>(In \$ millions, except ownership percentage)</i>				
Operating revenues	140.7	103.3	505.2	389.7
Operating income	79.7	57.3	251.6	154.5
Net income	60.3	50.2	210.6	150.4
Company's ownership percentage	50.0 %	50.0 %	50.0 %	50.0 %
Share of net income	30.2	25.1	105.3	75.2
Amortization of basis differences	4.1	4.0	16.5	10.0
Share in results of Seagems	34.3	29.1	121.8	85.2

	Archer			
	Three months ended		Nine months ended	
	December 31, 2025	December 31, 2024	September 25, 2025	December 31, 2024
<i>(In \$ millions, except ownership percentage)</i>				
Operating revenues	-	491.7	1,030.8	1,300.7
Operating income	-	18.1	60.1	71.3
Net income / (loss)	-	(17.6)	(25.4)	(24.5)
PES ownership percentage	0.0 %	23.8 %	23.8 %	23.8 %
Share of net income/(loss)	-	(4.3)	(6.0)	(5.8)
Amortization of basis differences	-	0.1	(0.1)	0.4
Share in results of Archer	-	(4.2)	(6.1)	(5.4)

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

	Seagems*		Archer	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
	<i>(In \$ millions, except ownership percentage)</i>			
Current assets	167.1	140.6	-	404.1
Non-current assets	1,162.0	1,208.4	-	596.5
Current liabilities	(109.0)	(101.3)	-	(338.2)
Non-current liabilities	(136.8)	(115.3)	-	(437.2)
Non-controlling interest	-	-	-	(15.4)
Net Assets (gross, 100%)	1,083.3	1,132.4	-	209.8
Company's ownership percentage	50.0 %	50.0 %	-	23.8 %
Company's share of book equity	541.7	566.2	-	50.7
Shareholder loans held as equity	0.9	0.9	-	-
Basis difference	(242.7)	(254.6)	-	(5.0)
Carrying amount equity method investments	299.9	312.5	-	45.7

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

Note 11 - Interest-bearing debt

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

<i>(In \$ millions)</i>	Interest Rate	Maturity Date	Carrying Amount	
			December 31, 2025	December 31, 2024
2026 Senior secured notes plus PIK interest	9.00%	15/07/2026	197.9	215.4
2029 Senior secured bonds	9.50%	27/06/2029	500.0	500.0
Total interest-bearing debt			697.9	715.4
Less: Unamortized discount and debt issuance costs			(12.8)	(22.9)
Total interest-bearing debt, net			685.1	692.5
Less: Current portion, net			(193.8)	-
Long-term interest-bearing debt, net			491.3	692.5

The key terms relating to our debt in the year ended December 31, 2025 and 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. In November 2025, pursuant to a completion of a tender offer, the company repurchased \$17.6 million in principle amount of its 2026 Notes. In connection with the partial redemption, we recognized a loss on extinguishment of financial instruments of \$1 million (2024: \$34.3 million) in the Consolidated Statements of Operations which consists of \$0.5 million call premium paid in cash and \$0.5 million unamortized discount release. The remaining principal amount under the 2026 Notes was \$197.9 million as at December 31, 2025 (December 31, 2024: \$215.4 million). The carrying amount of the 2026 Notes are presented net of unamortized discount and debt issuance costs.

The Company actively manages its capital structure to maintain sufficient liquidity to meet its obligations as they fall due and to support its strategic objectives. Primary sources of liquidity include existing cash balances and operating cash flows from its operating entities, including distributions from the Seagems JV. At year-end 2025, total consolidated cash amounted to \$178 million. At year-end 2025, accounts receivable amounted to \$199 million (year-end 2024: \$347 million). The Company collected \$356 million during 2025 and continues to pursue the remaining outstanding balances. Recent collections and ongoing government support initiatives have improved visibility over expected cash inflows and support management's assessment that the payment cycle is continuing to normalize.

The Group prepares and regularly updates cash flow forecasts covering the relevant assessment period. These forecasts incorporate various scenarios, including potential fluctuations in receivable collections and scheduled debt service requirements, and indicate that the Company expects to maintain sufficient liquidity and appropriate headroom under its financial covenants.

The 2026 Notes mature in July 2026. The Company is evaluating its options to address this maturity, which are closely linked to the broader strategic assessment of the jack-up business. In parallel, discussions have been initiated with various financial institutions to explore potential refinancing alternatives. While no binding agreements have been entered into as of the reporting date, the Company intends to redeem or refinance, or pursue a combination thereof, the 2026 Notes prior to maturity.

2029 Senior Secured Bonds ("2029 Bonds")

Secured bonds were issued on June 27, 2024 and are due June 27, 2029. As at December 31, 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

Interest expense is comprised of the following:

<i>(In \$ millions)</i>	Three months ended		Twelve months ended	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
Loan interest expense	16.5	16.7	66.7	67.2
Amortization of debt discount	2.7	1.2	9.8	14.9
Interest expense	19.2	17.9	76.5	82.1

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 December 31, 2024 and 2025.

	December 31, 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 580,000 shares were excluded from the computation of diluted EPS. Dilutive options totaling 125,000 shares are considered in deriving diluted earnings per share.

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

	Three months ended		Twelve months ended	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
<i>(in \$ million, except share and per share amounts)</i>				
Net income/(loss)	20.0	2.5	74.8	31.6
Weighted average numbers of shares outs. (basic)	162,735,049	169,550,049	164,113,880	161,989,730
Weighted average numbers of shares outs. (diluted)	162,746,330	169,620,812	164,125,161	162,060,493
Earnings per share:				
Basic	0.12	0.01	0.46	0.20
Diluted	0.12	0.01	0.46	0.19

Note 14 - Subsequent events

Cash dividend to shareholders

On February 27, 2026, the Company announced that the Board of Directors has approved a cash dividend of \$0.22 per share for Q4 2025, to all shareholders of record as of 6 March 2026. The cash dividend will be paid on 13 March 2026.

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		Twelve months ended	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
<i>(In \$ millions)</i>				
Calculation of adjusted EBITDA				
Net income/(loss)	20.0	2.5	74.8	31.6
Add back: Income tax expense	(0.5)	14.2	4.7	26.6
Add back: Net financial expense	20.5	20.6	83.2	108.7
Deduct: Share in results from joint ventures and associates	(34.3)	(29.1)	(121.8)	(85.2)
Add back: Expected credit losses	(3.1)	3.3	(1.2)	1.6
Deduct: Other operating income	-	-	(4.9)	-
Add back: Depreciation and amortization	6.3	4.1	23.0	17.9
Add back: Amortization of favorable contracts	8.7	7.7	33.8	30.7
Adjusted EBITDA (consolidated)	17.6	23.3	91.6	131.9
Net income - 50% of Seagems	30.1	25.1	105.3	75.2
Add back: Income tax expense	9.2	2.5	18.4	3.1
Add back: Net financial expense	0.5	1.1	2.1	(1.1)
Add back: Depreciation and amortization	11.8	11.1	44.0	42.3
Deduct: Other operating income	-	-	(0.2)	0.2
Adjusted EBITDA (50% Seagems)	51.6	39.8	169.6	119.7
Combined Segment EBITDA	69.2	63.1	261.2	251.6

(In \$ millions)

Net debt

Interest-bearing debt (notional amount)

Paratus

Fontis

Less: Cash and cash equivalents

Paratus

Fontis

Less: Market value Archer shares*

Paratus

Net debt

50% of Seagems interest-bearing debt (notional amount)

Less: 50% of Seagems cash and cash equivalents

50% of Seagems net debt

Net debt (as per management reporting)

Net Leverage Ratio

Net debt (as per management reporting)

Combined Segment EBITDA (LTM)**

Net Leverage Ratio

	December 31, 2025	December 31, 2024
Interest-bearing debt (notional amount)	697.9	715.4
<i>Paratus</i>	697.9	715.4
<i>Fontis</i>	-	-
Less: Cash and cash equivalents	178.3	86.4
<i>Paratus</i>	118.2	64.9
<i>Fontis</i>	60.1	21.5
Less: Market value Archer shares*	-	49.4
<i>Paratus</i>	-	49.4
Net debt	519.6	579.6
50% of Seagems interest-bearing debt (notional amount)	87.0	60.5
Less: 50% of Seagems cash and cash equivalents	25.4	12.4
50% of Seagems net debt	61.6	48.1
Net debt (as per management reporting)	581.2	627.7
Net Leverage Ratio	2.2	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.

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