

Foresea Reports Third Quarter 2024 Results

Luxembourg, November 12, 2024

- Fleet fully contracted at competitive dayrates
- Norbe VIII concluded SPS and is ready to start its new contract
- Backlog of \$1.4 billion as of September 30, 2024
- Efficiency is a top priority, operational uptime reached 99% in 3Q24
- High level of profitability: \$131 million of Adjusted EBITDA and 36% of margin in 9M24
- Cash flow from operations generated almost \$100 million in 9M24
- Solid capital structure, liquidity of \$142 million and leverage² of 1.0x at 3Q24
- Approval of \$37 million as interim payment to shareholders, totaling \$70 million in 2024

FORESEA HOLDING S.A. UNAUDITED FINANCIAL HIGHLIGHTS

Financial Highlights	3Q24	2Q24	9M24	9M23
thousands of U.S. dollars				
Net Revenues	120,870	127,533	368,287	249,662
Adjusted EBITDA	45,160	48,610	131,264	65,559
Adjusted EBITDA Margin	37.4%	38.1%	35.6%	26.3%
Net Profit	12,793	17,282	30,606	74,674
CFFO	47,983	47,049	98,877	52,065
Liquidity ¹	141,742	153,432	141,742	137,672
Net Debt	135,145	122,660	135,145	136,142
Leverage ²	1.0	1.2	1.0	1.9

(1) Cash and cash equivalents at the end of the period

(2) Ratio (Net Debt / LTM Adjusted EBITDA) calculated based on the face value of the debt (\$300 million)

Foresea is pleased to release its 2024 third quarter results. The backlog at the end of September 2024 registered \$1.4 billion, reflecting a fully contracted fleet. Norbe VIII concluded its SPS at the beginning of November and is ready to start its new 3-year contract. Following another set of strong operational and financial results, the Company declared an interim distribution of \$37 million, expected to be paid on December 5th, totaling approximately \$70 million in payments to shareholders in 2024.

Mr. Rogerio Ibrahim, Foresea's CEO stated "Our Company delivered another strong result in all aspects of the business, proving that the values proposed by Foresea translate into operational excellence, solid capital structure and value creation for stakeholders.

The fully contracted fleet and short-term opportunities reinforce our Company's position as a reference player in the O&G offshore drilling segment, particularly in Brazil, one of the most important regions for the industry.

Foresea is fully focused on guaranteeing organic opportunities with its fleet while delivering exceptional operational performance, integrated with its commitment to safety and capital discipline. Following the successful completion of an important SPS, we are dedicated to maintaining the integrity of our assets and investing in innovation, allowing us to execute highly complex jobs scopes with precision.

This effort to keep our fleet working, with renewed dayrates, gives us predictability regarding our cash flow generation for the next few years. Based on this scenario, the Board of Directors declared the second distribution to shareholders, \$37 million expected to be paid in December, bringing total distributions in 2024 to \$70 million. We reinforce our commitment to generate reliable returns for the shareholders."

Financial Results

Third quarter (3Q24) net revenues totaled \$120.9 million, a slight decrease of 5.2% compared to the \$127.5 million registered in the previous quarter (2Q24). The performance is explained by the lower utilization rate, considering the 53 days of SPS in 3Q24 of Norbe VIII, partially offset by the higher operational uptime and fleet's dayrate.

The average daily revenue¹ reached \$281.2 thousand per day in 3Q24, an increase of 3.7% on quarterly basis and +31.9% versus 3Q23. The indicator has steadily increased for the last year, reflecting the substitution of previous legacy contracts for the current healthy market dayrates.

In the nine months of 2024 (9M24), net revenues rose 47.5%, compared to \$249.7 million registered in the same period of 2023. This result is mainly explained by the fleet's better dayrates and also by the higher utilization in 9M24 due to the ODN I SPS and off hired period in 9M23.

Operating costs in 3Q24 amounted to \$68.7 million, 4.3% lower than the previous quarter. The daily operational cost of the owned fleet was approximately \$145 thousand per day in the quarter, in comparison to approximately \$155 thousand per day in 2Q24. The quarterly reduction in operating costs is mainly explained by the lower

¹ Drilling revenues earned by operating day per rig

operating days of Norbe VIII, with a subsequent decrease in additional services requested by clients and repair & maintenance activities.

General and administrative expenses (G&A) decreased 3.6% on a quarterly basis. The 3Q24 performance is mainly explained by optimization of personnel expenses.

Adjusted EBITDA for the third quarter of 2024 reached \$45.2 million, a 7.1% decrease versus 2Q24. The quarterly performance, as explained above, was driven by the Norbe VIII SPS, impacting the quarter's revenues that was partially offset by higher operational performance and decrease in costs and expenses. Based on these effects, the Adjusted EBITDA margin reached 37.4% in 3Q24, a slight decrease of 0.7 p.p. compared to 38.1% accounted in the previous quarter.

In the first 9 months of the year, Adjusted EBITDA amounted to \$131.3 million, twice that 9M23, and Adjusted EBITDA margin reached 35.6%, an increase of 9.4 p.p. year-over-year.

Cash Flow from Operations (CFFO) generated \$48.0 million in the quarter and \$98.9 million in 9M24. This performance highlights the translation of better portfolio dayrates, operational efficiency and strict cost control into cash generation.

Capex accelerated in the 3Q24 and consumed \$22.1 million, an increase from the \$13.1 million invested in the 2Q24, as Norbe VIII started its SPS in August 2024. Although Norbe VIII's SPS finished at the beginning of November, some residual Capex will be recognized in the coming quarters.

Therefore, the Company registered another quarter of positive free cash flow generation², amounting to \$25.9 million in 3Q24 and \$52.6 million in 9M24.

Foresea ended the third quarter of 2024 with a \$141.7 million cash position, just a slight decrease from \$153.4 million at the closing of the previous quarter, most explained by the \$33 million interim payment to shareholders in July.

Foresea's only debt is the \$300 million Secured Notes due 2030, issued in June 2023, and recorded on the company's balance sheet as \$276.9 million as of September 30, 2024, due to related transaction costs. Leverage ratio, Net Debt/ LTM Adjusted EBITDA, calculated based on the face value of the debt, reached only 1.0x at the closing of the quarter, well below the notes covenant of 3.5x.

² Operational cash flow less Capex

As a post-event, Foresea approved an interim distribution to its shareholders of \$36.9 million, representing a payment of \$1.23/share. The record date of the distribution is November 20, 2024, and payment is expected to be made on December 5, 2024.

Operational Highlights

The Company successfully concluded the SPS in one of its ultra-deep water high-specification drillships, Norbe VIII. The maintenance included a dry-dock stoppage that required more than a year of planning. This period enabled upgrades in the Dynamic Positioning of the rig, the overhaul of thrusters and maintenance of the drilling package, drilling equipment control systems, subsea equipment, as well as cleaning, restoration and painting of the hull. More than 1,000 workers took part in this unprecedented maintenance in Brazil on a large vessel. The period was concluded without recordable incidents, reinforcing Foresea's team commitment to the integrity of its assets and the safety of its operations.

Operational uptime reached 98.8% in the third quarter of 2024, an improvement from 97.9% in 2Q24 and 94.1% in 1Q24, reaffirming Foresea's operational excellence, as seen in previous years.

Rig utilization in 3Q24 recorded 88.5%, as Norbe VIII underwent SPS for 53 days in the quarter, preparing for its new contract.

Finally, the Company does not expect any other SPS for 2024 and is currently evaluating the 2025 SPS Program. This evaluation aligns with short-term fleet opportunities and upholds the highest safety standards in the industry.

FORESEA HOLDING S.A. UNAUDITED OPERATIONAL INFORMATION

Average daily revenue¹	3Q 2024	2Q 2024	9M 2024	9M 2023
in US\$ k/day	281.2	271.2	267.3	221.7

(1) - Average daily revenue is defined as operating revenues earned per operating day per fleet, excluding mobilization.

Revenue Efficiency²	3Q 2024	2Q 2024	9M 2024	9M 2023
	94.9%	94.9%	94.3%	95.7%

(2) - Revenue efficiency is day rate revenue earned as a percentage of maximum potential day rate revenue.

Rig Utilization³	3Q 2024	2Q 2024	9M 2024	9M 2023
	88.5%	100.0%	96.1%	87.1%

(3) - Rig utilization is calculated dividing the number of operating days by the number of days in the period.

Operational Uptime⁴	3Q 2024	2Q 2024	9M 2024	9M 2023
	98.8%	97.9%	96.9%	98.1%

(4) - Operational Uptime considers the number of hours the rig is operating or ready to operate, with no operational issues, in relation to the total hours in the period for the contracted fleet

About Foresea

Foresea is a leading offshore drilling company, focused on offering intelligent drilling solutions, with expertise and excellence in chartering and operating rigs for ultra-deep waters. Foresea operates a high specification rig fleet of 4 UDW drillships, a semisubmersible and provides operation and management services to third parties' fleet.

With experience, state-of-the-art technology and a commitment to safety and sustainability, Foresea is always innovating when chartering and operating platforms

and ships. For further information, please visit: <https://investors.foresea.com/> or e-mail investor.relations@foresea.com.

Forward-Looking Statements

This document contains forward-looking financial projections for Foresea Holding S.A. as of September 30, 2024. These statements could contain words such as terms "assumes", "projects", "forecasts", "estimates", "expects", "anticipates", "believes", "plans", "intends", "may", "might", "will", "would", "can", "could", "should", "possible", "if," or other similar expressions. Forward-looking statements are based on management's current expectations and assumptions regarding future economic conditions, market trends, and the execution of our business strategy, including, but not limited to, any statement that may project, indicate or imply performance or achievements; future recovery in the offshore contract drilling industry; expectations regarding the Company's plans, strategies and opportunities, expectations regarding the Company's business or financial outlook, future borrowing capacity and liquidity, expected utilization, dayrates, revenues, operating expenses, rig commitments and availability, cash flows, tax rates and accounting treatment, contract status, terms and duration, contract backlog, capital expenditures, insurance, financing and funding. Please be aware that these forward-looking financial projections are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict, and factors beyond our control, which may cause actual results to differ materially from what is projected and should be considered as estimates only.

All subsequent written and oral forward-looking statements attributable to the Company or to people acting on its behalf are expressly qualified in their entirety by reference to these risks and uncertainties. The Company undertakes no obligation to update or revise these forward-looking financial projections, whether as a result of new information, future events, or otherwise.

Investors and stakeholders are advised to exercise caution and not to place undue reliance on these forward-looking statements. Actual results may vary, and the Company assumes no obligation to provide updates or revisions beyond what is legally required.

FORESEA HOLDING S.A.
UNAUDITED INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT
(in thousands of U.S. dollars)

	Three Months Ended	
	September 30, 2024	June 30, 2024
Net Revenues	120,870	127,533
Operating Costs	(68,743)	(71,822)
General and administrative expenses	(7,016)	(7,279)
Other operating revenue, net	49	178
Operating Result	45,160	48,610
Depreciation and amortization expenses	(26,247)	(27,726)
Other expenses	2	18
Operational profit	18,915	20,902
Finance result, net	(6,139)	(3,633)
Profit before income tax	12,776	17,269
Income tax	17	13
Net Profit for the period	12,793	17,282

FORESEA HOLDING S.A.
UNAUDITED NON-GAAP FINANCIAL MEASURES
(in thousands of U.S. dollars)

	Three Months Ended	
	September 30, 2024	June 30, 2024
EBITDA Reconciliation		
Net profit for the period	12,793	17,282
Income tax	(17)	(13)
Finance result, net	6,139	3,633
Depreciation and amortization expenses	26,247	27,726
Other expenses	(2)	(18)
EBITDA	45,160	48,610
EBITDA Margin	37.4%	38.1%
Adjustments	-	-
Adjusted EBITDA	45,160	48,610
Adjusted EBITDA Margin	37.4%	38.1%

FORESEA HOLDING S.A.
UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(in thousands of U.S. dollars)

Current assets	September 30, 2024	December 31, 2023
Cash and cash equivalents	141,742	140,936
Accounts receivable	69,505	59,443
Taxes recoverable	11,996	11,114
Prepaid expenses and Advances to suppliers	18,994	21,220
Other assets	2,630	1,573
Total current assets	244,867	234,286
Non-current assets		
Intangible assets	7,545	10,310
Property and equipment	1,206,904	1,237,386
Total property, equipment and intangible	1,214,449	1,247,696
Prepaid expenses	7,609	12,816
Right-of-use assets	3,211	3,896
Other assets	729	818
Total non-current assets	1,225,998	1,265,226
Total assets	1,470,865	1,499,512

FORESEA HOLDING S.A.
UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(in thousands of U.S. dollars)

Current liabilities	September 30, 2024	December 31, 2023
Financings	937	937
Lease liability	769	663
Accounts payable	35,260	45,056
Taxes payable	4,569	6,275
Labor obligations and social charges	22,741	18,266
Related parties	405	3,103
Advances from customer	13,574	16,456
Other liabilities	55	2,029
Total current liabilities	78,310	92,785
Non-current liabilities		
Financings	275,950	273,618
Advances from customer	14,107	23,788
Other non-current liabilities	5,228	6,288
Total non-current liabilities	295,285	303,694
Total liabilities	373,595	396,479
Equity / Negative Equity		
Capital	30,034	29,999
Share Premium	1,076,300	1,111,792
Legal reserve	3,000	-
Other comprehensive loss	(72,193)	(68,281)
Retained earnings	60,129	29,523
Total equity	1,097,270	1,103,033
Total liabilities and equity	1,470,865	1,499,512

FORESEA HOLDING S.A.
UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(in thousands of U.S. dollars)

	Three Months Ended	
	September 30, 2024	June 30, 2024
Cash flows from operating activities		
<i>Profit before income tax</i>	12,776	17,269
<u><i>Adjustments</i></u>		
<i>Depreciation and amortization</i>	26,247	27,726
<i>Amortization of insurance</i>	2,714	2,642
<i>Amortization of mobilization cost</i>	2,086	2,063
<i>Amortization of mobilization fee</i>	(3,894)	(3,851)
<i>Provision</i>	(4)	(138)
<i>Share-based payments</i>	136	271
<i>Finance result, net</i>	6,139	3,633
	<u>46,200</u>	<u>49,615</u>
<u><i>Changes in working capital</i></u>		
<i>Accounts receivable</i>	2,387	(3,075)
<i>Related parties</i>	(1,741)	194
<i>Prepaid expenses</i>	(2,016)	2,017
<i>Other assets</i>	(6,095)	3,775
<i>Accounts payable</i>	4,026	(3,134)
<i>Other liabilities</i>	5,222	(2,343)
	<u>1,783</u>	<u>(2,566)</u>
Net cash flow generated from operating activities	<u>47,983</u>	<u>47,049</u>
Cash flows from investments activities		
<i>Acquisition of equipments and intangible</i>	(22,127)	(13,116)
Net cash used in investing activities	<u>(22,127)</u>	<u>(13,116)</u>
Cash flows from financings activities		
<i>Interest payments</i>	(5,625)	(5,625)
<i>Dividends payments</i>	(33,000)	-
Net cash used in financings activities	<u>(38,625)</u>	<u>(5,625)</u>
<i>Effect of exchange rate variation on cash and cash equivalents</i>	1,080	(2,401)
Increase (decrease) in cash and cash equivalents	<u>(11,689)</u>	<u>25,907</u>
Cash and cash equivalents at the beginning of the period	<u>153,432</u>	<u>127,524</u>
Cash and cash equivalents at the end of the period	<u>141,742</u>	<u>153,432</u>

FORESEA HOLDING S.A.
UNAUDITED INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT
(in thousands of U.S. dollars)

	Nine Months Ended	
	September 30, 2024	September 30, 2023
Net Revenues	368,287	249,662
Operating Costs	(214,550)	(196,973)
General and administrative expenses	(22,700)	(14,913)
Other operating revenue, net	227	10,847
Operating Result	131,264	48,623
Depreciation and amortization expenses	(78,717)	(107,165)
Impairment on equipment	-	(1,131,593)
Other expenses	(6,124)	-
Operational profit (loss)	46,423	(1,190,135)
Finance result, net	(15,822)	1,264,706
Profit before income tax	30,601	74,571
Income tax	5	103
Net Profit for the period	30,606	74,674

FORESEA HOLDING S.A.
UNAUDITED NON-GAAP FINANCIAL MEASURES
(in thousands of U.S. dollars)

	Nine Months Ended	
	September 30, 2024	September 30, 2023
EBITDA Reconciliation		
Net profit for the period	30,606	74,674
Income tax	(5)	(103)
Finance result, net	15,822	(1,264,706)
Depreciation and amortization expenses	78,717	107,165
Impairment on equipment	-	1,131,593
Other expenses	6,124	-
EBITDA	131,264	48,623
EBITDA Margin	35.6%	19.5%
Pre-Restructuring Adjustments		
Drilling activities accounted in Ocyan*	-	12,219
Others	-	4,717
Adjusted EBITDA	131,264	65,559
Adjusted EBITDA Margin	35.6%	26.3%

* until May/23

FORESEA HOLDING S.A.
UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(in thousands of U.S. dollars)

	Nine Months Ended	
	September 30, 2024	September 30, 2023
Cash flows from operating activities		
Profit before income tax	30,601	74,571
<u>Adjustments</u>		
Depreciation and amortization	78,717	107,165
Loss on impairment	-	1,131,593
Amortization of insurance	8,012	9,147
Amortization of mobilization cost	6,764	8,205
Amortization of mobilization fee	(12,563)	(10,758)
Provision	(425)	2,712
Share-based payments	407	-
Finance result, net	15,822	(1,264,706)
	<u>127,335</u>	<u>57,929</u>
<u>Changes in working capital</u>		
Accounts receivable	(9,520)	(897)
Related parties	(3,745)	(19,716)
Prepaid expenses	(86)	(17,561)
Other assets	(6,544)	(8,133)
Accounts payable	(11,902)	25,944
Advances from customers	-	11,743
Other liabilities	3,339	2,756
	<u>(28,458)</u>	<u>(5,864)</u>
Net cash flow generated from operating activities	<u>98,877</u>	<u>52,065</u>
Cash flows from investments activities		
Short-term investments	-	219,427
Acquisition of equipments and intangible	(46,246)	(63,957)
Net cash used in investing activities	<u>(46,246)</u>	<u>155,470</u>
Cash flows from financings activities		
Borrowings	-	197,013
Repayments of borrowings	-	(226,791)
Interest payments	(16,875)	(58,188)
Dividends payments	(33,000)	-
Net cash used in financings activities	<u>(49,875)</u>	<u>(87,966)</u>
Effect of exchange rate variation on cash and cash equivalents	(1,950)	51
Increase in cash and cash equivalents	806	119,620
Cash and cash equivalents at the beginning of the period	<u>140,936</u>	<u>18,052</u>
Cash and cash equivalents at the end of the period	<u>141,742</u>	<u>137,672</u>