



NORBE VIII

Earnings Release

4Q24 & 2024

Foresea Reports Fourth Quarter and 2024 Results

Luxembourg, February 19, 2025

- Strategy and discipline in execution led to the achievement of all 2024 targets
- Fleet fully contracted and in operation until 4Q26
- Backlog of \$1.7¹ billion at the end of the year
- Norbe IX was awarded a new contract, expected to start in early 2026
- Norbe VIII commenced its new contract in December 2024
- Operational uptime of 99% in 2H24 and 97% for the year
- High profitability: over \$180 million of Adjusted EBITDA and 37% of margin in 2024
- Free cash flow generation of \$62 million in 2024
- Liquidity² of \$107 million and modest leverage³ of 1.1x at the end of the year
- \$70 million in payments to shareholders in 2024 (\$2.33 per share)

¹ Including contract amendment of Norbe VIII signed in January 2025

UNAUDITED FINANCIAL HIGHLIGHTS

	4Q24	3Q24	2024	2023
thousands of U.S. dollars				
Net Revenues	119,308	120,870	487,595	363,319
Adjusted EBITDA	51,380	45,160	182,644	96,506
Adjusted EBITDA Margin	43.1%	37.4%	37.5%	26.6%
Net Profit	(12,726)	12,793	17,880	65,809
CFFO	31,500	47,983	130,377	97,736
Liquidity ²	106,886	141,742	106,886	140,936
Net Debt	170,815	135,145	170,815	133,619
Leverage ³	1.1	1.0	1.1	1.6

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

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

Foresea is pleased to release its 2024 fourth quarter and full year results. The Company closed 2024 with a backlog of \$1.7 billion, reflecting a fully contracted fleet until the last quarter of 2026, increasing cash flow predictability for the next couple of years. Norbe IX was awarded a new contract, with the Sepia-Atapu consortium, led by Petrobras, expected to begin in early 2026 and Norbe VIII commenced its 3-year contract with Petrobras last December. Closing the year with very solid results, having reached an Adjusted EBITDA margin of 37.5% and free cash flow from operations over \$130 million, Foresea was able to commence distributions to its shareholders for a total of \$70 million in 2024, or \$2.33 per share.

Mr. Rogerio Ibrahim, Foresea's CEO stated "I'm proud to deliver another year of solid results, benefiting all our stakeholders. In 2024 we were able to deliver outstanding operational performance, introduce new technologies to our rigs and adapt and innovate to fulfill our clients' requirements."

By the end of the year, Foresea was awarded a new contract for Norbe IX, closing all near-term availability on its fleet until 4Q26. The Company finished the first phase of the automation project at Norbe IX, reducing manual operations performed on the drill floor and enhancing productivity and operational safety, core values in Foresea.

As a result of its focus on clients, employees and community, Foresea was able to deliver robust results to its shareholders. The Company was the first Brazilian driller to make return cash to its shareholders, driven by solid cash generation and capital discipline.

In 2025, Foresea is committed to maintaining its focus on operational excellence, safety and management based on efficiency. The Company is ready to explore market opportunities, leveraging on its expertise to provide innovative solutions to industry needs.

"Our primary goal for 2025 is to maintain our exceptional operational performance, which it is not a small task. Achieving 99% uptime in the second half of 2024 was our best performance since the beginning of offshore drilling operation, and we are committed to remaining as an operational benchmark in the industry, while upholding the highest safety standards. Additionally, we will focus on successfully executing out two scheduled SPSs, ensuring both technical excellence and financial discipline."

Financial Results

Fourth quarter (4Q24) net revenues totaled \$119.3 million, comparable to the \$120.9 million registered in the previous quarter (3Q24). This result is explained by the slightly higher number of days in which Norbe VIII was undergoing SPS during the quarter, coupled with the FX effect on services revenues, which are denominated in Brazilian Reais (BRL).

The average daily revenue reached \$288,400¹ in 4Q24, a 2.6% increase compared to 3Q24.

In 2024, net revenues reached \$487.6 million, an increase of 34.2%, or \$124.3 million, compared to 2023. This result is mainly explained by the fleet's better dayrates, from the new contracts started at the end of 2023 and beginning of 2024, combined with a higher fleet

¹ 4Q24 information updated on February 25th, 2025

utilization, with only one SPS in 2024 (Norbe VIII), compared to two SPSs in 2023 (ODN I and Norbe VI). Note that ODN I was not consolidated into Foresea results in part of 1H23.

The average daily revenue recorded \$272,100² in 2024, a solid increase compared to the \$225,800 registered in 2023, in line with the dynamic described above.

Operating costs in 4Q24 amounted to \$60.5 million, 12.0% lower than 3Q24. The quarterly reduction in operating costs is mainly explained by the fewer operating days, impacted by Norbe VIII SPS, the FX effect on costs denominated in Brazilian Reais, and lower demand for additional services.

In 2024, the operating costs totaled \$275.0 million, 5.1% higher than in 2023. This performance mainly reflects the higher fleet utilization in 2024, the inclusion of additional services in the new contracts, and labor inflation. Note that ODN I was not consolidated into Foresea results in part of 1H23.

General and administrative expenses (G&A) totaled \$7.4 million in 4Q24, a \$0.4 million increase compared to the previous quarter, mainly due to the labor inflation settled in September 2024. In 2024, G&A expenses reached \$30.1 million, \$7.9 million higher on an annual basis. This figure is not comparable to 2023, as part of the expenses was still accounted by the former Group in 1H23. Considering the annualized G&A, expenses were stable compared to the previous year.

Therefore, the average daily opex of the owned fleet was \$127,700 in the quarter, in comparison to \$145,000 in 3Q24. For the full year, daily opex was \$146,300, versus \$135,900 in 2023.

In 2024 the Company registered a non-recurring tax payment of \$6.1 million (included in other expenses), related to PERT (Special Tax Payment Regime), entered to settle a Tax Infraction Notice from 2016. Additionally, Foresea recorded a write-off of \$8.8 million related to Norbe VIII SPS costs, compared to \$6.0 million registered in 2023.

Finally, Foresea recognized a loss of \$27.5 million associated with the impairment of its fleet. This result reflects an update of macroeconomic, market and commercial assumptions in the assessment of the assets. This amount is not comparable to the \$1,131.6 million impairment registered in 2023, considering that the Company went through a restructuring process in June 2023.

² 2024 information updated on February 25th, 2025

Adjusted EBITDA for the 4Q24 reached \$51.4 million, a 13.8% increase versus 3Q24. This performance, as explained above, was mainly driven by a reduction in costs. Consequently, the Adjusted EBITDA margin reached 43.1% in 4Q24, a 5.7 p.p. increase compared to 37.4% registered in the previous quarter.

In 2024, Adjusted EBITDA reached \$182.6 million, a significant increase compared to the previous year, as a result of better margins embedded in the new contracts started in the end of 2023 and beginning of 2024. Adjusted EBITDA margin reached 37.5% in 2024, an increase of 10.9 p.p. year over year.

Cash Flow from Operations (CFFO) was \$31.5 million in 4Q24 and \$130.4 million for the year. This performance reflects the transition of the fleet to new contracts with improved dayrates, combined with the maintenance of operational excellence and strict cost control, both driving a strong cash generation.

As a post-event, the Company received the mobilization fee associated with the new Norbe VIII contract, which commenced last December, offsetting the temporary negative effect on working capital at the end of 2024.

Capex in 4Q24 remained consistent with 3Q24 levels, at \$21.7 million, as Norbe VIII completed its SPS in the quarter. Total Capex for 2024 amounted to \$68.0 million, primarily driven by Norbe VIII's SPS, with additional \$11.8 million in investments carried over from the SPS of ODN I and Norbe VI executed in 2023. These amounts also include initial disbursements related to the SPSs of ODN II and Norbe IX, scheduled for the end of 2025. Residual Capex related to Norbe VIII's SPS will be recognized in the coming quarters. Therefore, the Company registered another period of positive free cash flow generation³, amounting to \$9.8 million in 4Q24 and \$62.4 million in the year.

Foresea ended 2024 with a \$106.9 million cash position, after distributing a total of \$70 million in payments to shareholders, or \$2.33 per share.

It is important to mention that Ohio ConvertCo, as a shareholder, received \$24.7 million from the Company's distributions in 2024, and, after deducting budgeted expenses for the next 12 months and reserving funds for the upcoming interest payment on its exchangeable notes, declared two partial redemptions of its outstanding exchangeable notes.

In 2024, 22,311,799 notes were redeemed, representing 5.5% of the outstanding notes at the beginning of the year. As of December 31, 2024, Ohio ConvertCo held 10,625,090

³ Operational cash flow less Capex

Class C shares of Foresea, equivalent to a 35.4% of the Company's shares, with an exchange ratio of 0.02766155 shares per note.

Finally, 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 \$277.7 million as of December 31, 2024, due to related transaction costs. Leverage⁴, calculated using the face value of debt, registered 1.1x at the closing of the year, well below the maximum leverage covenant of 3.5x established by the Notes Indenture.

Operational Highlights

Norbe VIII started its new contract in December 2024, after concluding a successful SPS. At the end of the year, Foresea had all of its rigs in operation.

Operational uptime reached 98.9% in 4Q24, an extraordinary result, reflecting the company's efforts to deliver the best services to its clients. In 2024, operational uptime averaged 97.3%, marking an impressive recovery after experiencing an atypical downtime in one of its rigs in 1Q24.

Rig utilization in 4Q24 reached 85.7%, as Norbe VIII was completing its SPS and was out-of-hire for 66 days in the quarter, in preparing for its new contract which commenced in December 2024. In 2024, rig utilization achieved 93.5%, with the only out of contract time occurring during Norbe VIII's SPS.

Finally, the Company's next SPSs are scheduled for the end of 2025, preceding the new contracts for Norbe IX and ODN II expected to begin early 2026.

⁴ Net Debt / Last twelve month Adjusted EBITDA

UNAUDITED OPERATIONAL INFORMATION

Average daily revenue ¹ in US\$ k/day	4Q24	3Q24	2024	2023
		288.4	281.2	272.1

(1) - Defined as operating revenues earned by the owned fleet per operating day in the period. 4Q24 and 2024 information updated in February 25th, 2025

Revenue Efficiency ²	4Q24	3Q24	2024	2023
		95.7%	94.9%	94.6%

(2) - Reflects the dayrate earned by the owned fleet as a percentage of maximum potential dayrate, not including mobilization fee

Rig Utilization ³	4Q24	3Q24	2024	2023
		85.7%	88.5%	93.5%

(3) - Measures de number of operating days for the owned fleet, compared to the number of days in the period

Operational Uptime ⁴	4Q24	3Q24	2024	2023
		98.9%	98.8%	97.3%

(4) - Considers the number of hours that owned rigs are operating or ready to operate, 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, 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 email investor.relations@foresea.com.

Forward-Looking Statements

This document contains forward-looking financial projections for Foresea Holding S.A. as of December 31, 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.

UNAUDITED CONSOLIDATED INCOME STATEMENT

(in thousands of U.S. dollars)

	Three Months Ended	
	December 31, 2024	September 30, 2024
Net Revenues	119,308	120,870
Operating Costs	(60,490)	(68,743)
General and administrative expenses	(7,443)	(7,016)
Other operating revenue, net	5	49
Operating Result	51,380	45,160
Depreciation and amortization expenses	(25,097)	(26,247)
Disposal of fixed assets	(8,786)	-
Impairment on equipment	(27,542)	-
Other income	-	2
Operational profit (loss)	(10,045)	18,915
Finance result, net	(2,874)	(6,139)
Profit (loss) before income tax	(12,919)	12,776
Income tax	193	17
Net Profit (loss) for the period	(12,726)	12,793

UNAUDITED NON-GAAP FINANCIAL MEASURES

(in thousands of U.S. dollars)

	Three Months Ended	
	December 31, 2024	September 30, 2024
EBITDA Reconciliation		
Net profit (loss) for the period	(12,726)	12,793
Income tax	(193)	(17)
Finance result, net	2,874	6,139
Depreciation and amortization expenses	25,097	26,247
EBITDA	15,052	45,162
EBITDA Margin	12.6%	37.4%
Adjustments		
Disposal of fixed assets	8,786	-
Impairment on equipment	27,542	-
Other expenses	-	(2)
Adjusted EBITDA	51,380	45,160
Adjusted EBITDA Margin	43.1%	37.4%

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in thousands of U.S. dollars)

Current assets	December 31, 2024	December 31, 2023
Cash and cash equivalents	106,886	140,936
Accounts receivable	101,527	59,443
Taxes recoverable	15,217	11,114
Prepaid expenses and Advances to suppliers	24,287	21,220
Other assets	415	1,573
Total current assets	248,332	234,286
Non-current assets		
Intangible assets	6,164	10,310
Property and equipment	1,167,601	1,237,386
Total property, equipment and intangible	1,173,765	1,247,696
Prepaid expenses	11,699	12,816
Right-of-use assets	2,734	3,896
Other assets	585	818
Total non-current assets	1,188,783	1,265,226
Total assets	1,437,115	1,499,512

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in thousands of U.S. dollars)

Current liabilities	December 31, 2024	December 31, 2023
Financings	937	937
Lease liability	678	663
Accounts payable	33,249	45,056
Taxes payable	5,077	6,275
Labor obligations and social charges	20,448	18,266
Related parties	392	3,103
Advances from customer	22,850	16,456
Other liabilities	391	2,029
Total current liabilities	84,022	92,785
Non-current liabilities		
Financings	276,764	273,618
Advances from customer	27,385	23,788
Other non-current liabilities	5,081	6,288
Total non-current liabilities	309,230	303,694
Total liabilities	393,252	396,479
Equity		
Capital	30,034	29,999
Share Premium	1,039,358	1,111,792
Legal reserve	3,000	-
Other comprehensive loss	(76,928)	(68,281)
Retained earnings	48,399	29,523
Total equity	1,043,863	1,103,033
Total liabilities and equity	1,437,115	1,499,512

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS

(in thousands of U.S. dollars)

	Three Months Ended	
	December 31, 2024	September 30, 2024
Cash flows from operating activities		
<i>Profit (loss) before income tax</i>	(12,919)	12,776
<i>Adjustments</i>		
<i>Depreciation and amortization</i>	25,097	26,247
<i>Disposal of fixed assets</i>	8,786	-
<i>Loss on impairment</i>	27,542	-
<i>Amortization of insurance</i>	2,573	2,714
<i>Amortization of mobilization cost</i>	2,314	2,086
<i>Amortization of mobilization fee</i>	(4,536)	(3,894)
<i>Provision</i>	917	(4)
<i>Share-based payments</i>	970	136
<i>Finance result, net</i>	2,874	6,139
	53,618	46,200
<i>Changes in working capital</i>		
<i>Accounts receivable</i>	(31,139)	2,387
<i>Related parties</i>	448	(1,741)
<i>Prepaid expenses</i>	(9,603)	(2,016)
<i>Other assets</i>	2,249	(6,095)
<i>Accounts payable</i>	(10,021)	4,026
<i>Advances from customers</i>	27,090	-
<i>Other liabilities</i>	(1,142)	5,222
	(22,118)	1,783
Net cash flow generated from operating activities	31,500	47,983
Cash flows from investments activities		
<i>Acquisition of equipments and intangible</i>	(21,733)	(22,127)
Net cash (used in) being rated by investing activities	(21,733)	(22,127)
Cash flows from financings activities		
<i>Interest payments</i>	(5,625)	(5,625)
<i>Distribution payments</i>	(36,942)	(33,000)
Net cash used in financings activities	(42,567)	(38,625)
<i>Effect of exchange rate variation on cash and cash equivalents</i>	(2,055)	1,080
Increase (decrease) in cash and cash equivalents	(34,855)	(11,689)
Cash and cash equivalents at the beginning of the period	141,742	153,432
Cash and cash equivalents at the end of the period	106,886	141,742

UNAUDITED CONSOLIDATED INCOME STATEMENT

(in thousands of U.S. dollars)

	Twelve Months Ended	
	December 31, 2024	December 31, 2023
Net Revenues	487,595	363,319
Operating Costs	(275,040)	(261,609)
General and administrative expenses	(30,143)	(22,246)
Other operating revenue, net	232	106
Operating Result	182,644	79,570
Depreciation and amortization expenses	(103,814)	(131,812)
Disposal of fixed assets	(8,786)	(5,990)
Impairment on equipment	(27,542)	(1,131,593)
Other expenses	(6,124)	-
Operational profit (loss)	36,378	(1,189,825)
Finance result, net	(18,696)	1,256,008
Profit before income tax	17,682	66,183
Income tax	198	(374)
Net Profit for the period	17,880	65,809

UNAUDITED NON-GAAP FINANCIAL MEASURES

(in thousands of U.S. dollars)

	Twelve Months Ended	
	December 31, 2024	December 31, 2023
EBITDA Reconciliation		
Net profit for the period	17,880	65,809
Income tax	(198)	374
Finance result, net	18,696	(1,256,008)
Depreciation and amortization expenses	103,814	131,812
EBITDA	140,192	(1,058,013)
EBITDA Margin	28.8%	-
Adjustments		
Disposal of fixed assets	8,786	5,990
Impairment on equipment	27,542	1,131,593
Other expenses	6,124	-
Pre-Restructuring Adjustments		
Drilling activities accounted in Ocyan*	-	12,219
Others	-	4,717
Adjusted EBITDA	182,644	96,506
Adjusted EBITDA Margin	37.5%	26.6%

* until May/23

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS

(in thousands of U.S. dollars)

	Twelve Months Ended	
	December 31, 2024	December 31, 2023
Cash flows from operating activities		
Profit before income tax	17,682	66,183
<u>Adjustments</u>		
Depreciation and amortization	103,814	131,812
Disposal of fixed assets	8,786	5,991
Loss on impairment	27,542	1,131,593
Amortization of insurance	10,585	12,012
Amortization of mobilization cost	9,078	11,180
Amortization of mobilization fee	(17,099)	(16,067)
Provision	492	2,890
Share-based payments	1,377	336
Finance result, net	18,696	(1,256,008)
	180,953	89,922
<u>Changes in working capital</u>		
Accounts receivable	(40,659)	(15,136)
Related parties	(3,297)	(15,602)
Prepaid expenses	(9,689)	(44,016)
Other assets	(4,295)	(9,022)
Accounts payable	(21,923)	36,843
Advances from customers	27,090	50,572
Other liabilities	2,197	4,175
	(50,576)	7,814
Net cash flow generated from operating activities	130,377	97,736
Cash flows from investments activities		
Short-term investments	-	219,427
Acquisition of equipments and intangible	(67,979)	(101,312)
Net cash (used in) being rated by investing activities	(67,979)	118,115
Cash flows from financings activities		
Borrowings	-	197,013
Repayments of borrowings	-	(226,791)
Interest payments	(22,500)	(63,813)
Distribution payments	(69,942)	-
Net cash used in financings activities	(92,442)	(93,591)
Effect of exchange rate variation on cash and cash equivalents	(4,005)	624
Increase in cash and cash equivalents	(34,050)	122,884
Cash and cash equivalents at the beginning of the period	140,936	18,052
Cash and cash equivalents at the end of the period	106,886	140,936