**Information Document**

# Paratus Energy

**Paratus Energy Services Ltd.**
(an exempted company limited by shares incorporated and existing under the laws of Bermuda)

**Admission to trading of shares on Euronext Growth Oslo**

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This information document (the "**Information Document**") has been prepared by Paratus Energy Services Ltd. ("**Paratus**" or the "**Company**", and together with its consolidated subsidiaries, the "**Group**"), an exempted company limited by shares incorporated and existing under the laws of Bermuda, solely for use in connection with the admission to trading of the Company's 169,325,049 shares, each with a par value of USD 0.00002 (the "**Shares**"), on Euronext Growth Oslo (the "**Admission**").

The Shares have been approved for Admission to trading on Euronext Growth Oslo, and the Shares will start trading on 28 June 2024 with the ticker code "PLSV". The Shares are recorded in Euronext Securities Oslo, the Norwegian Central Securities Depositary (the "**VPS**"), in book-entry form. All the Shares rank pari passu with one another and each Share carries one vote.

Euronext Growth Oslo is a market operated by Euronext. Companies on Euronext Growth Oslo, a multilateral trading facility (MTF), are not subject to the same rules as companies on a regulated market (a main market). Instead, they are subject to a less extensive set of rules and regulations adjusted to small growth companies. The risk in investing in a company on Euronext Growth Oslo may therefore be higher than investing in a company on a regulated market. **Investors should take this into account when making investment decisions.**

The present Information Document does not constitute a prospectus within the meaning of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71. The present Information Document has been drawn up under the responsibility of the Company. It has been reviewed by the Euronext Growth Advisor and Euronext Oslo Børs.

**THIS INFORMATION DOCUMENT SERVES AS AN INFORMATION DOCUMENT ONLY, AS REQUIRED BY THE EURONEXT GROWTH ADMISSION RULES. THIS INFORMATION DOCUMENT DOES NOT CONSTITUE AN OFFER TO BUY, SUBSCRIBE OR SELL ANY OF THE SECURITIES DESCRIBED HEREIN, AND NO SECURITIES ARE BEING OFFERED OR SOLD PURSUANT HERETO.**

The Shares have not been, and will not be, registered under the U.S. Securities Act of 1933 (the "**U.S. Securities Act**") or with any securities regulatory authority of any state or other jurisdiction in the United States of America. The distribution of this Information Document may be restricted by law in certain jurisdictions. Accordingly, this Information Document may not be distributed or published in any jurisdiction where such distribution of publication would constitute a violation of applicable laws and regulations. Persons in possession of this Information Document are required by the Company and the Euronext Growth Advisor to inform themselves about and to observe any such restrictions.

**Investing in the Shares involves risk. Prospective investors should read the entire document and, in particular, Section 2 "*Risk factors*" and Section 0 "*Cautionary note regarding forward-looking statements*" when considering an investment in the Company and its Shares.**

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**Euronext Growth Advisor**

DNB Markets

DNB Markets, part of DNB Bank ASA

**The date of this information document is 28 June 2024**

## IMPORTANT NOTICE

This Information Document has been prepared solely by the Company only to comply with Euronext Rule Book I and Euronext Rule Book II for Euronext Growth Oslo (the "**Euronext Growth Rule Book**"), to provide information about the Group and its business and in relation to the Admission. This Information Document has been prepared solely in the English language. The responsibility for the accuracy and completeness of the information contained in the Information Document lies with the Company.

For definitions of terms used throughout this Information Document, see Section 11 "*Definitions and Glossary of Terms*".

The Company has engaged DNB Markets, part of DNB Bank ASA, to act as the Company's advisor in connection with the Admission (the "**Euronext Growth Advisor**"). Furthermore, the Company had engaged DNB Markets, a part of DNB Bank ASA and Arctic Securities AS as joint global coordinators and joint bookrunners (the "**Joint Global Coordinators**") and ABG Sundal Collier ASA, Fearnley Securities AS and Pareto Securities AS as joint bookrunners in connection with the Private Placement (together with the Joint Global Coordinators, the "**Managers**") in the Private Placement (as defined below). The Euronext Growth Advisor has engaged advisers to conduct limited due diligence investigations related to certain legal and financial matters pertaining to the Group and the Shares in relation to the Admission, including for the purposes of identifying relevant risk factors relating to such matters. The Euronext Growth Advisor disclaims liability, to the fullest extent legally permitted, for the accuracy or completeness of the information in the Information Document.

All inquiries relating to this Information Document should be directed to the Company or the Euronext Growth Advisor. No other person has been authorized to give any information, or make any representation, on behalf of the Company and/or the Euronext Growth Advisor in connection with the Admission, and if given or made, such other information or representation must not be relied upon as having been authorized by the Company and/or the Euronext Growth Advisor.

The Company, with assistance from the Euronext Growth Advisor, has within its reasonable effort ensured that all relevant information about the Company and the Shares to be admitted to trading is included in the Information Document and that it covers the content requirements as set out in Notice 2.3 issued by Euronext Oslo Børs on 21 June 2022 pursuant to section 2.3 of Rule Book Part II for Euronext Growth Oslo.

The information contained herein is as of the date hereof and subject to change, completion or amendment without notice. There may have been changes affecting the Company or its subsidiaries subsequent to the date of this Information Document. Any new material information and any material inaccuracy that might have an effect on the assessment of the Shares arising after the publication of this Information Document and before the Admission will be published and announced promptly in accordance with the Euronext Growth Rule Book. Neither the delivery of this Information Document nor the completion of the Admission at any time after the date hereof will, under any circumstances, create any implication that there has been no change in the Group's affairs since the date hereof or that the information set forth in this Information Document is correct as of any time since its date.

The contents of this Information Document shall not be construed as legal, business or tax advice. Each reader of this Information Document should consult its own legal, business or tax advisors as to legal, business or tax advice. If you are in any doubt about the contents of this Information Document, you should consult your stockbroker, bank manager, lawyer, accountant or other professional adviser.

The distribution of this Information Document may in certain jurisdictions be restricted by law. Persons in possession of this Information Document are required to inform themselves about, and to observe, any such restrictions. No action has been taken or will be taken in any jurisdiction by the Company that would permit the possession or distribution of this Information Document in any country or jurisdiction where specific action for that purpose is required.

The Shares may be subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable securities laws and regulations. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time. Specific permission is required from the Bermuda Monetary Authority ("**BMA**"), pursuant to the provisions of the Exchange Control Act 1972 and related regulations, for all issuances and transfers of securities of Bermuda companies, other than in cases where the BMA has granted a general permission. The BMA, in its notice to the public dated 1 June 2005, has granted general permission for the issue and subsequent transfer of any securities from and/or to a non-resident of Bermuda where any equity securities of such company (which includes the Shares), are listed on an appointed stock exchange, for as long as any equity securities of the company remain so listed. Euronext Growth Oslo has been appointed as an appointed stock exchange under Bermuda law and therefore the specific permission of the BMA is not required to be obtained prior to any issuance of the Shares. Neither the BMA nor the Bermuda Registrar of Companies have reviewed or approved this Information Document and no statement to the contrary, explicit or implicit, is authorised to be made in this regard.

This Information Document shall be governed by and construed in accordance with Norwegian law. The courts of Norway, with Oslo District Court (Nw.: *Oslo tingrett*) as legal venue, shall have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Information Document.

**Investing in the Company's Shares involves risks. See Section 2 "*Risk Factors*" of this Information Document.**

## INFORMATION TO DISTRIBUTORS

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Shares have been subject to a product approval process, which has determined that they each are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II (the "**Positive Target Market**"); and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Appropriate Channels for Distribution**"). Notwithstanding the Target Market Assessment, distributors should note that: the price of the Shares may decline and investors could lose all or part of their investment; the Shares offer no guaranteed income and no capital protection; and an investment in the Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. Conversely, an investment in the Shares is not compatible with investors looking for full capital protection or full repayment

of the amount invested or having no risk tolerance, or investors requiring a fully guaranteed income or fully predictable return profile (the "**Negative Target Market**", and, together with the Positive Target Market, the "**Target Market Assessment**").

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Shares and determining appropriate distribution channels.

## ENFORCEMENT OF CIVIL LIABILITIES

The Company is an exempted company limited by shares incorporated and existing under the laws of Bermuda. As a result, the rights of holders of the Shares will be governed by the laws of Bermuda and the Company's memorandum of association ("**Memorandum of Association**") and bye-laws (the "**Bye-laws**"). The rights of shareholders under the laws of Bermuda may differ from the rights of shareholders of companies incorporated in other jurisdictions. The members of the Company's board of directors (the "**Board Members**" and the "**Board of Directors**", respectively) and the members of the senior management of the Company (the "**Management**") are not residents of the United States. Virtually all of the Company's assets and the assets of the Board Members and members of Management are located outside the United States. As a result, it may be impossible or difficult for investors in the United States to effect service of process upon the Company, the Board Members and members of Management in the United States or to enforce against the Company or those persons judgments obtained in U.S. courts, predicated upon civil liability provisions of the federal securities laws or other laws of the United States.

It is uncertain whether courts in Bermuda will enforce judgments obtained in other jurisdictions, including the United States, against the Company or its Board Members or members of Management under the securities laws of those jurisdictions or entertain actions in Bermuda against the Company or the Board Members or members of Management under the securities laws of other jurisdictions.

Similar restrictions may apply in other jurisdictions.

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**APPENDIX A** MEMORANDUM OF ASSOCIATION AND BYE LAWS OF THE COMPANY

**APPENDIX B** AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED 31 DECEMBER 2023 AND 2022

## 1 STATEMENT OF RESPONSIBILITY FOR THE INFORMATION DOCUMENT

This Information Document has been prepared by the Company solely in connection with the Admission.

The Board of Directors of the Company accepts responsibility for the information contained in this Information Document. The Board of Directors confirm that, having taken all reasonable care to ensure that such is the case, the information contained in this Information Document is, to the best of their knowledge, in accordance with the facts and contains no omissions likely to affect its import.

28 June 2024

**The Board of Directors of Paratus Energy Services Ltd.**

Mei Mei Chow
*Chair of the Board*

Ørjan Svanevik
*Board Member*

Robert Jensen
*Board Member*

James Ayers
*Board Member*

Joachim Bale
*Board Member*

# 2 RISK FACTORS

*An investment in the Company and the Shares involves inherent risk. Investors should carefully consider the risk factors related to the Company and the Group, which for the purpose of this Section 2 includes Seabras and Archer (where relevant)[1], and all information contained in this Information Document, including the financial statements and related notes. The risks and uncertainties described in this Section 2 "Risk Factors" are the material known risks and uncertainties faced by the Group as of the date hereof. An investment in the Shares is suitable only for investors who understand the risks associated with this type of investment and who can afford to lose all or part of their investment. Against this background, an investor should thus make a careful assessment of the Company and its prospects before deciding to invest.*

*The risk factors included in this Section 2 are presented in a limited number of categories, where each risk factor is placed in the most appropriate category based on the nature of the risk it represents. Within each category the risk factors deemed most material for the Group, taking into account their potential negative affect for the Company and its subsidiaries and the probability of their occurrence, are set out first. This does not mean that the remaining risk factors are ranked in order of their materiality or comprehensibility, nor based on a probability of their occurrence. The absence of negative past experience associated with a given risk factor does not mean that the risks and uncertainties in that risk factor are not genuine and potential threats, and they should therefore be considered prior to making an investment decision. If any of the following risks were to materialize, either individually, cumulatively or together with other circumstances, it could have a material adverse effect on the Group and/or its business, results of operations, cash flows, financial condition and/or prospects, which may cause a decline in the value and trading price of the Shares, resulting in loss of all or part of an investment in the Shares.*

*If any of the following risks were to materialize, individually or together with other circumstances, this could have a material adverse effect on the Group and/or its business, results of operations, cash flows, financial condition and/or prospects, which may cause a decline in the value and trading price of the Shares, resulting in loss of all or part of an investment in the Shares. The risks and uncertainties described below are not the only risks the Group may face. Additional risks and uncertainties that the Company currently believes are immaterial, or that are currently not known to the Company, may also have a material adverse effect on the Group's business, results of operations, cash flows, financial condition and/or prospects.*

*The information in this Section 2 "Risk Factors" is as of the date of this Information Document.*

## 2.1 Risks related to Group and the industry in which it operates

### *2.1.1 The jack-up drilling market and the offshore service industry has historically been highly cyclical and volatile, with periods of low demand and/or over-supply of offshore vessels, drillings rigs and offshore services*

The Group's revenue from the jack-up drilling market and offshore services is primarily affected by the Group's ability to sell its offshore services and the rate/prices that the Group is able to charge its customers, including day rates for its vessels and rigs. The rates for offshore services, and consequently, the value of the Group's assets, are largely influenced by the supply of and demand in the offshore services industry, which historically has been a highly cyclical and volatile industry. Rates for offshore services may fluctuate over time as a result of changes in the global supply of offshore services and the global demand for offshore support vessels and rigs, drilling and well services. Over the past years there have been large upheavals in global offshore energy markets, which prior to the recent increase in oil prices, saw a steep decline in oil prices and knock-on effects, resulting in lower demand for the Group's services.

There are several factors that may influence the supply of offshore support services. For instance, subsea services are mainly delivered by offshore support vessels. As such, the supply of subsea services depends on the number

[1] Seabras and Archer are accounted for using the equity method, and are hence not consolidated in the Group's financial statements. However, when referring to the business of the Group in this Section 2, Seabras and Archer have been included in the definition of "Group" (where relevant).

of operating vessels, which is influenced by a number of factors outside the Group's control, including factors such as the number of newbuilds ordered and delivered, the number of vessels being scrapped, conversion of vessels to other uses and the number of vessels that are out of service and lay-ups due to market situations. Similarly, the supply of drilling and well services depend on the number of operating drilling rigs, which can be influenced by new rigs under construction or reactivation of stacked rigs. An increase in the supply of offshore support vessels and rigs, or decrease in the demand for such services, has the potential to reduce day rates within the offshore market, which in turn could have a material adverse effect on the Group's revenues, profitability, liquidity, cash and financial position.

#### *2.1.2 The Group may not be able to mobilize drilling rigs and vessels between geographic areas, and the duration, risks and associated costs of such mobilization may be material to the Group's business*

The offshore service market is generally a global market as vessels and drilling rigs may be moved from one area to another. However, the ability to mobilize vessels and drilling rigs can be impacted by several factors including, but not limited to, governmental regulation and customs practices, the significant costs and risk of damage related to moving vessels and drilling rigs, availability of suitable tow vessels to move the rigs, weather conditions, political instability, civil unrest, military actions and the technical capability of the drilling rigs to relocate and operate in various environments. Additionally, while vessels and jack-up rigs are being mobilized from one geographic market to another, the Group may not be paid for the time that the vessel or jack-up rig is out of service or be reimbursed for costs attributable to such relocation. Further, despite the ability to move rigs and vessels, not all of the Group's units are designed to work in all regions, in all water depths or over all types of conditions. The Group may relocate vessels and/or rigs to another geographic market without a customer contract, which could result in costs that are not reimbursable by future customers. Such scenarios may have a material adverse effect on the Group's revenues, financial condition, results of operations and cash flows.

#### *2.1.3 The Group may not be able obtain or renew the authorizations required to operate the Group's business in a timely manner or at all*

The Group's business operations, as well as those of its customers, require authorizations from various national and local government agencies. Regulatory oversight and authorization requirements have increased in recent years across many governmental agencies. Obtaining these authorizations can be a complex, time-consuming process, and the Group cannot guarantee that the Group will be able to obtain or renew the authorizations required to operate the Group's business in a timely manner or at all. This could result in the suspension or termination of operations or the imposition of material fines, penalties or other liabilities. These factors may adversely affect the Group's ability to compete in those regions.

In the event that the Group's customers encounter delays in obtaining necessary permits and approvals, the Group's operations may be adversely affected. In addition, future changes to, or an adverse change in the interpretation of, existing permit and approval requirements may delay or curtail the Group's operations, require the Group to make substantial expenditures to meet compliance requirements, or create a risk of expensive delays or loss of value if a project is unable to function as planned. The Group may be unable to effectively comply with applicable laws and regulations, including those relating to sanctions and import/export restrictions, which may result in a material adverse effect on the Group's business, financial condition, results of operations and cash flows.

#### *2.1.4 Counterparty risks*

The ability of each counterparty to perform its obligations under a contract with the Group will depend on a number of factors that are beyond the Group's control including, for example, factors such as general economic conditions; the condition of the industry in which the counterparty operates; and the overall financial condition of the counterparty. The Group's high customer concentration intensifies such counterparty risks. Relying on a limited number of significant customers magnifies the potential impact of a counterparty's inability to meet its

obligations. Any significant default by a major customer can result in substantial revenue loss and operational disruption for the Group. The Group has, for instance, previously encountered instances of payment delays by counterparties under customer contracts, which has negatively affected the Group's liquidity. Should the Group's counterparty under its customer contracts, or other counterparties under future contracts, continuously fail to honour its payment obligations or other obligations under its agreements with the Group, this could, inter alia, impair the Group's liquidity and cause significant losses, which in turn could have a material adverse effect on the Group's business, results of operations, cash flows, financial condition and/or prospects.

### *2.1.5 The Group's business involves numerous operating hazards and if a significant or other event occurs, and is not fully covered by the Group's insurance or any recoverable indemnity, it could materially and adversely affect the Group*

The Group's operations are subject to hazards inherent in the offshore support vessel business and the drilling, completion and operation of oil and natural gas wells. The Group's services require the use of heavy equipment and exposure to hazardous conditions. Further, the offshore operations conducted by Group involve risks including, but not limited to, high pressure drilling, mechanical difficulties, or equipment failure which increase the risk of delays in drilling and of operational challenges arising, as well as material costs and liabilities occurring. In addition, accidents or other operating hazards could result in the suspension of operations because of related machinery breakdowns, failure of subcontractors to perform or supply goods or services, or personnel shortages. Examples of such risks materializing are the operational incidents on the Courageous in November 2022 and the Defender in January 2023, which caused operational downtime. Damage to the environment could also result from the Group's operations and services, particularly from spillage of fuel, lubricants or other chemicals and substances. The Group may also be subject to property, environmental and other damage claims by oil and gas companies.

The Group's insurance policies and contractual rights to indemnity may not adequately cover losses, and the Group may not have insurance coverage or rights to an indemnity for all risks. Although it is the Group's policy to obtain contractual indemnities, it may not always be able to negotiate such provisions. Further, indemnities that the Group receives from clients may not be easily enforced and may be of limited value if the relevant clients do not have adequate resources or do not have sufficient insurance coverage to indemnify the Group. Further, the amount of the Group's insurance cover may be less than the related impact on enterprise value after a loss, and the Group's coverage also includes policy limits. As a result, the Group retains the risk through self-insurance for any losses in excess of these limits. The Group may decide to retain substantially more risk through self-insurance in the future. The occurrence of a significant accident or other adverse event which is not fully covered by the Group's insurance or any recoverable indemnity from a client could result in substantial losses for the Group.

Any of the above circumstances could materially and adversely affect the Group's business, results of operations, cash flows, financial condition and prospects.

### *2.1.6 The Group's contract backlog may not be ultimately realised, whereas any non-realisation would result in lower revenues than estimated*

As of 31 March 2024, Fontis and Seabras and had a total backlog of approximately USD 419 million and USD 2.1 billion[2] , respectively. The Group's contract backlog represents future revenue under contracts for utilisation of its fleet. The contract backlog does not provide a precise indication of the time period in which the Group is contractually entitled to receive such revenues and it does not give any guarantees that such revenues actually will be realised in the timeframes anticipated or at all. The Group's contract backlog is computed based on

[2] Based on management estimates and reflecting pro forma newly announced Petrobras contracts as of 31 March 2024.

contractual terms with the relevant client; however, revenue included in the contract backlog may be subject to price indexation clauses or other factors may intervene with and/or result in delays in revenue realisation.

There are a number of reasons why the Group may fail to realise expected contract backlog, including factors such as:

- clauses in the contracts that allow for inter alia (i) termination for cause, (ii) early termination for charterers' convenience, or (iii) successful renegotiation of contracts by clients as a result of, among other reasons, adverse market conditions;
- an inability of the Group to perform its obligations under contracts, including for reasons beyond its control such as shortage of qualified personnel; and
- a default by a client and failure to pay the amounts owed to the Group.

Further, it should be noted that Seabra's contracts with Petrobras are charterer friendly with e.g. a substantial catalog of obligations on the hands of Seabras and extensive termination rights on the hands of Petrobras. Petrobras have, for example, a right to terminate if the operational availability of the vessel in question is below 85% over a three-month period. Further, the contracts may be terminated by Petrobras (at any time) in case of non-compliance or irregular compliance with any of the contractual clauses, specifications, projects or deadlines.

Due to the liquidity pressure in the oil and gas industry, some of the Group's clients may experience issues with their liquidity and getting access to external sources of liquidity. As an illustration, the Group is as of 31 March 2024, owed USD 222 million (gross) from a large state-owned petroleum company in Mexico. If the Group's clients fail to maintain a sound liquidity position, they could be encouraged to seek to repudiate, cancel or renegotiate their agreements with the Group. Moreover, a client's liquidity issues could also result in bankruptcy, insolvency or similar actions. The ability of the Group's clients to perform their obligations under their contracts with the Group may also be negatively impacted by uncertainty surrounding the development of the world economy and credit markets, as well as oil and gas companies' credit ratings and availability of capital (debt and equity) for such companies.

The Group's inability to realise its contract backlog amounts, and thereby not receive the expected revenue for a time period, could have a material adverse effect on the Group's business, results of operations, cash flows, financial condition and/or prospects.

### *2.1.7 Unforeseen or unanticipated risks, costs or timing when bidding for or managing contracts could materially and adversely affect the Group's business, results of operations, cash flows, financial condition and/or prospects*

In preparation for a tender of a new contract, the Group assesses its current capacity, and, if it is awarded the contract, it determines how to deploy resources in order to perform its obligations under the contract. The Group's financial and operating performance depends on its ability to make accurate assumptions and estimates, as well as identifying key issues and risks with respect to potential projects at the tender stage of the project, and the ability to ensure that the pricing and contractual arrangements in relation to each project adequately safeguard the Group against, or compensate it for, such risks. Assumptions are particularly necessary and difficult when tendering for a new client or entering new product or geographic markets, as the Group does not yet have the experience on which it can base its assumptions for the tender. The Group must manage project risks efficiently and adapt to changes that occur during the life of a project. Even when a risk is properly identified, the Group may be unable to, or may not accurately, quantify it. Unforeseen or unanticipated risks or incorrect assumptions when bidding for a contract or the inability to manage such risks properly may lead to increased costs for the Group and could have a material adverse effect on the Group's business, results of operations, cash flows, financial condition and/or prospects.

### *2.1.8 Supplier capacity constraints or shortages in parts or equipment, supplier production disruptions, supplier quality and sourcing issues or price increases could increase the Group's operating costs, decrease revenues and adversely impact the Group's operations*

The Group's reliance on third-party suppliers, manufacturers and service providers to secure equipment used in its operations exposes the Group to volatility in the quality, price and availability of such items. Certain specialized parts and equipment used in the Group's operations may be available only from a single or small number of suppliers. A disruption in the deliveries from such third-party suppliers, capacity constraints, production disruptions, price increases, defects or quality control issues, recalls or other decreased availability or servicing of parts and equipment could adversely affect the Group's ability to meet its commitments to customers, resulting in uncompensated downtime, reduced day rates or the cancellation or termination of contracts and could adversely impact operations and increase costs. Any of these impacts could have a material adverse effect on the Group's revenues, results of operations and cash flow.

### *2.1.9 The Group derives a significant amount of its total operating revenues from one customer*

The Group has a high customer concentration. In the year ended, 31 December 2023 a large state-owned petroleum company in Mexico accounted for 100% of the Company's consolidated total operating revenues. In addition, for Seabras, Petrobras accounted for 99.8% of total operating revenues of Seabras for the same period. Consequently, the Group's financial condition and results of operations will be materially adversely affected if this company or any other future customers interrupt or curtail their activities, terminate their contracts with the Group with or without cause (irrespective of whether the client was legally entitled to terminate or not), fail to renew their existing contracts or refuse to award new contracts to the Group, and the Group is unable to enter into contracts with new customers at comparable day rates and with similar utilisation of the Group's vessels as the major customer it has lost. The Group's growth is also closely connected to the growth of its customers and the Group's results may be impacted if certain key customers were to significantly reduce their growth strategy. Additionally, this concentration of customers may increase the Group's overall exposure to credit risk, and the Group's financial condition and results of operations will be materially and adversely affected if one or more of its significant customers fails to honour payment obligations under contracts with the Group.

### *2.1.10 The Group may experience reduced profitability if its customers reduce activity levels or terminate or seek to renegotiate their contracts with the Group*

Currently, the Group's customer contracts are primarily day rate contracts, pursuant to which the Group charges a fixed charge per day regardless of the number of days needed to perform its offshore services. During depressed market conditions, a customer may no longer need services that are currently under contract or may be able to obtain comparable services at a lower daily rate. As a result, customers may seek to renegotiate the terms of their existing contracts with the Group or avoid their obligations under such contracts. In addition, the Group's customers may have the right to terminate, or may seek to renegotiate, existing contracts if the Group experiences downtime, operational problems above the contractual limit or safety-related issues or in other specified circumstances, which include events beyond the control of either party.

Further, some of the Group's contracts with its customers, for example Seabras' awarded long-term contracts with Petrobras for its fleet, include terms allowing the customer to terminate the contracts without cause, with prior notices and penalties or early termination payments. In addition, under some of its existing contracts, the Group could be required to pay penalties if such contracts are terminated due to downtime, operational problems or failure to perform by the Group. Some of the Group's other contracts with customers may be cancellable at the option of the customer upon payment of a penalty, which may not fully compensate the Group for the loss of the contract. Early termination of a contract may result in the Group's assets being idle for an extended period of time. If the Group's customers cancel or require the Group to renegotiate some of its significant contracts, and the Group is unable to secure new contracts on substantially similar terms, or if contracts are suspended for an extended period of time, the Group's revenues and profitability would be materially reduced.

### *2.1.11 One of the Group's primary operating markets is in Brazil*

One of the Group's primary operating markets is in Brazil, a country that has experienced periods of political instability and corruption scandals in recent years, leading to changes in government leadership and policies. These shifts can affect the stability in the Group's business environment and entail regulatory uncertainties. Alterations in regulations, tax policies, or environmental standards can directly impact the Group's operations, compliance obligations, and profitability.

The Group must adhere to local content requirements in Brazil, which can be challenging to meet. Failure to meet these requirements may render the Group non-competitive in the Brazilian market. The Brazilian legal system is known for its complexity and slow-paced proceedings, potentially resulting in protracted legal disputes. The Group is currently involved in several legal disputes, which could entail significant time and financial resources for resolution (see Section 5.9 "*Legal and arbitration proceedings*" for further information). Certain regions in Brazil face security challenges. To safeguard its assets and personnel, the Group may need to invest in additional security measures.

### *2.1.12 The Group conducts a portion of its operations through joint ventures, exposing it to risks and uncertainties, many of which are outside its control*

The Group conducts some of its operations through a joint venture between Sapura Offshore SDN BHD and Seabras Servicos de Petroleo SA, through Seabras Sapura Participacoes S.A. and a joint venture between Sapura Offshore SDN BHD and Seadrill Seabras UK Limited, through Seabras Sapura Holding GmbH. The terms of co-operation and shareholding in the joint ventures are governed by the investment and shareholders' agreements between the shareholders (see Section 5.2.2 "*Seabras*" for descriptions of the investment and shareholders agreements). The investment and shareholders' agreements contain, inter alia, provisions requiring unanimous shareholders' consent in certain matters, such as share capital changes, dividends and distributions, entering into bids, contracts, assuming liabilities, and making material changes to any contract or transaction. Any differences in views among the participants may result in delayed decisions, failures to agree on major issues and/or a need to liquidate the company on unfavourable terms. The Company's obligations in respect of, and the Company's ability to receive any dividends from, its jointly owned ventures depend on the terms and conditions of its investment and shareholders' agreements and relationship with its joint shareholders. There can be no assurance that the Group will continue its relationship with its joint owners or that its joint owners will want to pursue the same strategies as the Group.

The Group cannot control the actions of its joint venture partners, including any non-performance, default or bankruptcy of such partner and the investment and shareholders' agreements governing the joint ventures may restrict the Company's ability to exit the joint ventures at reasonable prices. Further, if any of the Company's joint venture partners does not meet its contractual obligations, the joint venture may be unable to adequately perform and deliver its contracted services. Such factors could have a material adverse effect on the business operations of the joint venture and, in turn, the Group's business, results of operations, cash flows, financial condition and/or prospects.

### *2.1.13 The market value of the Group's vessels and rigs and/or those the Group may acquire in the future may decrease, which could cause the Group to incur losses due to impairment of book values or if it decides to sell assets*

The fair market value of the vessels and rigs currently owned by the Group and/or those the Group may acquire in the future, may increase or decrease depending on a number of factors, such as, inter alia, types, sizes and ages of the units, as well as supply and demand for offshore supply vessels and rigs. If the book value of any unit exceeds the fair market value, the Group may suffer impairment of the book value of its assets and consequently suffer a loss. Also, should the Group sell any unit when prices have fallen, the sale may be at a loss. Impairment of book value or loss could have a material adverse effect on the Group's business, results of operations, cash flows, financial condition and/or prospects.

### *2.1.14 Competition and rapid technological changes within the oil and gas services industry may have a material adverse effect on the Group's ability to market its services*

The oil and gas services industry is a highly competitive and fragmented industry, and contracts are awarded on a competitive basis. Price competition is frequently a major factor in determining a contract award. However, customers may also take into account factors such as each contractor's technical capability, product and service quality, unit availability and location, responsiveness, experience, operational and safety performance record, age, condition and suitability of equipment. Reputation for quality can also be a key factor in the determination. In addition, competition for offshore rigs and vessels are typically global, as drilling rigs and vessels are mobile and may be moved from areas of low utilization and day rates to areas of greater activity and corresponding higher day rates. Costs connected with relocating vessels and drilling rigs for these purposes are sometimes substantial and are generally borne by the contractor.

In addition, the market for the Group's services is affected by significant technological developments that will likely continue to result in substantial improvements in equipment functions and performance throughout the industry. The Group may not be successful in acquiring or developing new equipment and technology or upgrading its existing vessels and rigs, or unable to develop and offer commercially competitive services in response to changes in technology and industry standards. The Group's competitors within the industry range from large international companies offering a wide range of drilling and other oilfield services to smaller, locally owned companies that compete with the Group on a local basis. These competitors may be able to better withstand industry downturns, compete on the basis of price, and acquire and implement new equipment and technologies. Should the Group not be able to compete effectively, this could adversely affect the Group's revenues, profitability and financial condition.

### *2.1.15 Policies, procedures and systems to safeguard employee health, safety and security may not be adequate or sufficiently implemented or adhered to*

As of 31 March 2024, the Company had four employees, while Fontis had 527 employee and Seabras[3] had 1,018 employees. The majority of the Group's employees work as crew on the Group's vessels and rigs and will, from time-to-time, work in a potentially dangerous environment (e.g., on the vessels and when participating in work on rigs etc.). Although the Group seeks to have comprehensive safety procedures and systems in place and provide proper safety training, its operations involve a risk of severe injury or loss of life, which could impair the Group's reputation and operations and cause it to incur significant liability. Failure to deliver consistently high standards across all fields of operations could create risks for the Group, including legal action and reputational risks, and could impact its success in winning future contracts.

### *2.1.16 Armed conflicts could negatively affect the Group*

On 24 February 2022, Russia launched a military invasion of Ukraine. Following the invasion, there has been ongoing battles on Ukrainian soil, creating significant uncertainties regarding global political and economic stability. Several countries have condemned the invasion by Russia, and sanctions have been imposed on goods, commodities, banks, certain individuals, and the Russian state itself. The war has caused significant business disruption, volatility in international debt and equity markets and disruption to the global economy in the short term. There is significant uncertainty around the breadth and duration of all disruptions related to the invasion, as well as its impact on the global economy. The energy markets are heavily impacted by the invasion and the following sanctions, and oil and gas prices have spiked from an already high level since the invasion. There is still significant uncertainty regarding how the invasion and the following sanctions will impact the access to energy, and the price of oil and gas and other commodities in the coming period. Moreover, on 7 October 2023, the Islamist militant group Hamas launched a surprise attack on Israel from the Gaza Strip. The ongoing unrest in

[3] Seabras is accounted for using the equity method.

the region, with the recent attack on the Iranian embassy in Syria, and the armed response attack by Iran towards Israel, currently poses one of the most significant geopolitical risks to oil markets since Russia's invasion of Ukraine, currently causing disruptions in the energy markets and with the possibility to create oil market repercussions if the conflict escalates further.

Any of the abovementioned factors could negatively affect the Group's business, financial condition and results of operations.

#### *2.1.17 The Group uses information technology systems to conduct its business, and disruption, failure or security breaches of these systems could materially and adversely affect its business and results of operations*

The Group relies heavily on technology and data systems in order to conduct its operations. The Group's software, technology, data, websites or networks, as well as those of third parties, are vulnerable to damage or disruption caused by circumstances beyond its control, such as catastrophic events, power outages, natural disasters, computer system or network failures and security breaches, including unauthorised access, computer viruses or other cyber threats that could have a security impact. Although the Group has implemented security systems, the Group may not be able to prevent cyber-attacks, such as phishing and hacking, or prevent breaches caused by employee error, in a timely manner or at all. If such events occur, unauthorised persons may access or manipulate confidential and proprietary information of the Group, destroy or cause interruptions in the Group's data systems which in turn could adversely hamper the Group's ability to execute projects and otherwise conduct its business. Consequently, cyber-attacks or breaches negatively affecting the Group's data systems could have a material adverse effect on the Group's business, financial condition and results of operations.

### 2.2 Risks related to laws, regulations and litigations

#### *2.2.1 The Group operates internationally and is as such subject to various laws and regulations in the countries in which it operates, whose political and compliance regimes differ*

The Group's operations are subject to various laws and regulations in the countries in which it operates, Mexico and Brazil, whose political and compliance regimes differ. Part of the Company's strategy as a holding company is to acquire businesses and assets that complement the Group's existing products and services and to expand the Group's geographic footprint. There can, however, be no assurance that that Group will be able to successfully integrate businesses or assets acquired in the future (domestic or abroad), and there is a risk that substantial costs, delays, business disruptions or other issues could arise in connection with such acquisitions, which in turn could have a material adverse effect on the Group.

Further, if the Group makes acquisitions in other countries, the Group may increase its exposure to various risks, such as unexpected changes in regulatory requirements, foreign currency fluctuations and devaluation, increased governmental ownership and regulation of the economy in markets in which the Group operates, and other forms of government regulations beyond the Group's control. Governments in some foreign countries have become increasingly active in regulating and controlling the ownership of concessions and companies holding concessions, the exploration for oil and natural gas, and other aspects of their countries' oil and natural gas industries. In some areas of the world, this governmental activity has adversely affected the amount of exploration and development work done by major oil and natural gas companies and may continue to do so. For instance, the Company has observed certain foreign exchange restrictions in Argentina and Angola, an increase of local content legislation in West Africa and more challenging contracting practices by national oil companies (NOCs) in e.g. Brazil, United Arab Emirates and Malaysia. Further, in some of the foreign jurisdictions in which the Group operates, the Group is subject to foreign governmental regulations favouring or requiring the awarding of contracts to local contractors or requiring foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction. These regulations may adversely affect the Group's ability to compete.

The risks described above could cause the Group to curtail or terminate operations, result in the loss of personnel or assets, disrupt financial and commercial markets, and generate greater political and economic instability in some of the geographic areas in which the Group operates. Further, there can be no assurance that the Group will be able to comply with applicable regulations in all countries in which it operates or that the Group can do so without incurring unexpected costs. If these or other risks related to the Group's international operations cannot be effectively managed, the business, financial condition and results of operations of the Group may be materially affected.

### *2.2.2 The Group may be subject to contractual environmental liability and liability under environmental laws and regulations*

The Group's operations are subject to regulations controlling the discharge of materials into the environment, requiring removal and clean-up of materials that may harm the environment, controlling carbon dioxide emissions or otherwise relating to the protection of the environment. The Group incurs, and expects to continue to incur, capital and operating costs to comply with environmental laws and regulations. The technical requirements of environmental laws and regulations are becoming increasingly complex, stringent and expensive to comply with. There is in general an increasing demand to reduce fuel consumption and emissions in vessel operations, both mandatory and in contracts. This has impact on costs e.g., due to requirements of upgrades to comply with demand or implementation of new systems and technology.

As an owner of offshore support vessels and drilling rigs and provider of services to oil and gas companies, the Group may be liable (under applicable laws and regulations or contractually) for damages and costs incurred in connection with spills of oil and other chemicals and substances related to the operations of its vessels and rigs and the provision of its services. The Group may also be subject to significant fines in connection with spills. Any increased removal and clean-up cost due to mandatory new legislation or in contracts or liability under applicable laws and regulations could have a material adverse effect on the Group's business, results of operations, cash flows, financial condition and/or prospects.

### *2.2.3 The Group is subject to governmental laws and regulations which may impose significant liability on the Group*

Many aspects of the Group's operations are subject to laws and regulations that relate, directly or indirectly, to the oilfield services industry, including laws requiring the Group to control the discharge of oil and other contaminants into the environment, requiring removal and clean-up of materials that may harm the environment, controlling carbon dioxide emissions or otherwise relating to environmental protection. The Group incurs, and expects to continue to incur, capital and operating costs to comply with environmental laws and regulations.

Although the Group actively works towards minimizing the risk of damage to the environment as a result of its operations, there are still risks of environmental damage and negative consequences for the Group. For example, Archer reported two spills in 2020. Failure to comply with environmental laws and regulations may result in the assessment of administrative, civil and even criminal penalties, the imposition of remedial obligations, and the issuance of injunctions that may limit or prohibit the Group's operations. The technical requirements of environmental laws and regulations are becoming increasingly expensive, complex and stringent. The application of these requirements, the modification of existing laws or regulations or the adoption of new laws or regulations curtailing exploration and production activity could materially limit the Group's future contract opportunities, limit the Group's activities or the activities and levels of capital spending by the Group's customers, or materially increase the Group's costs.

### *2.2.4 The Group operates in countries known to experience governmental corruption, and any failure to comply with anti-bribery laws could negatively affect the Group*

The Group has operations in multiple jurisdictions, including Mexico and Brazil, both of which are countries known to experience governmental corruption, as indicated by Transparency International's Corruption Perception Index. While the Group is committed to conducting business in a legal and ethical manner, there is a risk that its employees or agents or those of its affiliates may take actions that violate legislation promulgated by a number of countries pursuant to the 1997 OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions or other applicable anti-corruption laws which generally prohibit companies and their intermediaries from making improper payments for the purpose of obtaining or retaining business. Any failure to comply with the anti-bribery laws could subject the Group to fines, sanctions and other penalties against it which could have a material adverse impact on the Group's business, financial condition and results of operations.

### *2.2.5 The Group is exposed to risk due to changes in tax laws or tax practice of any jurisdiction in which the Group operates*

Tax laws, regulations and treaties are highly complex and subject to interpretation. Consequently, the Group may be subject to changing tax laws, regulations and treaties in and between the countries in which it will operate, including any treaties to which any of Bermuda, the United States, or any relevant European Union member country is a party. In addition, the Group may be subject to changing interpretations of tax laws and retroactive tax assessments, such as the Group's ongoing assessment relating to tax liabilities in Mexico. The Group is in the process of negotiating a settlement with the Mexican tax authorities in respect of unsettled tax liabilities for years of account from 2014, and from 2017 through 2019, together with interest and penalties for late payments. These liabilities relate in particular to the deductibility of mobilisation costs and transfer pricing (see Section 2.2.8 "*The Group may from time to time become involved in legal disputes and legal proceedings which may have a material adverse effect on the Group*" and Section 5.9 "*Legal and arbitration proceedings*" for further information). The Group's income tax expense will be based upon the Company's interpretation of the local tax laws, regulations, and international treaties in effect in various countries at the time that the expense is incurred. A change in tax laws, regulations or treaties, including those in and involving Bermuda, the UK, Brazil, Singapore, Mexico, Bermuda, and any relevant European Union member country, or in the interpretation thereof, or in the valuation of any deferred tax assets, which is beyond the Company's control, could result in a materially higher tax expense or a higher effective tax rate on the Group's worldwide earnings. Furthermore, the Group's income tax may be subject to local tax reviews. If tax authorities in any way challenge the Company's intercompany pricing policies and/or operating structures successfully, the Company's effective tax rate may increase considerably resulting in earnings and cash flow operations being materially impacted.

### *2.2.6 The Company may become subject to increased taxation in Bermuda and other countries as a result of the OECD's plan on "base erosion and profit shifting"*

The Government of Bermuda recently passed the Corporate Income Tax Act 2023 (the "**CIT Act**"), conforming to the OECD BEPS Pillar 2 framework, which will impose corporate income tax on certain Bermuda-based entities for fiscal years beginning on or after 1 January 2025. The CIT Act will apply to any entity incorporated or formed in Bermuda, or that has a permanent place of business in Bermuda, if that entity is a member of an "In Scope MNE Group" (i.e. a group of entities related through ownership and control that has an annual revenue of 750 million euros or more in a fiscal year, pursuant to the consolidated financial statements of the ultimate parent entity, in at least two of the four fiscal years immediately preceding the fiscal year beginning on or after 1 January 2025, and such group includes at least one entity located in a jurisdiction that is not the parent entity's jurisdiction). The CIT Act could, if applicable to the Company, have a material adverse effect on the Company's financial condition and results of operations.

Prior to the enactment of Bermuda's corporate income tax legislation, the Company obtained from the Bermuda Minister of Finance under the Exempted Undertaking Tax Protection Act 1966, as amended, an assurance that, in the event that Bermuda enacts legislation imposing tax computed on profits, income, any capital asset, gain or appreciation, or any tax in the nature of estate duty or inheritance, the imposition of any such tax shall not be applicable to the Company or any of its operations or its shares, debentures or other obligations, until 31 March 2035. This assurance is subject to the proviso that it is not to be construed so as to prevent the application of any tax or duty to such persons as are ordinarily resident in Bermuda or to prevent the application of any tax payable in accordance with the provisions of the Bermuda Land Tax Act 1967, as amended, or otherwise payable in relation to any property leased to the Company. Given the limited duration of the Bermuda Minister's assurance, it cannot be certain that the Company (or any of its Bermuda incorporated subsidiaries) will not be subject to any Bermuda tax after 31 March 2035.

Notwithstanding the Exempted Undertakings Tax Protection Act 1966 or the assurance to the Company issued thereunder, beginning 1 January 2025, with respect to Bermuda entities in scope of Bermuda's corporate income tax legislation, liability for tax pursuant to such corporate income tax legislation shall apply notwithstanding any assurance given pursuant to the Exempted Undertakings Tax Protection Act 1966. Any assurance issued prior to 1 January 2024, will be subject to the application of the CIT Act and the imposition of any tax pursuant thereto. Any assurance issued after 1 January 2024 shall not apply to the imposition of any tax pursuant to the CIT Act.

### *2.2.7 The Group is exposed to risks related to labor disruptions, and should the Group's operations face labor disruptions in the future, this could have a material adverse effect on the Group*

Union activity and general labour unrest may significantly affect the Group's operations in some jurisdictions. In Mexico and Brazil, which are countries where the Group operates, labour organizations have substantial support and considerable political influence. For instance, labour claims have been brought against Fontis in the past in connection with its operations in Mexico (see Section 5.9 "*Legal and arbitration proceedings*" for further information). Should the Group's operations in Mexico and Brazil, or in other countries in which the Group operates, face labour disruptions in the future, this could have a material adverse effect on the Group's financial condition and results of operations.

### *2.2.8 The Group may from time to time become involved in legal disputes and legal proceedings which could have a material adverse effect on the Group*

The Group may from time to time become involved in significant legal disputes and legal proceedings relating to operations, environmental issues, intellectual property rights or otherwise. By way of illustration, and as referenced in Section 2.2.5 "*The Group is exposed to risk due to changes in tax laws or tax practice in any jurisdiction in which the Group operates*" above and as further described in Section 5.9 "*Legal and arbitration proceedings*" below, the Group is in the process of negotiating a settlement with the Mexican tax authorities in respect of unsettled tax liabilities for years of account from 2014, and from 2017 through 2019, together with interest and penalties for late payments. These liabilities relate in particular to the deductibility of mobilisation costs and transfer pricing. No assurance can be made that the Mexican tax authorities will not open audits for periods from 2020 and onwards. If the audits expand in scope or the authorities continue to question the Group's tax position, the Group could face significant legal and financial consequences, such as higher taxes, penalties, and interest, which in turn could significantly affect the Group's tax expenses and effective tax rate, potentially impacting earnings and cash flow operations and the Group's overall financial position.

By way of further illustration, and as concerns intellectual property rights, third parties could assert that the tools, techniques, methodologies, programs and components the Group uses to provide its services infringe upon the intellectual property rights of others. Infringement claims generally result in significant legal and other costs and may distract management from running the Group's core business. Additionally, if any of these claims were to be successful, developing non-infringing technologies and/or making royalty payments under licenses from third parties, if available, would increase the Group's costs.

Furthermore, legal proceedings could be ruled against the Group and its affiliates, and the Group and its affiliated companies could be required to, inter alia, pay damages, halt its operations, stop its projects or relinquish licenses. Even if the Group would ultimately prevail, which cannot be assured, such disputes and litigation may have a substantially negative effect on the Group, its financial condition, cash flow, prospects and/or its operations.

#### *2.2.9 The Company and its Bermuda-registered subsidiaries are subject to economic substance requirements in Bermuda*

The Company and certain of the Company's subsidiaries are incorporated in Bermuda and may from time to time be organized in other jurisdictions identified by the Code of Conduct Group for Business Taxation of the European Union (the "**COCG**"), based on global standards set by the Organization for Economic Co-operation and Development with the objective of preventing low-tax jurisdictions from attracting profits from certain activities, as non-cooperative jurisdictions or jurisdictions having tax regimes that facilitate offshore structures that attract profits without real economic activity.

In December 2018, the Economic Substance Act 2018 and the Economic Substance Regulations 2018 of Bermuda (together, the "**ESA**") came into effect in Bermuda. Under the provisions of the ESA, every Bermuda registered entity other than an entity which is resident for tax purposes in certain jurisdictions outside of Bermuda, that carries on one or more "relevant activities" referred to in the ESA, which includes banking, insurance, fund management, financing and leasing, headquarters, shipping, distribution and service centre, intellectual property and holding entity, must satisfy economic substance requirements by maintaining a substantial economic presence in Bermuda. The ESA provides that a registered entity that carries on a relevant activity complies with economic substance requirements if (a) it is directed and managed in Bermuda, (b) its core income-generating activities (as may be prescribed) with respect to the relevant activity are undertaken in Bermuda, (c) it maintains adequate physical presence in Bermuda, (d) it has adequate full time employees in Bermuda with suitable qualifications, and (e) it incurs adequate operating expenditure in Bermuda in relation to the relevant activity.

A registered entity that carries on a relevant activity is obliged under the ESA to file a declaration in the prescribed form (the "**Declaration**") with the Registrar of Companies on an annual basis. Failure to comply with economic substance requirements for the financial period to which a Declaration relates may result in enforcement action being taken against the Company pursuant to sections 9A and 16A of the Registrar of Companies (Compliance Measures) Act 2017 including (i) the imposition of fines by the Registrar of Companies, and (ii) an order of the Bermuda courts (a) regulating the conduct of the Company's business, (b) restricting the Company from carrying on business, which would result in the Company becoming defunct, or (c) authorising such proceedings under the Bermuda Companies Act to be taken by the Registrar of Companies, including strike-off. It will also result in the disclosure of the information contained in the Declaration by the competent authority in Bermuda to any relevant European Union competent authority.

If the Company is unable to comply with the requirements of the ESA, it may have a material adverse effect on the Company's results of operation and financial condition. While the Company has taken action to ensure it and its Bermuda subsidiaries comply with the ESA, if the Company or any such subsidiary fails to comply with such obligations or any similar applicable law in any other jurisdiction, it may have a material adverse effect on the Company's results of operation and financial condition.

#### *2.2.10 Norwegian shareholders in the Company may be subject to Controlled Foreign Corporation (CFC) taxation*

If Norwegian shareholders (and foreign shareholders that hold the shares in connection with a business that is taxable in Norway), in the aggregate, directly or indirectly own or control 50% or more of the share capital of a company resident in a low-tax jurisdiction at the beginning and end of a fiscal year, or more than 60% at the end of a fiscal year, then such shareholders may become subject to CFC taxation (Nw.: *NOKUS*) in Norway. A

jurisdiction is considered a low tax jurisdiction if the general income tax on the company's total profits amount to less than two thirds of the tax that would be assessed on the company had it been a Norwegian resident company. Bermuda is currently on the list of countries that are generally considered low tax jurisdictions. In the event that CFC taxation applies, the Company's annual profits will be taxable for the Norwegian shareholders according to their proportionate share of the company's equity. Such a scenario may place a substantial tax encumbrance on these investors, with potential administrative complexities for both the Company and its shareholders. This may make it less attractive for Norwegian shareholders to invest in the Company.

## 2.3 Risks related to financial matters and market risk

### *2.3.1 The Group's results of operations, cash flow and financial condition may be adversely affected by currency fluctuations*

The Group's reporting currency and the function currency for a large part of its operations is the USD, but the Group receives revenues and incur expenditures in other currencies due to its international operations, mainly Pesos and BRL. As such, the Group is exposed to foreign currency exchange movements in both transactions that are denominated in currency other than US Dollars and in translating consolidated subsidiaries who do not have a functional currency of US Dollars. The Group attempts to limit the risks of currency fluctuation and restrictions on currency repatriation where possible by obtaining contracts providing for payment of a percentage of the contract indexed to the U.S. dollar exchange rate. To the extent possible, the Group seeks to limit its exposure to local currencies by matching the acceptance of local currencies to the Group's local expense requirements in those currencies. However, there can be no assurance that future hedging arrangements will be effective. Consequently, fluctuations between USD, Pesos and BRL and other currencies, may have a material adverse effect on the Group's cash flow and financial condition.

### *2.3.2 The Group is subject to restrictive covenants under its debt facilities that could limit its ability to finance its future operations and capital needs and pursue business opportunities and activities*

The Group's financing agreements, including the 2026 Notes Indenture and the Bond Terms (as defined below), contain operating and financial restrictions and other covenants which impose broad restrictions on the Group's business and financing activities (see Sections 5.6 *"Material contracts outside the ordinary course of business*" and 7.6.6 "*Financing arrangements*" for further information). Such restrictive covenants could adversely affect the Group's ability to, subject to specific carve outs, incur additional indebtedness, pay dividends, create or permit liens on its respective assets and sell its assets or the capital stock of its respective subsidiaries, among other things. Thus, there is a risk that the covenants to which the Group is subject to will limit its ability to finance its future operations and capital needs and the Group's ability to finance future operations or capital needs or to engage, expand or pursue business opportunities and activities that may be in its interest. Breaches of these covenants could result in defaults under the applicable debt instruments and could trigger defaults under any of the Group's other indebtedness that is cross defaulted against such instruments. Financial and other covenants that limit the Group's operational flexibility, as well as defaults resulting from breach of any of these covenants, could have a material adverse effect Group's business, results of operations, cash flows, financial condition and prospects.

### *2.3.3 Risks associated with the Group's debt financing*

As the Group relies on interest-bearing debt, bonds and notes for financing, it is exposed to liquidity risk, which refers to the risk of being unable to meet financial obligations as they come due. All of the Group's debt obligations have defined maturity or redemption dates, presenting the ongoing risk that the Company may encounter challenges in refinancing or meeting its payment obligations when the loans and notes mature. Such risks may arise due to various factors, including excessive leverage, declining asset values, or insufficient earnings and cash flow. Additionally, broader macroeconomic factors and trends in the global credit markets can further exacerbate these risks. Failure to secure further refinancing for its debt could have a material adverse effect on the Group's

financial position. Without the ability to access additional funding, the Group may face difficulties in meeting its financial obligations, maintaining its operations, or pursuing growth opportunities.

#### *2.3.4 The Group's indebtedness could limit cash flow available for its operations, limit ability to react to changes in the economy or industry*

The Group's current debt and the limitations imposed on the Group by debt agreements or any future debt agreements could have significant adverse consequences for the Group's business and future prospects, including the following:

- limit the Group's ability to obtain necessary financing in the future for working capital, capital expenditure, acquisitions, debt services requirements or other purposes, or such financing may not be available on favourable terms;
- make it difficult for the Group to repay the debt and make principal repayments (including redemption of the Senior Secured Notes and the Bonds (as defined below)) as and when these falls due, obtain extension of maturities or secure sufficient refinancing;
- require the Group to dedicate a substantial portion of its cash flow from operations to payments of principal and interest on its debt;
- make the Group more vulnerable during downturns in its business and limit its ability to take advantage of significant business opportunities and to react to changes in the Group's business and in market or industry conditions;
- and place the Group at a competitive disadvantage compared to competitors that have less debt.

As of 31 December 2023, the Group's outstanding notional balance of consolidated debt (including indebtedness outstanding under Group's financing agreements) was to be approximately USD 716 million. This includes the Group's amended and restated 2026 notes indenture dated and effective as of January 20, 2022 (the "**2026 Notes Indenture**") in relation to the senior secured notes due 2026 ("**Senior Secured Notes**") issued by the Company in an aggregate principal amount of USD 620,148,899 and paid-in kind ("**PIK**") notes. On 5 June 2024, the Company announced the successful issue of USD 500 million senior secured bonds (the "**Bonds**"). The Bonds were issued by the Company on 26 June 2024 as part of the Group's partly refinancing of the Senior Secured Notes (see Section 5.6.2 "*The Bond Terms*" for further details). The Group's ability to service its consolidated debt will depend upon, among other things, the Group's future financial and operating performance, which will be affected by prevailing economic conditions and financial, business, regulatory and other factors, some of which are beyond its control. If operating results are not sufficient to service the Group's current or future indebtedness, it may be forced to take actions such as reducing distributions, reducing or delaying business activities, acquisitions, investments or capital expenditures, selling assets, restructuring or refinancing consolidated debt, or seeking additional equity capital or bankruptcy protection. It may not be able to effect any of these remedies on satisfactory terms, or at all.

Furthermore, the Group's financing agreements contain cross-default clauses which are linked to certain other indebtedness of the Group in case of the acceleration of such Indebtedness or failure to pay such Indebtedness at maturity. If the Group is unable to comply with the restrictions and covenants in the agreements governing its indebtedness or in current or future debt financing agreements, there could be a default under the terms of those agreements. The Group's obligations under such facilities could exceed the indebtedness of the Company and its subsidiaries under such agreements. If a default occurs under these agreements, creditors could terminate their commitments to lend and/or accelerate the outstanding loans and declare all amounts borrowed due and payable. If the Group's operating income is not sufficient to service its current or future indebtedness, the Group may be forced to take action such as reducing or delaying its business activities, acquisitions, investments or capital expenditures, selling assets, restructuring or refinancing its debt or seeking additional equity capital, which in turn could materially and adversely affect the business of the Group.

### *2.3.5 Risks related to the Senior Secured Notes and the Bonds*

The Senior Secured Notes and the Bonds are secured by liens over substantially all material assets of the Group (but excluding assets of Fontis Finance Limited and its subsidiaries) comprising security over shares in all material subsidiaries, operational accounts and intra-group debt claims as well as floating charges over certain subsidiaries (see Section 5.6.1 "*The 2026 Notes Indenture"* and Section 5.6.2 "*The Bond Terms*" for further information). If the Group's creditors were to enforce their security over such assets in the event of a default, this may adversely affect the Group's ability to finance future operations or capital needs or to engage, expand or pursue our business activities. Moreover, both the 2026 Notes Indenture and the Bond Terms contain change of control clauses. These clauses provide noteholders and bondholders, under the respective loan agreements, the ability to require the Company, as issuer thereunder, to repurchase all or part of the noteholders' Senior Secured Notes or the bondholders' Bonds at a price of 101% of the aggregate principal amount of the repurchased Senior Secured Notes or repurchased Bonds, plus accrued and unpaid interest, in a change of control event. Should such an event occur, or in the case of default, the Group's assets provided as security may not be realisable and sufficient to fully repay all outstanding indebtedness, which in turn could lead to financial distress or potential insolvency for the Group.

### *2.3.6 The Company is a holding company and dependent upon cash flow from its subsidiaries and joint ventures to meet its obligations and in order to pay dividends to its shareholders*

The Company is a holding company, and its subsidiaries, joint ventures and affiliated companies conduct substantially all operations and own the operating assets. As a result, the Company's ability to make principal or interest payments when due in respect of financial indebtedness depends entirely on the operations of its subsidiaries, joint ventures and affiliated companies and their' abilities to distribute funds to the Company which, to a certain extent, is subject to general economic, financial, competitive, legislative, regulatory and other factors, many of which are beyond the subsidiaries' control. If the subsidiaries or joint venture are unable to generate sufficient cash flow from operations in the future, the Company may be required to refinance all or a portion of its existing debt or to obtain additional financing. There can be no assurance that any such refinancing would be possible or that any additional financing could be obtained.

The inability to transfer cash from the subsidiaries or joint venture may result in the Group not being able to meet its obligations or the Company not being able to pay dividends to its shareholders. A payment default by the Company, or any of the Company's subsidiaries or joint ventures, could subject to any applicable exceptions, carve outs and limitations, trigger cross default provisions in the existing external financing arrangements of the Group and could have a material adverse effect on the Group's business, results of operations, cash flows, financial condition and/or prospects.

## 2.4 Risks related to the Shares and the Admission

### *2.4.1 An active trading market may not develop, and the Shares may be difficult to sell in the secondary market*

Although the Shares in the Company are freely transferable and the Company has applied for the Admission, it may be difficult to sell the Shares in the secondary market. The Shares have not previously been traded on any stock exchange, regulated marketplace or multilateral trading facility and, accordingly there has been no public market for the Shares. If an active public market does not develop or is not maintained, shareholders may have difficulty with selling their Shares. There can be no assurance that an active trading market will develop or, if developed, that such a market will be sustained at a certain price level. The Company cannot predict at what price the Shares will trade upon following the Admission, and the market value of the Shares can be substantially affected by the extent to which a secondary market develops for the Shares.

### *2.4.1 The Company will incur increased costs as being a publicly traded company*

As a publicly traded company with Shares admitted to trading on Euronext Growth, the Company will be required to comply with Euronext Growth's reporting and disclosure requirements. The Company will incur additional legal, accounting and other expenses to comply with these and other applicable rules and regulations, including hiring additional personnel. The Company anticipates that its incremental general and administrative expenses as a publicly traded company will include, among other things, costs associated with annual and interim reports to shareholders, shareholders' meetings, investor relations, incremental director and officer liability insurance costs and officer and director compensation. Any such increased costs, individually or in the aggregate, could become significant.

### *2.4.2 Risk relating to the price of the Company's shares being volatile*

There can be no assurance that a market for the Company's shares will be sustained at a certain price level. An investment in the shares involves risk of loss of capital, and securities markets in general have been volatile in the past. The trading volume and price of the shares may fluctuate significantly in response to a number of factors, many of which are beyond the Company's control. Financial markets have recently experienced significant price and volume fluctuations that have particularly affected the market prices of equity securities that have, in many cases, been unrelated to the operating performance, underlying asset values or prospects of such entities. Accordingly, the market price of the shares may decline even if the Company's operating results, underlying asset values or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses.

### *2.4.3 Exchange rate fluctuations could adversely affect the value of the Company's Shares and dividends paid on the Shares, if any, for an investor whose principal currency is not USD*

An investment in the Shares is associated with a high degree of risk, and the price of the Shares may not develop favourably. Investors may not be in a position to sell their shares quickly at the market price or at all if there is no active trading in the Shares. The share prices of companies admitted to trading on Euronext Growth Oslo can be highly volatile, and the trading volume and price of the Shares could fluctuate significantly. The Company's Shares will be priced and traded in Norwegian Krone ("**NOK**") on Euronext Growth Oslo. Dividends declared by the Company's Board of Directors, if any, would likely be denominated in the Company's functional currency of USD, and would be paid to the common shareholders through DNB Bank ASA ("**DNB**"), Registrar's Department being the Company's VPS registrar (the "**VPS Registrar**"). Such payments would be transacted in the bank account currency of the relevant shareholder's account, as previously provided to the VPS Registrar. Shareholders registered in the VPS who have not supplied their bank account details would not receive dividend payments unless and until they register their bank account details for their VPS account and inform the VPS Registrar. The exchange rate(s) applied when transacting payments of dividends to the relevant shareholder's currency would be the VPS Registrar's exchange rate on the payment date. Exchange rate movements of USD would therefore affect the value of these dividends and distributions for investors whose account currency is not USD. Further, the market value of the Shares as expressed in foreign currencies will fluctuate in part as a result of foreign exchange rate fluctuations. This could affect the value of the Shares and of any dividends paid on the Shares for an investor whose principal currency is not USD.

### *2.4.4 Future issuances of shares or other securities could dilute the holdings of existing shareholders and could materially affect the price of the Shares*

The Company may in the future decide to offer and issue new Shares or other securities in order to finance new capital-intensive projects, in connection with unanticipated liabilities or expenses or for any other purposes. As the Company is a Bermuda exempted company limited by shares, shareholders do not have the same preferential rights in a future offering in the Company as shareholders in Norwegian limited liability companies listed on Euronext Growth Oslo normally have. Under Bermuda law, no shareholder has a pre-emptive right to subscribe for additional issues of a company's shares unless, and to the extent that, the right is expressly granted to the

shareholder under the bye-laws of a company or under a contract between the shareholder and the company. The Bye-laws do not provide for pre-emptive rights for shareholders. The Board of Directors is authorised to issue new Shares in the Company, limited by the total authorised share capital of the Company. As such, the shareholder of the Company may be diluted by issues of new Shares in the Company, which do not have to be approved by a general meeting of shareholders. An additional offering may also have an adverse effect on the market price of the Shares as a whole.

#### *2.4.5 Members of the Board of Directors may be permitted to participate in decisions in which they have interests that are different from those of the shareholders*

Under Bermuda law, directors are not required to recuse themselves from voting on matters in which they have an interest. Members of the Board of Directors may have interests that are different from, or in addition to, the interests of the Company's shareholders. As long as the directors disclose their interests in a matter under consideration by the Board of Directors in accordance with Bermuda law, they may be entitled to count towards the quorum, participate in the deliberation on and vote in respect of that matter.

#### *2.4.6 Bermuda law could limit shareholders' ability to bring an action against the Company*

The rights of shareholders under Bermuda law are not as extensive as the rights of shareholders under legislation or judicial precedent in many other jurisdictions.

Class actions and derivative actions are generally not available to shareholders under Bermuda law. However, Bermuda courts ordinarily would be expected to follow English case law precedent, which would permit a shareholder to commence an action in the name of a company to remedy a wrong done to a company where the act complained of is alleged to be beyond the corporate power of a company, is illegal or would result in the violation of that company's memorandum of association or bye-laws. Furthermore, consideration would be given by a Bermuda court to acts that are alleged to constitute a fraud against the minority shareholders or where an act requires the approval of a greater percentage of the Company's shareholders than actually approved it. The winning party in such an action generally would be able to recover a portion of attorneys' fees incurred in connection with such action.

Further, when the affairs of a company are being conducted in a manner that is oppressive or prejudicial to the interests of some part of the shareholders, one or more shareholders may apply to the Supreme Court of Bermuda, which may make such order as it sees fit, including an order regulating the conduct of the company's affairs in the future or ordering the purchase of the shares of any shareholders by other shareholders or by the company or that the company be wound up.

However, it should be noted that the Bye-laws provide that holders of Shares waive all claims or rights of action that they might have, individually or in the Company's right, against any director or officer for any act or failure to act in the performance of such director's or officer's duties, except with respect to any fraud or dishonesty of such director or officer.

#### *2.4.7 Investors' rights and responsibilities and shareholders' ability to bring an action against the Company will be governed by Bermuda law*

The Company's corporate affairs are governed by the Bermuda Companies Act, its Memorandum of Association and its Bye-laws. The rights of the Company's shareholders and the responsibilities of the Board of Directors under Bermuda law may not be as clearly established as under the laws of other jurisdictions. In addition, the rights of shareholders as they relate to, for example, the exercise of shareholder rights, are governed by Bermuda law and the Bye-laws and could differ from the rights of the shareholders under other jurisdictions, including Norway. The holders of the Shares may have more difficulty in protecting their interests in the face of actions by the Board of Directors than if the Company were incorporated in the United States, Norway or another jurisdiction.

Further, the Bye-laws provides that the Company's directors and other officers shall be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, losses and damages, provided that the indemnity shall not extend to any matter in respect of any fraud or dishonesty. In addition, the Bye-laws provide exculpation provisions, which provide that the shareholders waive all claims or rights of action, individually or in right of the Company, that they might have against the Company's directors or officers for any act or failure in the performance of his or her duties, except in respect of any fraud or dishonesty. Such provisions make a shareholder's claim against a director legally unsustainable, absent properly particularised and appropriately evidenced allegations of fraud and dishonesty.

*2.4.8 Investors could be unable to exercise their voting rights for Shares registered in a nominee account*

Beneficial owners of Shares that are registered in a nominee account (such as through brokers, dealers or other third parties) may be unable to vote such Shares unless their ownership is re-registered in their names with the VPS prior to any general meeting of shareholders. There can be no assurance that beneficial owners of the Shares will receive the notice of any general meeting of shareholders in time to instruct their nominees to either effect a re-registration of their Shares or otherwise vote for their Shares in the manner desired by such beneficial owners.

*2.4.9 The Company will be subject to the continuing obligations for companies admitted to trading on Euronext Growth Oslo which may deviate from the regulations for securities trading on Euronext Oslo Børs and Euronext Expand, and which may imply a risk of a lower degree of transparency and minority protection*

Upon completion of the Private Placement and listing of the shares on Euronext Growth Oslo, the Company will be subject to the rules of the Securities Trading Act applicable to securities admitted to trading on a multilateral trading facility and the Euronext Oslo Børs' continuing obligations for companies admitted to trading on Euronext Growth Oslo. Such obligations may differ from the obligations imposed on companies whose securities are listed on a regulated market such as Euronext Oslo Børs or Euronext Expand. The Company will not be subject to any takeover regulations meaning that an acquirer may purchase a stake in the Company's Shares exceeding the applicable thresholds for a mandatory offer for a company listed on Euronext Oslo Børs and Euronext Expand without triggering a mandatory offer for the remaining shares. Furthermore, there is no requirement to disclose large shareholdings in the Company (Nw.: *flaggeplikt*). Primary insiders and their close associates are not obliged to announce transactions made by them immediately to the market, but only to the Company which then must make a disclosure to the market within the third trading day. These deviations from the regulations applicable to securities trading on Euronext Oslo Børs or Euronext Expand may, alone or together, impose a risk to transparency and the protection of minority shareholders. An investment in the shares is suitable only for investors who understand the risk factors associated with an investment in a Company admitted to trading on Euronext Growth Oslo.

# 3 GENERAL INFORMATION

## 3.1 Important information

This Information Document has been prepared by the Company in connection with the Admission.

The Euronext Growth Advisor has assisted the Company in preparing the Information Document and used reasonable efforts to ensure that the Information Document is in accordance with the content requirements set out by Euronext Oslo Børs. For the purpose of identifying such information, the Euronext Growth Advisor has engaged advisers to conduct limited due diligence investigations related to certain legal and financial matters, and held discussions and interviews with the Company's management.

The responsibility for the accuracy and completeness of the Information Document lies with the Company. The Euronext Growth Advisor disclaims liability, to the fullest extent permitted. Neither the Company nor the Euronext Growth Advisor, or any of their respective affiliates, representatives, advisors or selling agents, is making any representation to any purchaser of the Shares regarding the legality of an investment in the Shares. Each investor should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of a purchase of the Shares.

Investing in the Shares involves a high degree of risk. See Section 2 "*Risk Factors*" beginning on page 7.

## 3.2 Financial information

### *3.2.1 Overview*

The Company's audited consolidated financial statements as of and for the financial years ended 31 December 2023 and 31 December 2022 (the "**Financial Statements**") are included in Appendix B. The Financial Statements have been prepared in accordance with the accounting principles generally accepted in the United States ("**US GAAP**"). The Company presents the Financial Statements in United States dollars (presentation currency). The functional currency is United States dollars as a majority of the Company's and its subsidiaries' revenues and expenses are denominated in United States dollars.

For further details on the financial information, please refer to Section 7 "*Selected financial information*".

### *3.2.2 Auditing of Financial Statements*

The Financial Statements have been audited by KPMG AS ("**KPMG**") as set forth in their report included therein. The audit report for the Financial Statements dated 3 June 2024 does not contain any qualifications or emphasis of matters. KPMG has not audited, reviewed or produced any report on any other information in this Information Document.

## 3.3 Functional currency and foreign currency

The functional currency is United States dollars because a majority of the Company's and its subsidiaries' revenues and expenses are denominated in United States dollars.

In this Information Document, all references to "NOK" are to the lawful currency of Norway, all references to "United States dollars", "U.S. dollar", "US$", "USD", or "$" are to the lawful currency of the United States of America. No representation is made that the NOK or USD amounts referred to herein could have been or could be converted into NOK or USD as the case may be, at any particular rate, or at all.

## 3.4 Rounding

Certain figures included in this Information Document have been subject to rounding adjustments (by rounding to the nearest whole number or decimal or fraction, as the case may be). Accordingly, figures shown for the same category presented in different tables may vary slightly. As a result of rounding adjustments, the figures presented may not add up to the total amount presented.

### 3.5 Industry and market data

Throughout this Information Document, the Company have used industry and market data obtained from independent industry publications, market research, internal surveys and other publicly available information. These include but are not limited to the World Bank[4], used to retrieve historical world GDP growth, the United Nations[5], used to retrieve future world GDP growth estimates, ARAMCO[6], used to retrieve MSC target directives, Petrobras[7], used to retrieve information on the Petrobras Strategic Plan 2024-2028+, and World Oil[8], used to retrieve data on a Saudi Aramco capital investment announcement. Sources behind a paywall include the IEA[9], where the company refers to the IEA Oil market report October 2023 for forecast data for global liquids demand growth, FactSet[10], used to retrieve data for oil price development from 2005 to 2026, Rystad UCube[11], used to retrieve data on historical global liquids demand growth, global offshore E&P capex from 2005 to 2026 and offshore capex spending in Brazil, Rystad RigCube[12], used to retrieve Brazil PLSV supply-demand outlook and jack-up demand in Mexico, Middle East, Africa and Asia, IHS Petrodata[13], used to retrieve historical rig count by region and concentration of jack-up ownership, IHS Petrodata[14], used to retrieve global jack-up fleet supply, contracted rigs and utilization, premium jack-up day rates, jack-up fleet per rig owner and market share in the Mexican jack-up market.

Industry publications generally state that the information they contain has been obtained from sources believed to be reliable but that the accuracy and completeness of such information is not guaranteed. The Company have not independently verified such data. Similarly, whilst the Company believe that its internal surveys are reliable, they have not been verified by independent sources and the Company cannot assure you of their accuracy. Thus, the Company do not guarantee or assume any responsibility for the accuracy of the data, estimates, forecasts or other information taken from sources in the public domain. The information in this Information Document that has been sourced from third parties has been accurately reproduced and, as far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

The Company confirms that no statement or report attributed to a person as an expert is included in this Information Document.

Unless otherwise indicated in the Information Document, the basis for any statements regarding the Group's competitive position is based on the Company's own assessment and knowledge of the market in which the Group operates.

### 3.6 Alternative performance measures (APMs)

As the Company moves towards becoming a public company with public company reporting requirements, it is evaluating certain alternative performance measures ("**APMs**"), also known as key performance indicators, as a

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[4] World Bank (Apr. 2023): *World Development Indicators*. Available from: https://databank.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG/1ff4a498/Popular-Indicators (retrieved: 18.06.2024)
[5] United Nations (May. 2024): *World Economic Situation and Prospects 2024 Mid-Year Update*. Available from: https://desapublications.un.org/publications/world-economic-situation-and-prospects-mid-2024 (retrieved: 18.06.2024)
[6] ARAMCO (Jan. 2024): *ARAMCO directive to maintain MSC at 12 MMBD*. Available from: https://www.aramco.com/en/news-media/news/2024/aramco-receives-directive-to-maintain-msc (retrieved: 18.06.2024)
[7] Petrobras (Nov. 2023): *Petrobras Strategic Plan 2024-2028+*. Available from: https://noticias.petrobras.com.br/en/institutional/petrobras-unveils-strategic-plan-2024-2028-featuring-investments-of-usd-102-billion-23-11-2023/ (retrieved: 18.06.2024)
[8] World Oil (Apr. 2024): *Saudi Aramco announced plans to reduce capital investment by roughly USD 40 billion between 2024 and 2028*. Available from: https://www.worldoil.com/news/2024/4/4/evercore-aramco-s-decision-to-suspend-jackup-rigs-to-put-slight-damper-on-dayrate-progression/ (retrieved: 18.06.2024)
[9] IEA (May. 2024): *IEA - Oil market report October 2023*. Available from: (Paywall) (retrieved: 18.06.2024)
[10] FactSet (May 2024): *Oil price*. Available from: (Paywall) (retrieved: 18.06.2024)
[11] Rystad UCube (May. 2024): *Historical global liquids demand growth, Global offshore E&P capex from 2005 – 2026, Offshore capex spending in Brazil* (Paywall) (retrieved: 18.06.2024)
[12] Rystad RigCube (May. 2024): *Brazil PLSV Supply-Demand Outlook, Jack-up demand in Mexico, Middle East, Africa and Asia* (Paywall) (retrieved: 18.06.2024)
[13] IHS Petrodata (Feb. 2024): *Historical rig count by region, Concentration of jack-up ownership* (Paywall) (retrieved: 18.06.2024)
[14] IHS Petrodata (May. 2024): *Global jack-up fleet supply, Contracted rigs and utilization, Premium jack-up day rates, Jack-up fleet per rig owner, Market share in the Mexican jack-up market* (Paywall) (retrieved: 18.06.2024)

supplement to the financial statements prepared in accordance with US GAAP. Accordingly, the APMs presented by the Company could change. For the purpose of this Information Document, the Company presents the following APMs:

**EBITDA –** Is an abbreviation of "Earnings Before Interest, Taxes, Depreciation and Amortisation" 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 items as set forth in the table in Section 7.10 "*Non-US GAAP financial measures*", which represents certain non-cash items such as expected credit gains/-losses, impairment charges/-reversals and 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 our business, enables comparison of financial results between periods where certain items may vary independent of business performance, and allows for greater transparency with respect to key metrics used by management in operating our business and measuring our performance. Further, it may provide comparability to similarly titled measures of other companies.

**Net Debt** – Is defined as external interest-bearing debt, excluding any unamortized discounts, less cash, cash equivalents and restricted cash. 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 utilised to pay down outstanding borrowings.

**Management Reporting** – For certain APMs that are reported at Group level (e.g., Adjusted EBITDA, Net Debt), the Company plans to present financial information from its share in Seabras on a gross basis (proportionate consolidation method) instead of on a net basis (equity method) in accordance with internal management reporting, which is under development. Management believes this would provide useful supplementary information reflecting the total operations of the Group and it reflects the details of information reviewed by the management and the Board.

Additionally, the Group uses other performance indicators that are not considered to be an APM, but is important for assessing the Group's performance:

**Contract backlog** – Measures the estimated value of remaining work on agreed customer contracts. It includes the Group's share in % of joint ventures' order backlog. Order backlog does not include potential growth or value of non-declared options within existing contract portfolio.

**Utilization of vessel / rig** – Utilization of vessel / rig numbers is based on actual operating days versus actual available days excluding days at yard for periodical maintenance, upgrading, transit or idle time between contracts.

**Contract coverage** – Is defined as number of future sold days compared with total actual available days excluded options.

The Group believes that the APMs described herein are commonly reported by companies in the markets in which it competes and are widely used by investors in comparing performance on a consistent basis without regard to factors such as depreciation and amortisation, which can vary significantly depending upon accounting measures (particularly when acquisitions have occurred), business practice or external and non-operating factors. Accordingly, the Group discloses the APMs presented herein to permit a more complete and comprehensive analysis of the Group's operating performance relative to other companies across periods, and of the Group's ability to service its debt. Because companies calculate APMs differently, the APMs presented herein may not be comparable to similarly titled measures used by other companies. Any APMs presented herein or in the appendices

appended hereto may not be indicative of the Group's historical operating results, nor are such measures meant to be predictive of the Group's future results.

For an overview of reconciliation and calculation of the relevant APMs, please see Section 7.10 "*Non-US GAAP financial measures*". The non-US GAAP measures have not been audited by KPMG.

### 3.7 Cautionary note regarding forward-looking statements

This Information Document includes forward-looking statements that reflect the Company's current views with respect to future events and anticipated financial and operational performance. These forward-looking statements may be identified by the use of forward-looking terminology, such as the terms "anticipates", "assumes", "believes", "can", "could", "estimates", "expects", "forecasts", "intends", "may", "might", "plans", "projects", "should", "will", "would" and, in each case, their negative, or other variations or comparable terminology. These forward-looking statements are not historic facts. They appear, among other areas, in the following sections in this Information Document, Section 2 "*Risk factors*", Section 5 "*Business of the Group*", and Section 7 "*Selected financial information*", and include statements regarding the Company's intentions, beliefs or current expectations concerning, among other things, financial strength and position of the Group, operating results, liquidity, prospects, growth, the implementation of strategic initiatives, as well as other statements relating to the Group's future business development and financial performance, and the industry in which the Group operates.

By their nature, forward-looking statements involve, and are subject to, known and unknown risks, uncertainties and assumptions as they relate to events and depend on circumstances that may or may not occur in the future. Because of these known and unknown risks, uncertainties and assumptions, the outcome may differ materially from those set out in the forward-looking statements. These forward-looking statements speak only as at the date on which they are made. The Company undertakes no obligation to publicly update or publicly revise any forward-looking statement, whether as a result of new information, future events or otherwise. All subsequent written and oral forward-looking statements attributable to the Group or to persons acting on the Company's behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this Information Document.

# 4 PRINCIPAL MARKETS

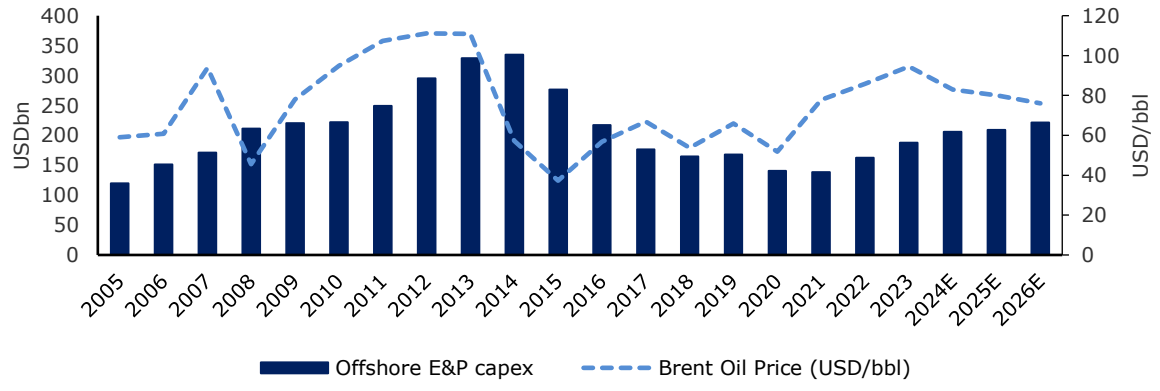
## 4.1 Market overview

The Group provides offshore drilling and subsea services to the global offshore energy industry through its portfolio companies, Fontis and Seabras. When referring to Seabras and Archer in this Section 4, this refers to the Group's equity interests in those entities. Fontis owns and operates five jack-up rigs operating in the shallow water segment within the global offshore drilling services market, while Seabras owns and operates six multi-purpose pipe-laying support vessels ("**PLSVs**") and 12 remote operating vehicles ("**ROVs**") providing subsea services and operations.

The Group's key clients are national oil companies ("**NOCs**"), whose spending resilience is driven by factors extending beyond mere financial considerations. Historically, both the offshore drilling and subsea markets have been very cyclical with periods of high demand, limited supply and high day rates alternating with periods of low demand, excess supply and low day rates. During low-demand phases with surplus supply, competition intensifies, often leading to some assets becoming idle for extended periods. Conversely, high demand coupled with limited supply can lead to the reactivation of previously stacked assets and/or the construction of new assets, potentially creating excess supply.

As is common throughout the oilfield services industry, both offshore drilling and subsea activity are largely driven by actual and/or anticipated changes in oil and gas prices and capital spending by companies exploring for and producing oil and gas. Further, exploration and production ("**E&P**") companies' capital spending is driven by future oil and gas price expectations. A positive correlation has been observed both historically and in more recent time, exemplified in 2014 when the oil price declined 48%, reducing global offshore E&P capital expenditures from USD 335bn in 2014 to USD 276bn and USD 217bn in 2015 and 2016, respectively. The same pattern was also observed during the covid-19 pandemic in 2020 with a decreasing oil price and corresponding reduction in global E&P spending. Since then, the oil price and global E&P spending have had a robust recovery, resulting in increased activity for companies within the oil and gas value chain. Rystad Energy expects that global offshore E&P capex will reach USD 206bn in 2024 and USD 208bn in 2025. Brent crude oil is expected to fluctuate around USD 80/bbl from 2024 to 2026, according to FactSet consensus estimates.

**Figure 1: Global offshore E&P capex and oil price development from 2005 – 2026E**



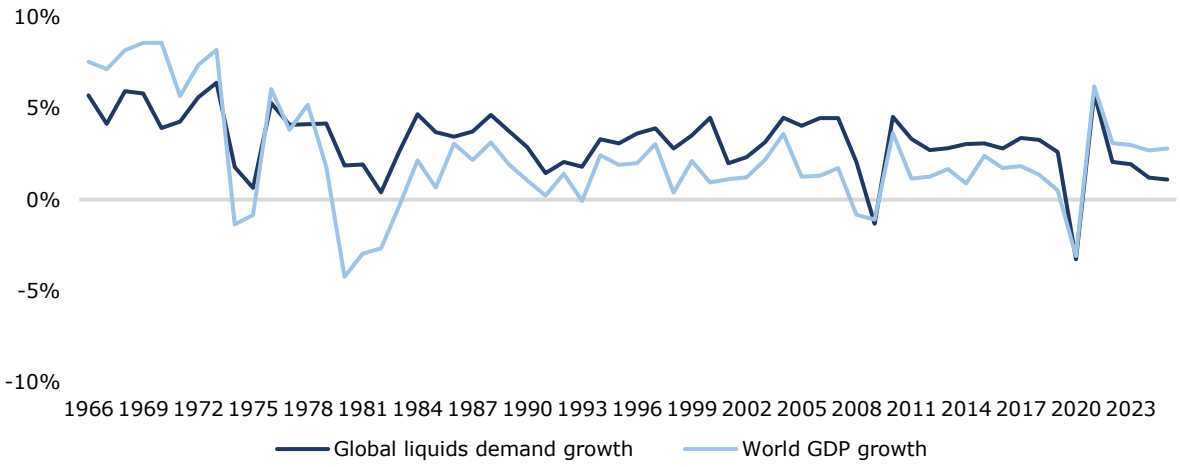

Source: Rystad UCube (a payable client portal) and FactSet (May 2024) (www.factset.com)

Oil prices and the demand for the Group's services are volatile and affected by numerous factors beyond the Group's control, including, but not limited to, the following:

- Global and regional economic activity
- Global and regional supply and demand for natural gas and crude oil
- Oil and gas prices and offshore E&P spending
- Anticipated production levels and inventory levels
- Political, social and legislative environments in major oil and gas producing regions
- Technological developments
- The attractiveness of specific projects and geographic locations

Figure 2 below shows year-on-year global liquids demand growth and world GDP growth from 1966 to 2025E. Historically, there has been a tight correlation between economic growth and global liquids demand growth. After negative year-on-year global liquids demand growth and world GDP growth in 2020 due to the covid-19 pandemic, these figures have recovered and are estimated to be 2.8% and 1.1% in 2025E.

**Figure 2: Year-on-year development in global liquids demand and world GDP growth (1966-2025E)**




Source: Historical data retrieved from Rystad Energy (May. 2024) and OECDWorld Bank (Apr. 2023) (https://data.worldbank.org/). Forecast data retrieved from the IEA (May 2024) (iea.org) and United Nations (2024). World Economic Situation and Prospects as of mid-2024 (May 2024) (https://www.un.org/)

### 4.2 Global offshore drilling market

Within the offshore drilling market, the prevailing contract day rates and corresponding profitability is largely determined through the rig supply and demand balance. Rigs can be relocated across regions to meet varying demands and rig owners can reactivate cold stacked rigs to meet increased demand. However, reactivating cold stacked rigs can be costly and would hence need to make sense both an economic and strategic perspective. Contracts are awarded through competitive bidding processes and direct negotiations, and often specify a daily compensation (day rate). The day rate is contingent upon factors such as rig availability, nature of operations, contract duration, equipment requirements, geographic location, and various other variables.

Within the offshore drilling market, there are three main rig categories which are depending on rig design and by the water depths in which the different rigs can drill:

**Jack-up rigs:** A jack-up is a self-elevating mobile platform that consists of a buoyant hull with a number of moveable legs that can lift the hull above the surface of the sea. When a jack-up is preparing for operations, the rig is towed to the location of the operation with its hull riding in the water and its legs raised. When at the site, the jack-up drilling rig's legs are lowered until they penetrate the seabed. The hull is then elevated (jacked-up) until it is above the water. The rig can easily be relocated to other locations for new operations by being

transported on board a heavy-lift vessel. Jack-ups typically perform operations in shallow waters, generally in water depths less than 400 feet (~120 metres).

**Semi-submersible rigs:** Semi-submersibles are floating platforms with a ballasting system, operating in a "semi-submerged" position, by filling the hull with ballast water so the lower part of the hull is below the water surface. During operations, the rig can either be moored to the seafloor or dynamically positioned. This rig type is generally well suited for midwater-, deepwater- and ultra-deepwater and/or harsh environments.

**Drillships:** Drillships are rigs which generally have an on-board propulsion system, typically based on a conventional ship hull design but equipped with full drilling equipment similar to that on semi-submersible rigs. Drilling operations are conducted through openings in the hull (moon pools), and like semisubmersible rigs, drillships can be equipped with conventional mooring systems or DP systems. Drillships are often constructed for drilling in deep water, as deepwater and ultra-deepwater ("**UDW**") locations are typically far from shore, and drillships normally have higher load capacity and better mobility than the other rig types. However, drillships operate in both the midwater-, deepwater- and ultra-deepwater areas globally, depending on what the specific rig is dimensioned and equipped for. Drillships are particularly preferred in midwater-, deepwater- and ultra-deepwater areas with benign environment, such as the U.S. GoM, Brazil and West Africa.

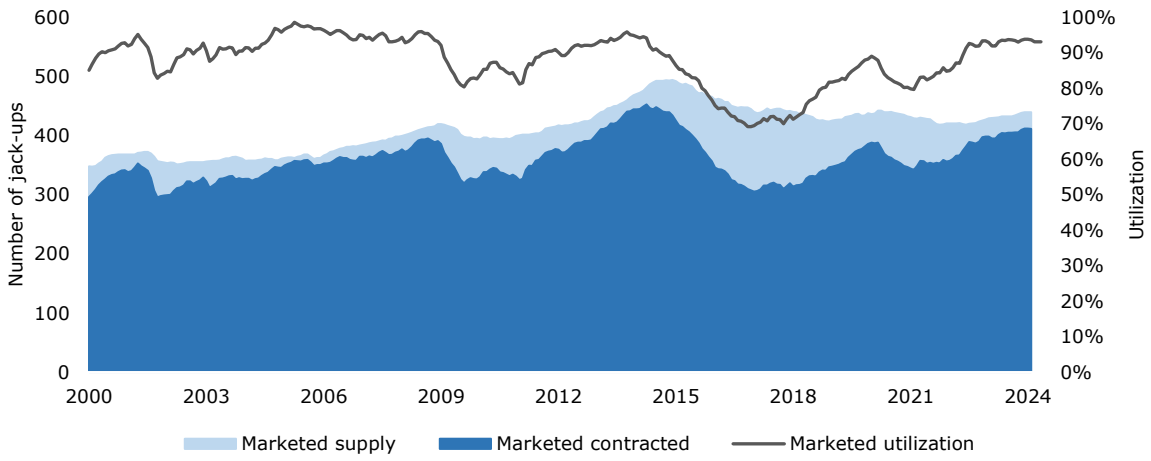
### *4.2.1 The jack-up drilling rig segment*

The offshore drilling market is generally split between shallow water (<400 ft.), midwater (>400 ft.), deepwater (>4,000 ft.) and ultra-deepwater (>7,500 ft.). The Group focuses its drilling operations on the shallow water market, which is serviced primarily by jack-ups. The Group's jack-up fleet is focused on the premium high-specification market. Given the volatility of oil and gas prices, the day rates in the contract drilling services market fluctuate significantly. This affects the Group differently based on the duration of the drilling contracts and the prevailing contract rates at the time of contract renewals. Contracts for shallow water drilling often have shorter terms, rendering the company vulnerable to short-term fluctuations in demand that can significantly impact its revenues and cash flows.

Within the jack-up drilling rig segment, there are several subcategories based on specific attributes and capabilities of the rigs. These attributes include water depth capabilities, cantilever reach, and hook load capacity, among others. Additionally, some jack-up rigs are especially equipped to operate in harsh environments characterized by lower temperatures and more challenging weather conditions. Over the past couple of years, a noticeable shift in demand has occurred, particularly towards premium jack-up rigs. These premium rigs are distinguished by their higher hook load capacity and enhanced drilling capabilities compared to standard jack-ups. In response to this shift in demand, many offshore drilling companies have acquired second-hand rigs or placed orders for newbuild rigs that possess the advanced features and specifications required to meet the growing demand for premium jack-up rigs.

According to IHS Petrodata, the global jack-up market comprised a total of 498 rigs as of May 2024. However, it's important to note that not all these rigs are actively marketed. Out of the total count, 439 rigs, or approximately 88%, are actively marketed for drilling operations. Among these actively marketed rigs, 408 rigs are already under contract, implying a marketed utilization of 93% (as indicated in Figure 3). The market utilization rate underscores the tight supply-demand balance in the jack-up rig market. Utilization rates at these levels have not been witnessed since 2014, highlighting the robust demand for jack-up rigs and the limited availability of these assets. Limited supply of jack-up rigs has led to increased pricing power among operators, contributing to an upward pressure on day rates.

**Figure 3: Global jack-up fleet**

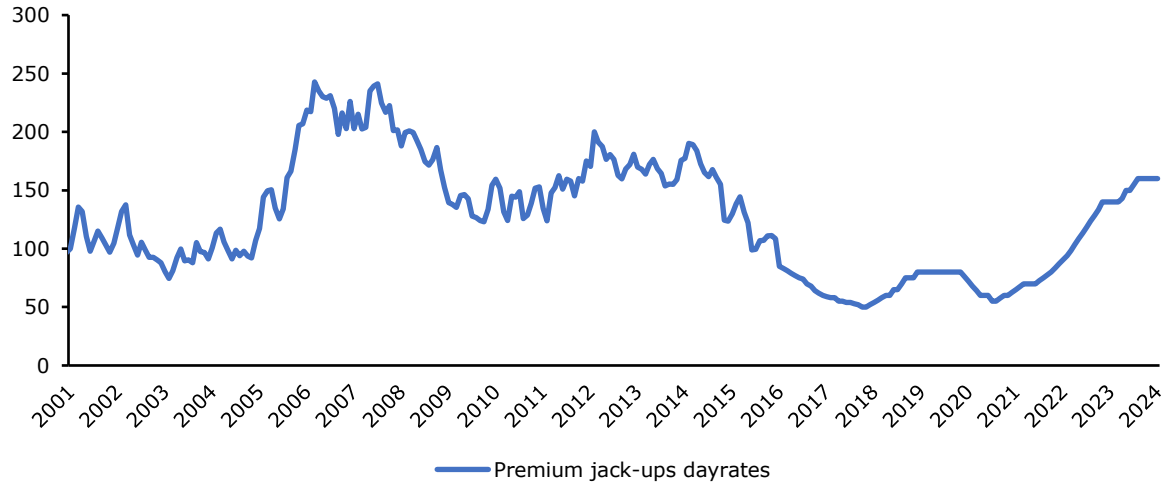



Source: IHS Petrodata (a payable client portal) as of May 2024

Historically, day rates for premium jack-up rigs have been highly cyclical and closely tied to the overall activity in the oil and gas industry. During periods of elevated oil prices and increased exploration and production activity, day rates tend to experience an upward trajectory. This occurs because operators, in response to favourable market conditions and increased investments in drilling projects, compete for access to rigs, thereby driving up day rates. Conversely, economic downturns and oversupply of rigs lead to a surplus of available drilling units, resulting in lower day rates.

Figure 4 shows the development in day rates for premium jack-up rigs from 2010 to 2024 and highlights the cyclical nature of day rates. Notably, in the most recent contract fixtures, the premium jack-up day rate has been in the USD 160k per day region. A large share of the incremental demand for jack-ups in the last two years has been driven by expansion plans in Saudi Arabia, increase its production target from 12 mmboepd to 13 mmboepd. As a response, Saudi Aramco contracted 40 jack-ups in the period 2022-2023. In January 2024, the Ministry of Energy in Saudi Arabia reversed the decision, going back to maintaining its production target at 12mmboepd, and not increase its target to the previously communicated 13mmboepd. As a result, Saudi Aramco has notified certain rig owners in the country about the suspension of operations of 22 rigs. The suspended rigs are expected to be marketed towards new contracts, which may affect the utilization and day rates in the jack-up market in the short to medium-term.

**Figure 4: Premium jack-ups day rates**

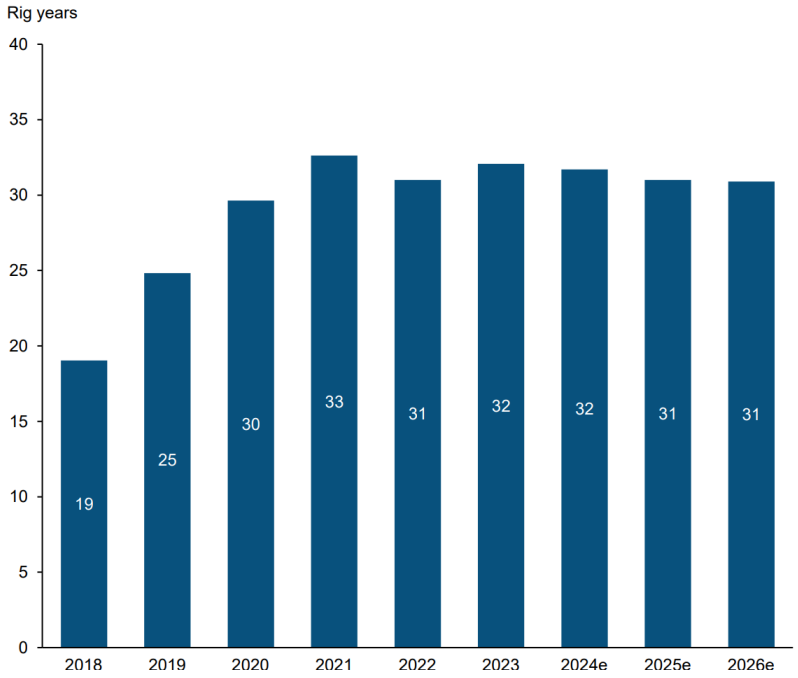



Source: IHS Petrodata (a payable client portal) as of May 2024

### 4.3 Key regions for jack-up demand

The Group's five jack-ups are currently located in Mexico, where they are working for a large state-owned petroleum company, of which the Group has had a long-standing commercial relationship (the five jack-ups have been working for this company since 2014). This highlights the importance of this relationship and region for the Group. Total demand for jack-up rigs in Mexico is expected to remain high the next two years, with Rystad Energy estimating a total demand of 32 rig years in 2024E and 2025E, indicating a robust outlook for continued demand in the region.

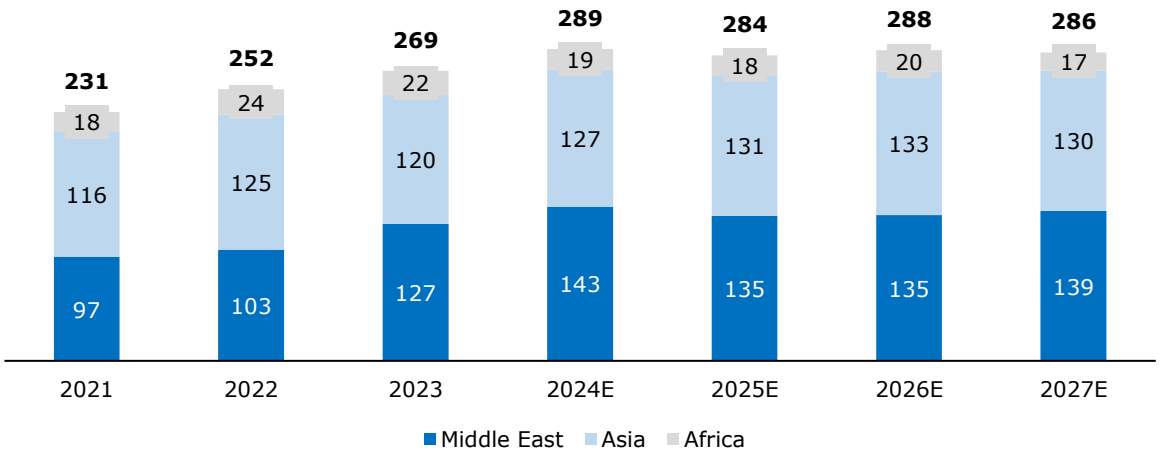
**Figure 5: Jack-up demand in Mexico (Rig Years)**




Source: Rystad RigCube (a payable client portal) as of May 2024

Other key regions for jack-up demand include the Middle East, Africa and Asia due to large oil and gas reserves at lower water depths and growing economies, among others. There has been strong demand for jack-ups in these regions the last years, and as figure 6 illustrates, total demand is expected to remain constructive for 2024E and 2025E.

**Figure 6: Jack-up demand in Middle East, Africa and Asia (Rig Years)**




Source: Rystad RigCube (a payable client portal) as of May 2024

### 4.4 PLSV market

Multi-purpose PLSVs are specialized vessels used in offshore construction for installation of subsea flexible pipelines and umbilical cables. The primary purpose of a PLSV is to support the laying of underwater pipelines and installation of subsea infrastructure in various ways, including:

1) **Pipe transportation**: PLSVs are equipped with storage and handling systems to transport and lay large sections of pipes on the seabed. They typically carry the pipeline sections on deck and transport them to the installation site.

2) **Pipe welding**: Some PLSVs are equipped with specialized welding systems, often automated, to join individual sections of the pipeline together. Welding is a critical part of the installation process, ensuring the integrity of the pipeline.

3) **Dynamic positioning**: These vessels are equipped with dynamic positioning systems, which use thrusters to maintain their position and heading, even in the presence of currents and waves. This capability is crucial for precise pipeline installation.

4) **Trenching and burial**: Some PLSVs are equipped with tools for trenching and burying pipelines in the seabed. This helps protect the pipeline from external factors and makes it less susceptible to damage.

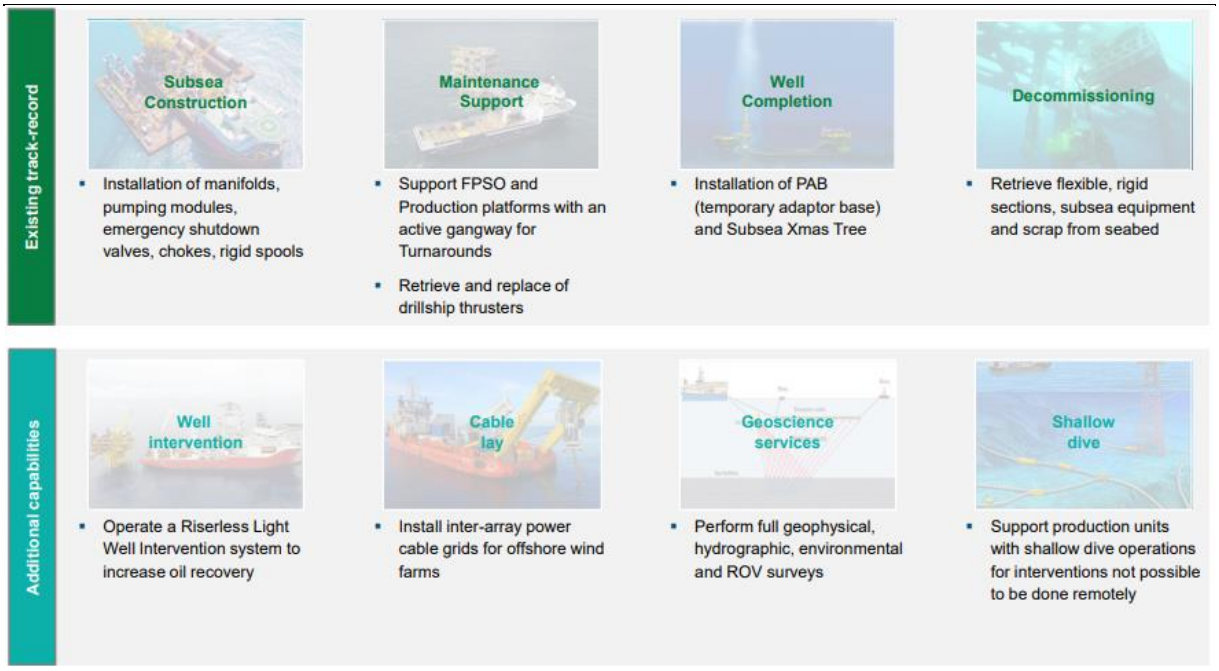
5) **Riser installation**: PLSVs can also install risers, which are vertical pipes connecting subsea infrastructure to platforms or floating production systems.

6) **Cranes and remote operation vessels (ROVs)**: Many PLSVs are equipped with cranes for heavy lifting tasks and ROVs for various construction and maintenance tasks. ROVs are essential for inspecting and adjusting the pipeline and other subsea infrastructure.

Demand for PLSVs are closely linked to the activity within the oil and gas industry and directly linked with the number of new offshore field developments as well as maintenance of existing infrastructure. In addition, the PLSV demand and supply balance is another crucial factor determining pricing in this market.

PLSVs are categorized as multi-purpose and offers a wide range of capabilities beyond pipe-laying, as describe in Figure 7 below.

**Figure 7: Key capabilities for the Group's PLSVs**

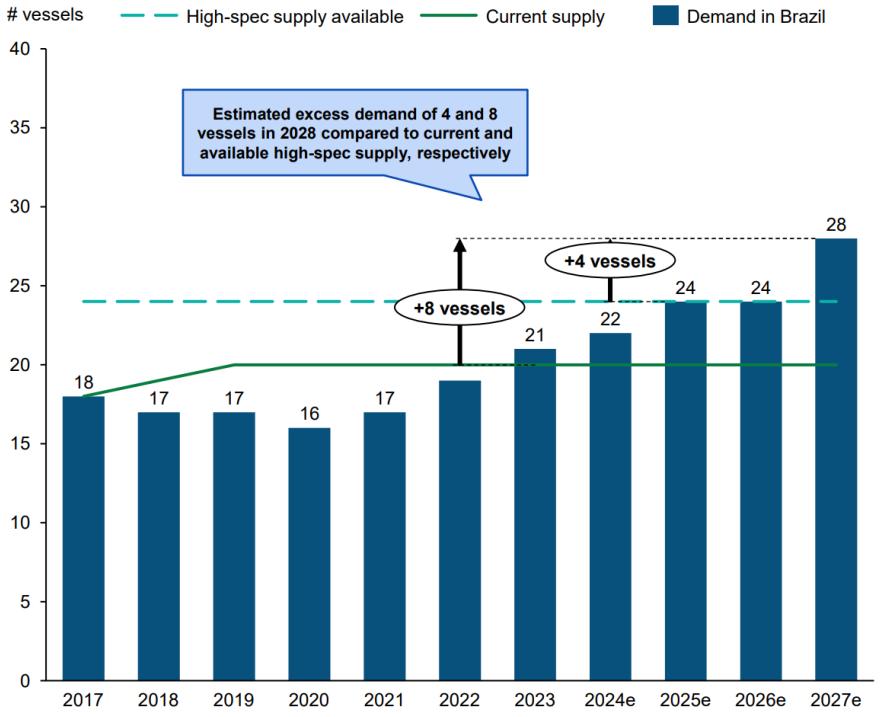



Source: Company information as of May 2024

### *4.4.1 Brazilian PLSV market*

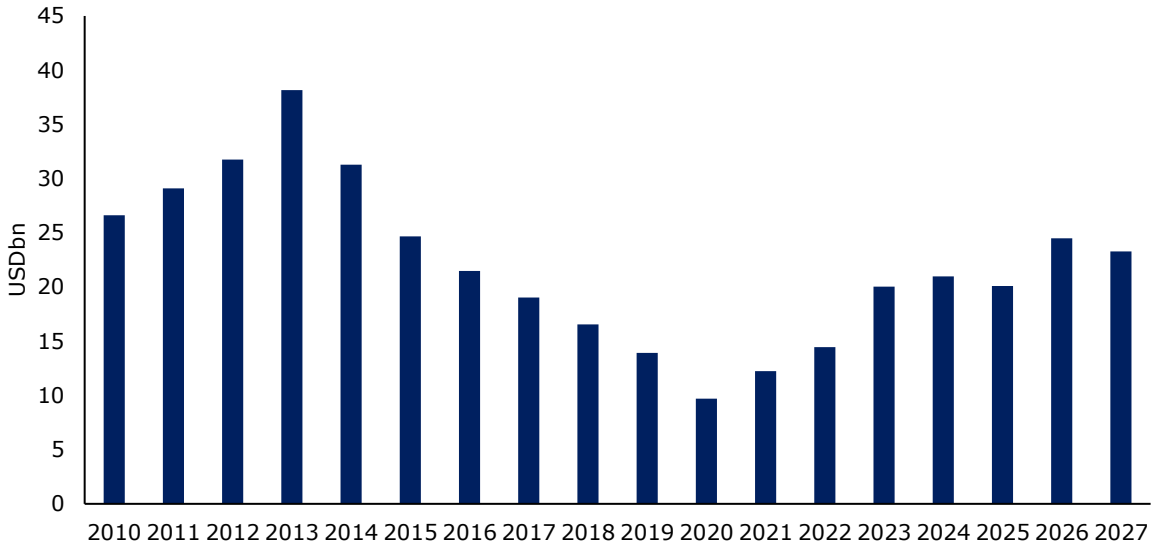
The Brazilian PLSV market is, through its 50% ownership stake in Seabras, a key market for the Group. The market is small and highly concentrated, on both the supply and demand side. Petrobras is the key contractor in the Brazilian market, representing most of the demand side, while the supply side consists of a small number of contractors. Currently, there are 20 PLSVs in Brazil, of which 19 vessels are high-specification vessels from four unique PLSV contractors.

**Figure 8: Brazil PLSV Supply-Demand Outlook**



Source: Rystad RigCube (a payable client portal) as of May 2024

**Figure 9: Offshore capex spending in Brazil**




Source: Rystad UCube (a payable client portal) as of May 2024

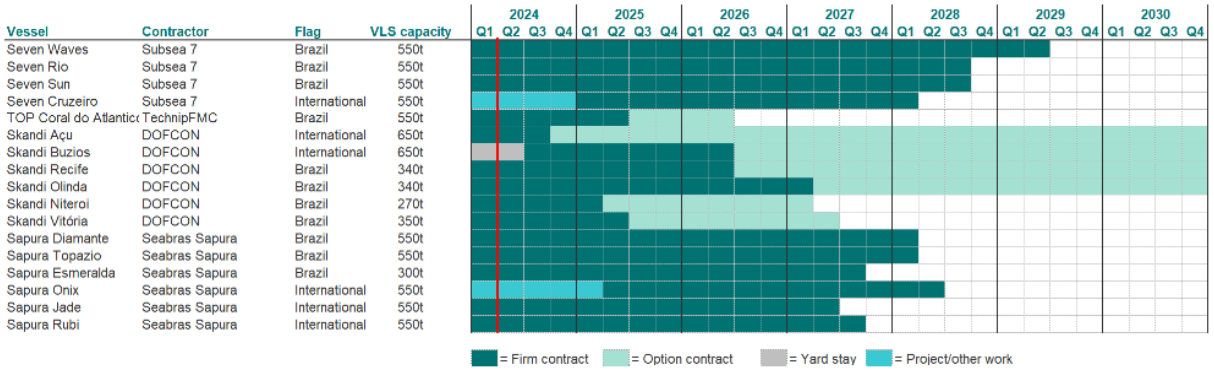
Brazil is one of the main sources of deepwater oil production and a key driver for incremental growth going forward. Offshore capex spending in Brazil has seen a rebound since 2020 and is expected to further grow from USD 20bn per annum in 2023 to USD 23bn in 2027, according to Rystad Energy. Deepwater oil production in Brazil is supported by low break-even prices compared to other oil sources. The Brazilian oil and gas industry is currently displaying promising signs, including cost-effective oil production, several significant offshore projects, and an expected uptick in demand for PLSVs, which is further exacerbated by supply shortages in the market. Brazil currently has 18 PLSVs under contract, with 17 of them serving under agreements with Petrobras, highlighting the company's significant presence in this sector.

Petrobras has a strategic plan for the next five years[15], focusing on substantial investments in deep and ultra-deepwater projects, which are likely to drive the demand for additional PLSVs. The entrance of international oil companies (IOCs) such as Equinor, Shell, and Enauta into the Brazilian market is also expected to contribute to incremental demand for pipe-laying assets. Seabras is strategically positioned with all its PLSVs currently engaged on contracts in Brazil and, primarily with Petrobras, providing them with a great opportunity to benefit from the growing market.

The Brazilian PLSV market presents high barriers to entry due to stringent technical and operational requirements due to the challenging deepwater conditions, high capital intensity and Brazil's cabotage rules. The Brazilian offshore industry holds significant potential, as reflected by the projection of USD 125 billion in offshore capital expenditure expected over the next five years. Figure 9 illustrates the considerable increase in activity for the Brazilian offshore energy sector, which will be beneficial for companies operating in this market.

[15] Petrobras Strategic Plan 2024-2028+

**Figure 10: Overview of current PLSV contracts with Petrobras in Brazil**




Source: DNB Markets Equity Research (June 2024)

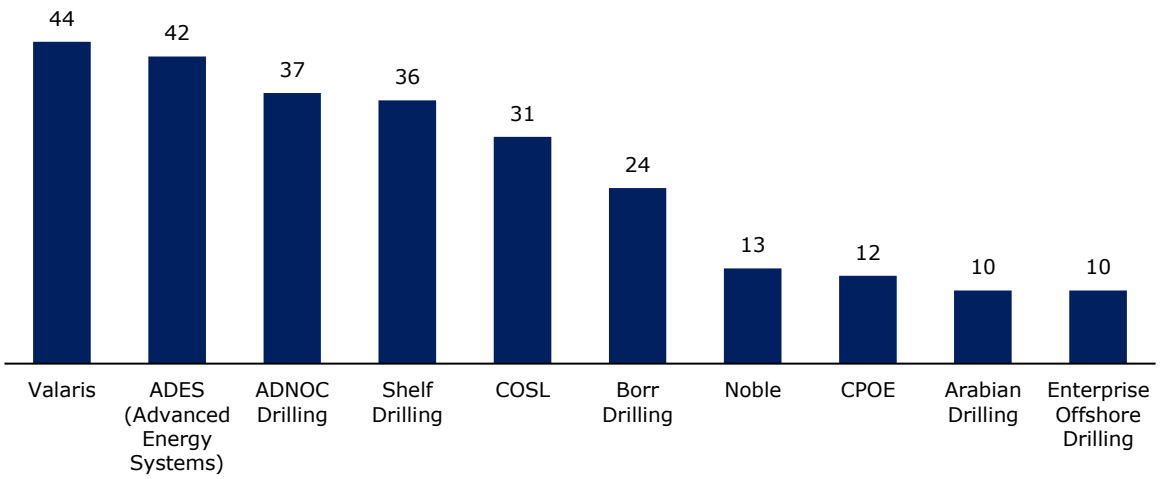
### *4.4.2 Competition in the jack-up market*

The jack-up market is a highly competitive market. The demand for contract drilling and related services is influenced by several factors, including the current and expected prices of oil and gas and the expenditures of oil and gas companies for exploration and development of oil and gas reserves. In addition, demand for drilling services remains dependent on a variety of political and economic factors beyond the Company's control, including worldwide demand for oil and gas, OPEC's ability and willingness to set and maintain production levels and pricing, non-OPEC countries level of production, including production levels in the U.S. shale plays, and policies of various governments regarding exploration and development of their oil and gas reserves.

Drilling contracts are generally awarded based on competitive bids or negotiations. Pricing (day rate) is often the primary factor in determining which qualified contractor is awarded a job. Rig availability, capabilities, age and each contractor's safety performance record and reputation for quality can also be key factors in the determination. Operators may also include crew experience, rig location and efficiency in the determination.

The Group's competitors within the jack-up market range from large international companies offering a wide range of drilling and oilfield services to smaller, locally owned companies. Competition for rigs typically occurs on a global scale, given their high mobility and ability to relocate between regions in response to demand, albeit at times incurring significant costs. The jack-up market is characterized by a diverse range of players, both major drilling contractors and regional contractors. Prominent global players include Valaris, Shelf Drilling and Borr Drilling, among others. The supply side is highly fragmented, resulting in a global market where none of the contractors have a dominant market share.

**Figure 11: Jack-up fleet per rig owner** (including JVs and rigs under construction)

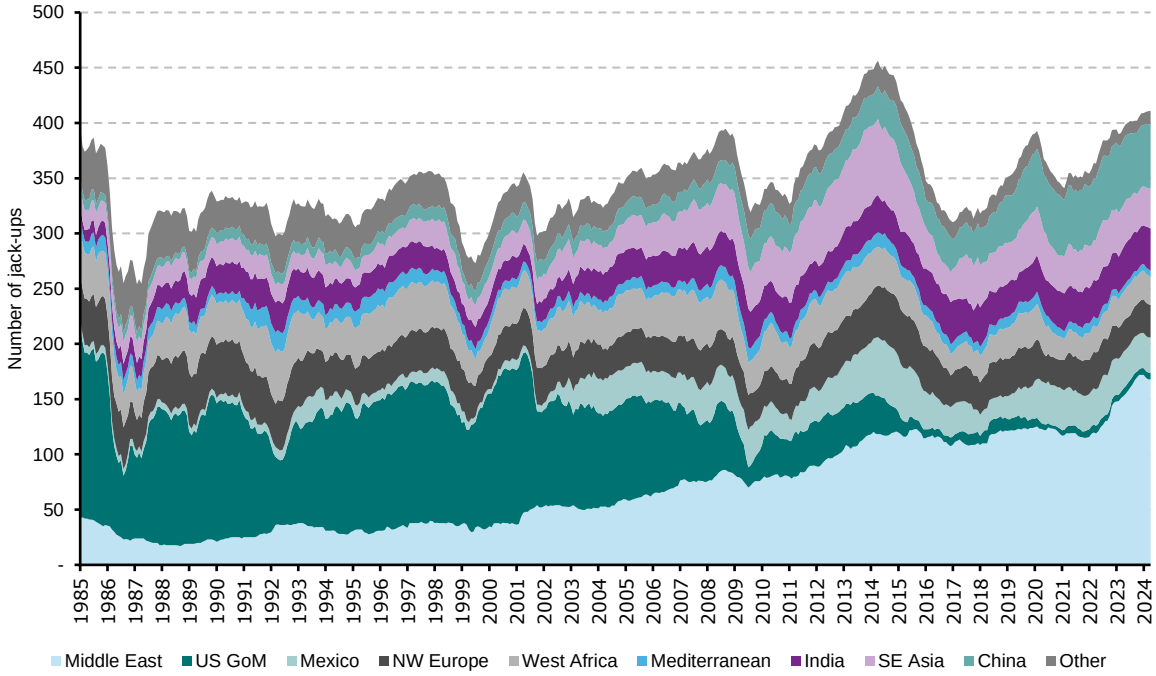



Source: IHS Petrodata (a payable client portal) as of May 2024

As shown in Figure 12 below, the Middle East has been the main source of incremental jack-up demand in recent years, and as per May 2024, approximately 41% of all jack-ups globally are located in the region. Regional rig demand is influenced by oil and gas companies' production plans, of which Saudi Arabian Oil Company ("**Saudi Aramco**"), the national oil company of Saudi Arabia is the most prominent player. Saudi Aramco's production targets are set by the Saudi Arabia's Ministry of Energy and was until early 2020 at 12mmboed. In 2021, Saudi Aramco announced a target to raise its maximum crude production capacity by 1mmbpd by 2027. The increased production target led to incremental jack-up demand with Saudi Aramco contracting additional 40 jack-ups in the period 2022 to 2023.

In January 2024, Saudi Aramco announced that it had received a directive from the Ministry of Energy to maintain its production target at 12mmboepd, and not increase its target to the previously communicated 13mmboepd. In March 2024, Saudi Aramco announced plans to reduce capital investment by roughly USD 40 billion between 2024 and 2028. As a part of the decision, Saudi Aramco has suspended 22 rigs, with the suspended rigs being owned by Advanced Energy Systems (5), Shelf Drilling (4), Saipem (2), COSL Drilling (2), Rigco Holding (2) Valaris (1), China Merchants Industry Holding (1), Borr Drilling (1), Arabian Drilling (1), Egyptian Drilling (1), Tianjin (1) and Shanghai Zhenhua Heavy Industries Company (1).

**Figure 12: Historical rig count by region**




Source: IHS Petrodata (a payable client portal) as of February 2024

### *4.4.3 Competition in the PLSV market*

The PLSV market is categorized by high barriers to entry, creating a landscape of concentrated supply and demand. The high entry barriers, which encompass a range of technical and operational factors, have resulted in a market characterized by a select group of operators. While PLSVs in the larger context are relatively similar and can do similar work, there are some key differentiating factors including vessel's tension capabilities in handling the pipe-laying system, its storage capacity for rigid pipes on the main reel, the class of Dynamic Positioning (DP) systems used, the efficiency and speed of the pipe laying system, the presence of Remote Operated Vehicles (ROV) hangars, and the size of accommodation for the onboard crew. As a result, competition within the PLSV market is not merely about quantity but also about the specific capabilities and features of each vessel.

The Brazilian PLSV market is highly concentrated on both the supply and demand side, with only four companies currently providing pipe-laying services for the two main contractors in this region, namely Petrobras and Equinor. The Group's competitors in this market are two global energy service companies Technip FMC and Subsea 7, as well as DOF. There are currently 20 PLSVs in Brazil, 18 of them are under contract for Petrobras while Equinor have one PLSV contracted. Six out of 20 PLSVs in Brazil are under the ownership of Seabras. Subsea 7 holds contracts for five PLSVs in the region, TechnipFMC and the TechnipFMC/DOF partnership account for eight PLSVs and Solstad has one working on a decommissioning project.

**Figure 13: PLSV fleet in Brazil per owner**

| # | Vessel | Owners | Project | Client | Flexlay (t) |
|---|---|---|---|---|---|
| 1 | Sapura Rubi | Seabras | Long term | PETROBRAS | 550 |
| 2 | Sapura Esmeralda | Seabras | Long term | PETROBRAS | 300 |
| 3 | Sapura Jade | Seabras | Long term | PETROBRAS | 550 |
| 4 | Sapura Onix(1) | Seabras | Atlanta | PETROBRAS | 550 |
| 5 | Sapura Diamante | Seabras | Long term | PETROBRAS | 550 |
| 6 | Sapura Topazio | Seabras | Long term | PETROBRAS | 300 |
| 7 | TOP Coral do Atlantico | TechnipFMC | Long term | PETROBRAS | 550 |
| 8 | Deep Star | TechnipFMC | Not defined | Not defined | 550 |
| 9 | Skandi Olinda | TechnipFMC / DOF | Long term | PETROBRAS | 300 |
| 10 | Skandi Recife | TechnipFMC / DOF | Long term | PETROBRAS | 300 |
| 11 | Skandi Buzios | TechnipFMC / DOF | Out of contract due incident | PETROBRAS | 650 |
| 12 | Skandi Acu | TechnipFMC / DOF | Long term | PETROBRAS | 650 |
| 13 | Skandi Vitoria | TechnipFMC / DOF | Long term | PETROBRAS | 300 |
| 14 | Skandi Niteroi | TechnipFMC / DOF | Long term | PETROBRAS | 270 |
| 15 | Seven Sun | subsea 7 | Long term | PETROBRAS | 550 |
| 16 | Seven Cruzeiro | subsea 7 | Long term | PETROBRAS | 550 |
| 17 | Seven Rio | subsea 7 | Long term | PETROBRAS | 550 |
| 18 | Seven Waves | subsea 7 | Long term | PETROBRAS | 550 |
| 19 | Seven Pacific | subsea 7 | Bacalhau | equinor | 260 |
| 20 | Normand Cutter | SOLSTAD OFFSHORE | Decommissioning | PETROBRAS | |

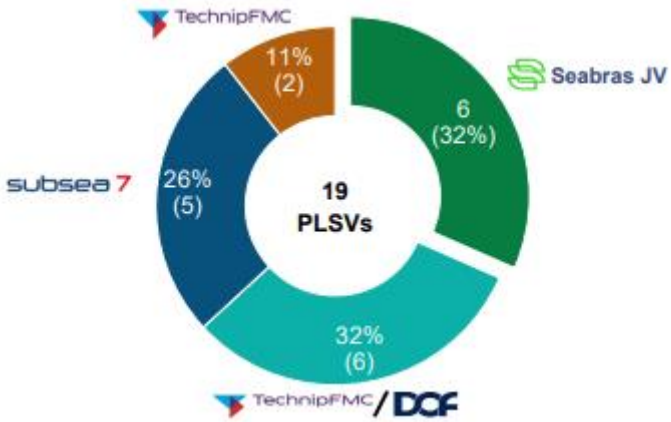
Source: Company information (May 2024)

## 4.5 Competitive situation

The Group operates mainly across two key segments being subsea and pipe-laying services and shallow water drilling operations which is served by Seabras' fleet of 6 PLSV vessels and Fontis' fleet of 5 premium jack-ups.

At the date of this Information Document, the Group view the market for PLSV vessels performing subsea and pipelaying services as highly concentrated, mainly due to its characteristics of being purpose build, high degree of operational complexity, high specification and high capital intensity. PLSVs mainly operate in the Brazilian offshore market, which consists of only 5 vessels owners of PLSVs operating a total of high-spec vessels, of which Seabras owns and operate 6 vessels representing approximately 32% of the total supply. The competition consists of larger subsea players such as Subsea7 and TechnipFMC, in addition to a joint venture between DOF and TechnipFMC (DOFCON). The large subsea companies mainly undertake large construction- and SURF projects, as EPCI contracts categorized by lump-sum payments. In general, Seabras focus on a day rate-based service offering for a fixed time charter period.

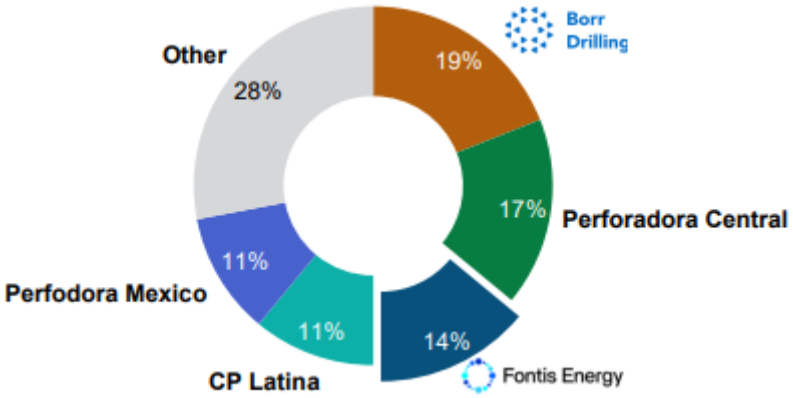
**Figure 14: Overview of high-spec PLSV owners[16]**




Source: Company information as of May 2024

The Group further views the market for offshore drilling services as highly fragmented, and especially the market for shallow water drilling operations and jack-ups. Looking at concentration of jack-up ownership, the 10 largest owners of jack-ups control around 49% of the total supply, whereas the remaining 51% is divided among 105 owners[17]. For the jack-up market in Mexico, which is Fontis' primary market, Fontis is according to the Group's own analysis among the top 3 largest owners of jack-ups in the country, representing 14% of the current contracted jack-ups[18].

**Figure 15: Market share in the Mexican jack-up market**




Source: IHS Petrodata (a payable client portal) as of May 2024

[16] Excludes Normand Cutter due to specifications
[17] Source: IHS Petrodata as of February 2024, a payable client portal
[18] Source: IHS Petrodata as of February 2024, a payable client portal

# 5 BUSINESS OF THE GROUP

## 5.1 Introduction to the Company

The registered and commercial name of the Company is Paratus Energy Services Ltd. (previously known as 'Seadrill New Finance Limited' or 'NSNCo'). The Company is an exempted company limited by shares incorporated and existing under the laws of Bermuda pursuant to the Bermuda Companies Act. The Company was incorporated on 14 March 2018 and is registered with the Bermuda Registrar of Companies under registration number 53451. The Company's LEI-code is 549300XB7T5BX418QX67.

The Company's registered office is at Par-La-Ville Place, 14 Par-La-Ville Road, Hamilton, HM 08 Bermuda, with phone number 1(441) 295-6935, and the Company's management and corporate office is c/o Paratus Management Norway AS ("**Paratus Management**") at Bryggegata 3, 0250 Oslo, Norway, with phone number +47 23 11 40 00.

The Company's website is www.paratus-energy.com. The content of www.paratus-energy.com is not incorporated by reference into, nor otherwise forms part of, this Information Document.

## 5.2 Business operations and principal activities

The Company is the principal holding company of a group that holds investments in energy services companies. The group is primarily comprised of its 100 % ownership of Fontis Holdings Ltd., previously known as SeaMex Holdings Ltd. and its subsidiaries (jointly "**Fontis**"), 50/50 joint venture interest in Seabras Sapura joint venture, comprising of Seabras Sapura Holding GmbH and Seabras Sapura Participacoes SA, ("**Seabras**") and its 24.2% ownership in Archer Ltd. ("**Archer**").

Fontis, Seabras and Archer comprises of a wide range of services within the offshore energy sector. The companies are set up to be able to run their operations on a standalone basis. Seabras and Archer are accounted for using the equity method and are not consolidated subsidiaries of the Group. However, given that the Group's primary operations revolve around its ownership interests in these companies, the business operations of Seabras and Archer are included as part of the Group's overall business and principal activities.

For Fontis, the business is comprised of offshore drilling services through the chartering of drilling rigs and related services and equipment to extract hydrocarbons from beneath the seabed. Such drilling services consist mainly of well construction and maintenance services, which are critical for ensuring the safe and efficient extraction of oil and gas from offshore wells, and include among others of the installation of wellheads, casings, and other components. In addition, Fontis provides accommodation and support services for the crew working on offshore drilling rigs. This ensures the well-being and efficiency of the personnel involved in drilling operations.

For Seabras, the principal activities relate to installation and maintenance of subsea infrastructure, in addition to project management and engineering. The installation work includes installation of pipelines, umbilicals, and risers, while the maintenance work relates to diving and ROV services for underwater inspections, maintenance, and repair work. In combination with its project management and engineering solutions to plan, design, and execute offshore projects efficiently, Seabras ensures that the integrity and safety of subsea assets are maintained.

For Archer, along with its subsidiaries, the principal activities comprise of comprehensive drilling and workover services including platform drilling, land drilling, directional drilling, drill bits, modular rigs, fluids, engineering and equipment rentals, as well as a select range of well delivery support services and products. The strategy of the Archer group is to deliver better wells and to be the "supplier of choice" for drilling services, well integrity, well interventions as well as plug and abandonments. The Archer group aims to achieve this by continuously improving its services and product quality and by utilizing people who demonstrate the values of the group and deliver excellence.

### *5.2.1 Fontis*

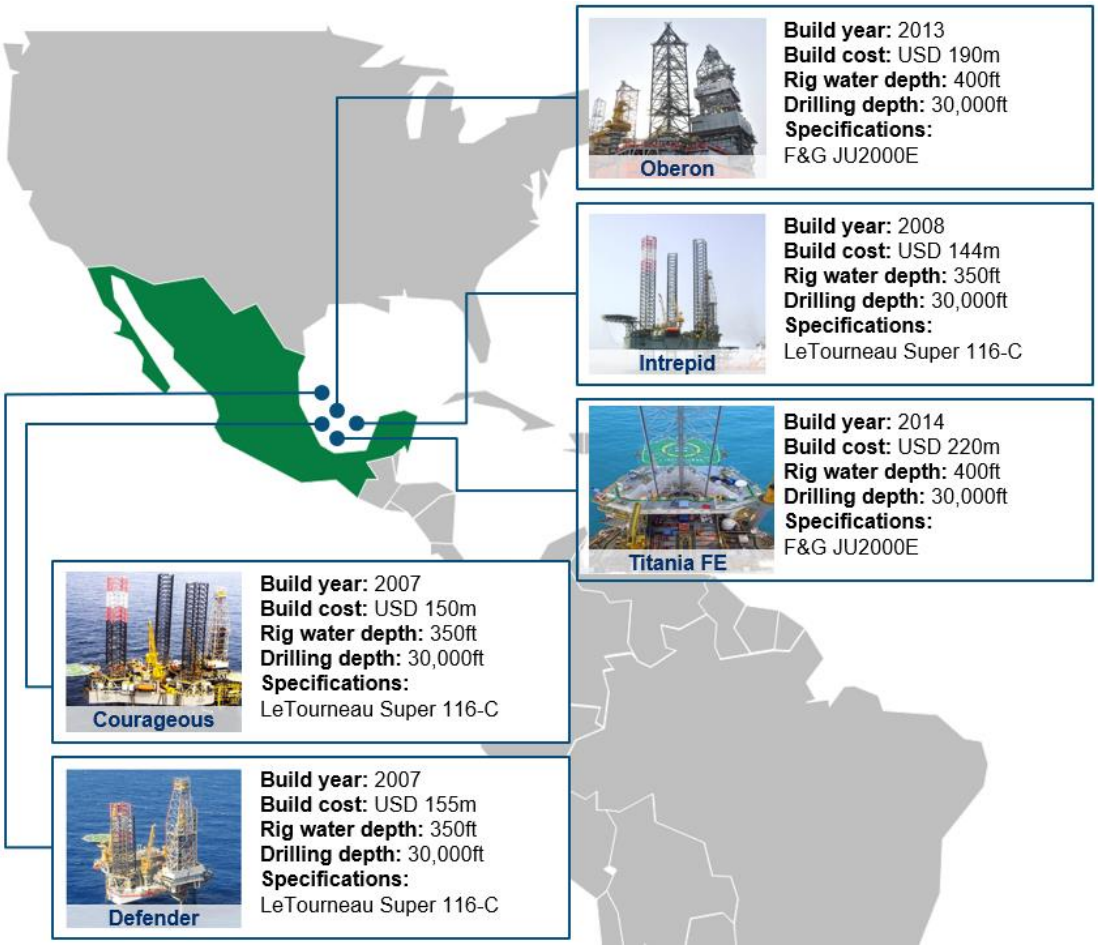
Fontis was established in 2014 and is an offshore driller with a fleet of five high-specification jack-up rigs located in Mexico under long-term contracts with a large state-owned petroleum company. Fontis has had a strong, long-standing commercial relationship with its client, with its five jack-ups working for this company since 2014.

Fontis has, from 2 November 2021, been a wholly owned subsidiary of the Company.

Fontis' fleet consists of five premium BE generation/high specification jack-up rigs:

| Name | Year |
|---|---|
| Courageous | built in 2007 |
| Defender | built in 2007 |
| Intrepid | built in 2008 |
| Oberon | built in 2013 |
| Titania FE | built in 2014 |

For further details on each jack-up rig, please see figure below:



*5.2.1.1 Charter agreements between the Fontis and a large state-owned petroleum company relating to the Rigs*

The 5 rig-operating subsidiaries of Fontis, (each the Lessor under the respective rig charter agreement) have each entered into lease agreements with a large state-owned petroleum company (as Lessee) for the purpose of leasing the Rigs to be used in the Gulf of Mexico (each, a "**Rig Leasing Agreement**") for the drilling of hydrocarbons. The Rig Leasing Agreements are governed by Mexican federal laws, and all disputes which arise under the Rig Leasing Agreements are to be exclusively determined by arbitration in Mexico or (in the case of Titania FE, by determination of an independent expert), provided that, in the case of Titania FE, all matters under the Rig Leasing Agreement which are not resolved by the dispute resolution mechanisms provided therein, shall be referred to the Federal Courts of Mexico City.

With the exception of the Titania FE for which the daily rate is fixed over the 12-months duration of the contract, all other unit daily rates have a baseline, floor and cap range during the term of the Rig Leasing Agreement and follows indexing mechanism review and applied every 6-months. Other adjustments (increases and decreases) may be made due to performance, variation in supplies for work force, spare parts, and lubricants in accordance with the terms, rates and formulas stipulated in the respective Rig Leasing Agreement.

The term of the Rig Leasing Agreements is currently set as follows:

| Rig | Contract Commencement | Contract Expiration |
|---|---|---|
| Defender | March 2020 | January 2026 |
| Courageous | March 2020 | November 2026 |
| Intrepid | March 2020 | May 2026 |
| Oberon | March 2020 | October 2025 |
| Titania FE | May 2024 | April 2025 |

With the exception of Titania FE, at the Lessee's election, where upon expiration of the term of the lease the Rig is performing drilling, reparation or maintenance works of a given well, the term of the lease may, at the Lessee's election, continue until the termination of such works, and the Lessee shall continue paying the daily rate until termination of the drilling, reparation or maintenance works of the well in question. An endorsement or amendment to the performance bond (referred to below) is required to be submitted to the Lessee prior to the expiry of the term of the respective Rig Leasing Agreement for the estimated term of completion of the works.

The Lessee may cancel the Rig Leasing Agreement without the need of an arbitrary or judicial statement in a number of prescribed circumstances including if (inter alia) (i) the Lessor is in non-compliance of the respective Rig Leasing Agreement and does not rectify the non-compliance in the period specified in the respective Rig Leasing Agreement; (ii) the Lessor is in non-compliance of certain obligations under the Rig Leasing Agreement, including those relating to anti-corruption and the safety of persons, assets and the environment; (iii) if the Lessor is declared or subjected to bankruptcy proceedings or other similar process; (iv) the Lessor loses financial, technical and operation capacities that enabled it to be awarded the Rig Leasing Agreement; (v) any permission or governmental authorisation required for compliance of the Lessor's obligations under the respective Rig Leasing Agreement are revoked; (vi) upon certain change of control events relating to the Lessor; and (vii) an anomaly has occurred and not been corrected in accordance with the respective Rig Leasing Agreement; and (viii) the Lessor is in non-compliance with applicable law.

The Lessor may terminate the Rig Leasing Agreement with the prior declaration of a competent authority where, for causes attributable to the Lessee (i) the Lessee has not complied with its payment obligations under the respective Rig Leasing Agreement for a period of more than sixty (60) consecutive days (except in the case of Titania FE, where the right to terminate arises for failure to meet payment obligations for more than 365 days after the date on which the payment obligation becomes due); (ii) except in the case of Titania FE, where the Lessee has negligently used the Rig and other leased goods; and (iii) the Lessee does not have the permits, licences or authorisations that it is required to have pursuant to the respective Rig Leasing Agreement.

The parties to the respective Rig Leasing Agreement also have mutual early termination rights in certain prescribed circumstances including for (i) unforeseeable circumstances or force majeure; (ii) in the event of a total loss is declared in respect of the Rig as declared by the Lessor's insurers; or (iii) by agreement among the parties. In the case of Titania FE, the Lessee may unilaterally terminate the Rig Leasing Agreement by giving the Lessor not less than six (6) months' prior notice prior to the date of early termination due to any of the following circumstances (i) when it determines that continuing with the execution of the lease subject to the Rig Leasing Agreement may causes losses or inconvenient costs in accordance with the strategies of its business plan; (ii) by revocation or assignment; or (iii) by judicial or administrative decision declaring the nullity of the acts that gave rise to the Rig Leasing Agreement.

A performance bond is required to be given and replaced each year, each with a term of one year except for the final performance bond which shall be issued for the period of the remaining term, by a bonding institution legally constituted in Mexico in favour of the Lessor which shall equal 10% of the annual price payable under the respective Rig Charter Agreement.

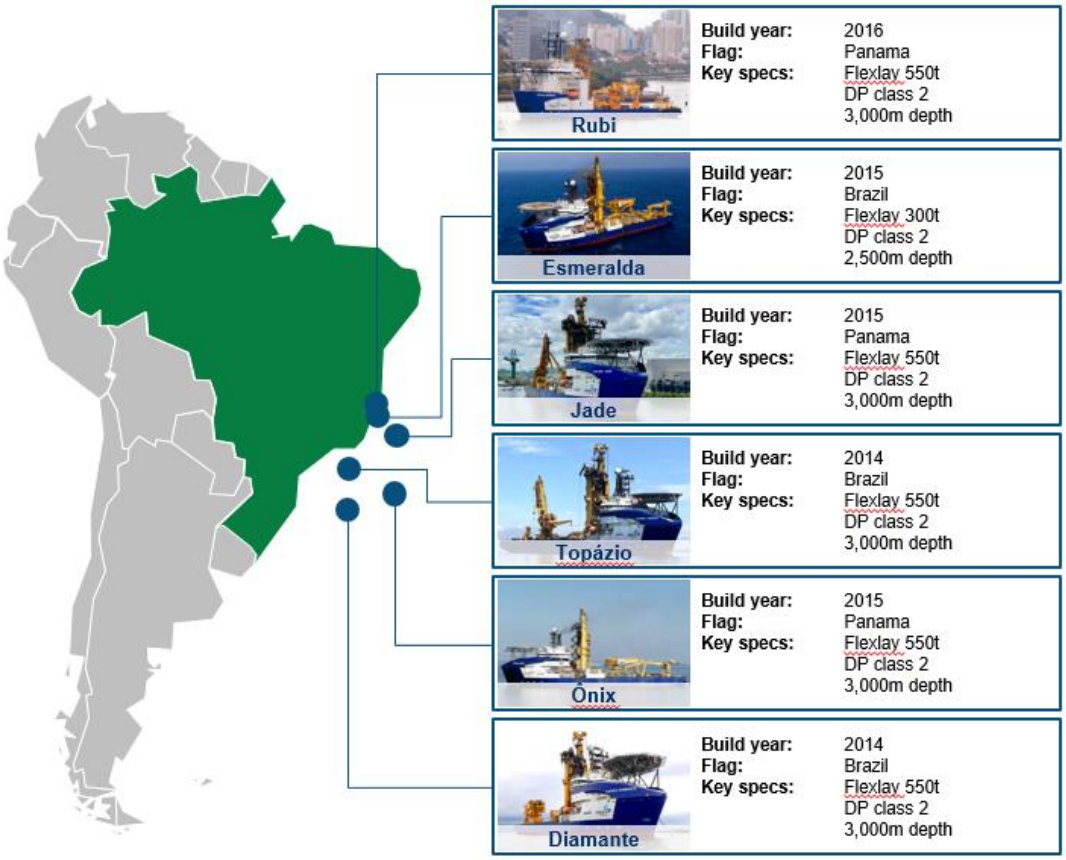
### *5.2.2 Seabras*

Seabras was established in 2011 and is a subsea services company, with a fleet of six pipe-laying support vessels which provide support, installation, flexible pipe laying and construction services. All of Seabras' vessels currently operate under long-term contracts in Brazil. Seabras is headquartered in Rio de Janeiro, with additional offices in Caxias, Macaé and Vitória. Seabras is a 50/50 joint venture between the Company and Sapura Energy Berhad, a global integrated energy services and solutions provider.

Seabras' fleet consists of six PLSVs:

| Name | Year |
|---|---|
| Sapura Diamante | built in 2014 |
| Sapura Topazio | built in 2014 |
| Sapura Esmeralda | built in 2016 |
| Sapura Onix | built in 2015 |
| Sapura Jade | built in 2016 |
| Sapura Rubi | built in 2016 |

For further details on each PLSV, please see figure below:




*5.2.2.1 Charter agreements between Seabras and Petrobras relating to the PLSVs*

SAPURA NAVEGACAO MARÍTIMA S.A., Sapura Diamante GmbH, Sapura Topázio GmbH, Sapura Ônix GmbH, Sapura Jade GmbH and Sapura Rubi GmbH have each entered into charter agreements with Petrobras (as Charterer) for the purpose of chartering the PLSV owned by the respective Shipowner ("**PLSV Charter Agreement**") to be used in Brazilian waters – Continental Shelf. The PLSV Charter Agreements are governed by Brazilian law and subject to the jurisdiction of the Central Court of the Judicial District of the State of Rio de Janeiro.

Pursuant to the terms of the PLSV Charger Agreement, Petrobras is required to pay the respective Shipowner a daily rate for the performance of the PSLV Charter Agreement, pursuant to the further terms of each agreement.

The terms of the PLSV Charter Agreements are currently set as follows:

| PLSV | Existing contracts | | New awarded contracts | |
|---|---|---|---|---|
| | Start | End | Start | End |
| Diamante | October 2021 | March 2025 | March 2025 | March 2028 |
| Topazio | March 2022 | March 2025 | April 2025 | March 2028 |
| Onix | April 2024 | June 2025 | June 2025 | June 2028 |
| Jade | April 2024 | May 2024 | May 2024 | May 2027 |
| Rubi | June 2016 | September 2024 | September 2024 | September 2027 |
| Esmeralda | April 2016 | August 2024 | September 2024 | September 2027 |

The PLSV Charter Agreements may be automatically extended on the expiration of the PLSV Charter Agreement, where the PLSV and its equipment are still working on operations where it is not possible, due to the conditions of such operations, to release or substitute the PLSV and the equipment. The parties may also agree to extend the PLSV Charter Agreement by a period equivalent to the term of the PLSV Charter Agreement. The days of downtime of operations for reasons that are independent of the will or control of the Shipowner will be added to the term of the PLSV Charter Agreement.

The PLSV Charter Agreements may be terminated by Petrobras in certain prescribed circumstances, including (inter alia) circumstances relating to defective performance or breach of the Shipowner's respective obligations under the PLSV Charter Agreement, and on the declaration of bankruptcy or dissolution of the Shipowner or on certain changes to the corporate structure and order of the Shipowner. The chartering may also be suspended in certain prescribed circumstances, including on breach of the PLSV Charter Agreement by the Shipowner whereby Petrobras may obtain chartering services from a third party at the expense of the Shipowner.

*5.2.2.2 Awarded contracts relating to the PLSVs*

On May 10, 2024, the Company announced that certain entities of Seabras had successfully been awarded contracts for its full fleet of six multi-purpose PLSVs as part of a competitive Petrobras tender process. Following the contract award, Seabras' backlog stands at USD 2.1 billion.

The contracts, each with a three-year term, will commence on different mobilization dates between May 2024 and June 2025 according to the current contract schedule for each of the PLSVs, with the longest dated contract going through 2028, improving secured backlog visibility up to another four years. The main terms and conditions for the contracts are set out below.

Petrobras Service Contract

The scope of the Petrobras Service Contract is the provisioning of operation services for a PLSV, pipeline laying and subsea interconnection services, and support services for oil exploration and production with ROV for ultra-deep waters. The Petrobras Service Contract will have an effectiveness period of up to 1,155 days, counted from the start of the charter contract and the contractor must start providing services from the commencement of the charter contract. If services are still ongoing at the end of the contract term or its extensions, and cannot be interrupted, the contract term will be automatically extended until the completion of these services. All other contract conditions remain unchanged. If there is a delay exceeding 30 consecutive days in starting the contract, Petrobras has the right to terminate the contract.

The Petrobras Service Contract may be denounced at any time by the contracting party, with written communication and a minimum notice of 30 days, or by the contractor, with a minimum notice of 90 days. In both cases, the contractor will receive amounts corresponding to the services already performed until the end of the notice period, without the right to additional indemnities. The Petrobras Service Contract may however be terminated early if the CAA (Chartering Authorization Certificate) is not obtained within the scope of the Charter Contract mentioned in item 4.1.1 of the Petrobras Service Contract. In this case, the contractor is only entitled to receive payment for services already performed and accepted by Petrobras up to the termination date.

Pursuant to the contract, the parties' liabilities for damages not covered under specific provisions are capped at 10% of the adjusted contract value, subject to certain exceptions, such as among others tax obligations, insurance obligations, damages caused by wilful misconduct or gross negligence. Furthermore, penalties may be imposed on the contractor for failure to meet the contract terms, such as delays or non-compliance with specifications. The specific penalties and the conditions under which they apply are outlined in the contract and stipulates the application of compensatory and moratory fines for non-compliance, with a cap at 100% of the contract value. The calculation of fines is based on the initial contract value, considering adjustments and amendments up to the date of the infraction.

The contract is governed by Brazilian law, and all disputes arising from or related to the Petrobras Service Contract will be definitively resolved by arbitration, in accordance with the International Chamber of Commerce (ICC) Arbitration Rules.

Petrobras Charter Contract

The scope of the Petrobras Charter Contract is the chartering of a PLSV by Petrobras. The vessel is intended for supporting Petrobras's offshore operations, specifically for laying pipes and related services as per the specifications in the contract and its annexes. Clause 3 of the Petrobras Charter Contract sets out the obligations of the charterer, which includes, among others, obligations for the charterer to maintain all conditions of qualification and regularity with the labour and social security certifications throughout the contract duration, that the vessels are adequately crewed and in good conditions and equipped, and provide and maintain various certifications and documents such as ownership registration, class certificates, and import licenses if applicable. Any defects or issues with the vessel must be repaired or corrected at the charterer's expense within specified deadlines as specified in the Petrobras Charter Contract. Furthermore, the charter is liable for any damages incurred by the charterer due to termination of the cheerer agreement with third parties.

Clause 3 also contains obligations for the shipowner. According to Clause 3, the shipowner must, inter alia, provide and maintain all necessary certifications and documents for the vessel, ensure that the vessel is adequately crewed with qualified personnel, reimburse the charterer for costs related to non-compliance with scheduled crew changes or other logistical arrangements as agreed upon between the parties. In addition, the shipowner is responsible for the maintenance and repair of the vessel. The shipowner is liable for any damages incurred by the charterer due to termination of charter agreements with third parties, and must ensure all privileges, immunities, and rights of the charterer are preserved in such agreements.

Moreover, according to Clause 8, non-compliance with contractual obligations due to any conduct by the contractor will result in the application of contractual fines, in accordance with private law, without prejudice to the provisions of termination in Clause 11. Various reasons, as specified in Clause 11, may lead to immediate termination by the charterer including, among others, proven technical deficiencies causing damages exceeding USD 500,000 or termination of the related service contract, regardless of the cause. The shipowner's grounds for termination are prolonged suspension and delayed payments, as further specified in Clause 11.

Disputes under the contract are resolved by arbitration under the International Chamber of Commerce (ICC) rules, seated in Rio de Janeiro, Brazil, conducted in Portuguese. The process is confidential except for specific circumstances allowed by the contract.

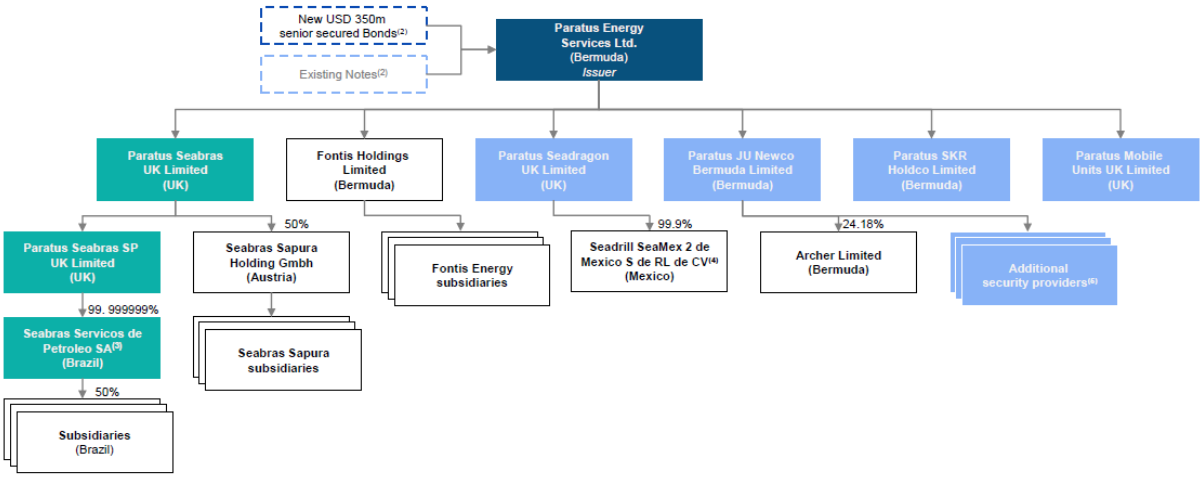
#### *5.2.3 Archer*

Archer was established in 2007 and, along with its subsidiaries, is a global oil services company with a heritage in drilling and well services that stretches back over 50 years, with a strong focus on safety and delivering the highest quality products and services. The group operates in 40 locations providing drilling services, well integrity and intervention, plug and abandonment and decommissioning to its upstream oil and gas clients. Archer has been listed on the Oslo Stock Exchange since 2015 and the shares are trading under the ticker "ARCH". The Company currently holds approx. 24.18% ownership interest in Archer.

### 5.3 Organisational structure

The Company functions primarily as the parent company of the Group. The Group's operations are mainly carried out by the Company's (direct or indirect) subsidiaries and affiliates. The figure and table below set out information about the Company's (direct or indirect) subsidiaries and affiliates, including percentage of ownership and domicile:

| Group structure | | | | |
|---|---|---|---|---|
| **Subsidiary/operations** | **Tiered subsidiary** | **Shareholding** | **Voting rights** | **Domicile** |
| Paratus Management (UK) Ltd | First-tier | 100% | 100% | UK |
| Fontis International Talent Ltd | First-tier | 100% | 100% | Bermuda |
| Paratus Seabras UK Limited | First-tier | 100% | 100% | UK |
| Seabras Sapura Holding GmbH | Second-tier | 50% | 50% | Austria |
| Seabras Sapura PLSV Holding GmbH | Tird-tier | 50% | 50% | Austria |
| Sapura Diamante GmbH | Fourth-tier | 50% | 50% | Austria |
| Sapura Topazio GmbH | Fourth-tier | 50% | 50% | Austria |
| Sapura Onix GmbH | Fourth-tier | 50% | 50% | Austria |
| Sapura Jade GmbH | Fourth-tier | 50% | 50% | Austria |
| Sapura Rubi GmbH | Fourth-tier | 50% | 50% | Austria |
| Seabras Sapura Holdco Ltd | Fourth-tier | 50% | 50% | Bermuda |
| Seabras Sapura Talent Ltd | Fifth-tier | 50% | 50% | Bermuda |
| TL Offshore PLSV 2 Ltd | Fifth-tier | 50% | 50% | Bermuda |
| TL Offshore PLSV 3 Ltd | Fifth-tier | 50% | 50% | Bermuda |
| TL Offshore PLSV 4 Ltd | Fifth-tier | 50% | 50% | Bermuda |
| TL Offshore PLSV 5 Ltd | Fifth-tier | 50% | 50% | Bermuda |
| Paratus Seabras SP UK Limited | Second-tier | 100% | 100% | UK |
| Seabras Servicos de Petroleo SA | Third-tier | 99.99% | 99.99% | Brazil |
| Seabras Sapura Participacoes SA | Fourth-tier | 50% | 50% | Brazil |
| Seagems Solutions Ltda | Fifth-tier | 50% | 50% | Brazil |
| Sapura Navegacao Maritima SA | Fifth-tier | 50% | 50% | Brazil |
| Lets Log Servicos Integrados de Logistica Ltda | Sixth-tier | 99.99% | 99.99% | Brazil |
| Paratus Seadragon UK Limited | First-tier | 100% | 100% | UK |
| Seadrill SeaMex 2 de Mexico S de RL de CV | Second-tier | 99.99% | 99.99% | Mexico |
| Fontis Holdings Ltd. | First-tier | 100% | 100% | Bermuda |
| Fontis Finance Ltd | Second-tier | 100% | 100% | Bermuda |
| Paratus Mexico UK Ltd | Third-tier | 100% | 100% | UK |
| Seadrill Leasing BV | Fourth-tier | 100% | 100% | Netherlands |
| SeaMex Holding BV | Fourth-tier | 100% | 100% | Netherlands |
| Seadrill Holdings Mexico SA de CV | Fifth-tier | 99.9% | 99.9% | Mexico |
| Paratus Jack Up Operations de Mexico S de RL de CV | Sixth-teir | 99.9% | 99.9% | Mexico |
| Paratus Oberon de Mexico S de RL de CV | Sixth-teir | 99.9% | 99.9% | Mexico |
| Paratus Intrepid de Mexico S de RL de CV | Sixth-teir | 99.9% | 99.9% | Mexico |
| Paratus Defender de Mexico S de RL de CV | Sixth-teir | 99.9% | 99.9% | Mexico |
| Paratus Courageous de Mexico S de RL de CV | Sixth-teir | 99.9% | 99.9% | Mexico |
| Paratus Titania de Mexico S de RL de CV | Sixth-teir | 99.9% | 99.9% | Mexico |
| Paratus Logistics de Mexico S de RL de CV | Sixth-teir | 99.9% | 99.9% | Mexico |
| Paratus Mexico Holding Ltd | Third-tier | 100% | 100% | Bermuda |
| Seadrill Oberon (S) Pte. Ltd. | Third-tier | 100% | 100% | Singapore |
| Seadrill Intrepid (S) Pte. Ltd. | Third-tier | 100% | 100% | Singapore |
| Seadrill Defender (S) Pte. Ltd. | Third-tier | 100% | 100% | Singapore |
| Seadrill Courageous (S) Pte. Ltd. | Third-tier | 100% | 100% | Singapore |
| Seadrill Titania (S) Pte. Ltd. | Third-tier | 100% | 100% | Singapore |
| Paratus JU Newco Bermuda Limited | First-tier | 100% | 100% | Bermuda |
| Seamex SC Holdco Limited | Second-tier | 100% | 100% | Bermuda |
| Archer Limited | Second-tier | 24.18% | 100% | Bermuda |
| Paratus Partners LLC Holdco Limited | Second-tier | 100% | 100% | Bermuda |
| Seadrill Member LLC | Third-tier | 100% | 100% | Marshall Islands |
| Paratus SKR Holdco Limited | First-tier | 100% | 100% | Bermuda |
| Paratus Mobile Units UK Limited | First-tier | 100% | 100% | UK |
| Paratus Management Norway AS | First-tier | 100% | 100% | Norway |




## 5.4 Strategy and objectives

The Company is established as a long-term platform for investing into the energy services industry. The overarching business model is to be an active and value-oriented owner of portfolio companies while pursuing and executing accretive investment opportunities. The Company's principal objective is focused on delivering returns on invested capital. The Company expects to achieve its objectives through the following strategies:

*a) Maintain a robust and efficient capital structure*

The Group seeks to maintain a robust and efficient capital structure to ensure financial stability and sufficient liquidity to withstand general sector volatility. The Group is of the opinion that a balanced capital structure provides flexibility to pursue near-term growth opportunities and allows the Group to capitalize on a dynamic market environment.

Fluctuating oil and gas prices could potentially affect the demand for the Group's assets which in turn can impact financial stability and liquidity of the Group. During such times, it will be important to continuously monitor liquidity and secure prudent financial management to maintain an optimal capital structure. The Group has a large firm backlog for its assets, which partly mitigates this risk in the short to medium term. Fluctuating oil and gas pricing could also present opportunities to grow. A well-managed capital structure will enable the Group to seize emerging opportunities in the energy services sector, such as investments in the oil service and renewable sector, in addition to invest in technological advancements, ensuring long-term growth and stability.

*b) Maintain a high-quality and diversified asset portfolio*

The Group is actively pursuing accretive investment opportunities that align with its existing portfolio or can form the basis of new growth avenues within the offshore oil and gas service industry. The Group's fleet of high-specification jack-up rigs and PLSVs allow it to address attractive investment opportunities within the energy services industry. In the Group's view, the quality of the current fleet and operations, combined with long-standing contracting relationship with the relevant NOC's position the Group competitively within the industry. Additionally, high-specification and modern assets provide superior and more efficient operational performance. Furthermore, newer and more modern units are also preferred by crews, providing benefits with respect to hiring and retaining experienced and efficient personnel easier.

The Group may face challenges related to technological advancements and the need for continuous upgrades to maintain a competitive edge. Additionally, regulatory changes and environmental concerns may require

significant investment in sustainability initiatives and compliance measures. Embracing technological innovation and sustainability can enhance the Group's competitive position. Expanding the asset portfolio into emerging sectors, such as offshore wind and other renewable energy projects, can diversify revenue streams and reduce dependence on traditional oil and gas markets. Strong relationships with NOCs and a reputation for operational excellence will continue to provide opportunities for long-term contracts and partnerships.

Overall, the Group is well-positioned to navigate the dynamic energy services industry by leveraging its robust capital structure and high-quality asset portfolio. By addressing future challenges and capitalizing on growth opportunities, the Company is well positioned to deliver stable returns on invested capital and achieve long-term sustainable growth.

### 5.5 Important events in the history of the Group

The table below provides an overview of key events in the history of the Group:

| Year | Key milestones and events |
|---|---|
| **2018** | |
| 2018 | Following Seadrill Limited's ("**Seadrill**") emergence from Chapter 11 bankruptcy, Seadrill New Finance Limited ("**NSNCo**") was incorporated in Bermuda to serve as a holding company within the reorganized Seadrill corporate structure. |
| | NSNCo issued USD 880 million of new 12% senior secured notes due 2025. The notes were issued to raise new capital as part of Seadrill's restructuring. As collateral for the secured notes, Seadrill transferred ownership interests in certain non-consolidated entities to NSNCo, including 46.6% stake in Seadrill Partners, 50% stake in Fontis and 50% stake in Seabras, and a minority stake in Archer. |
| **2020** | |
| 2020 | Due to challenging industry conditions including declining oil prices and reduced demand, Seadrill began exploring comprehensive restructuring solutions again in early 2020. NSNCo commenced initial discussions with NSNCo secured noteholders ("**Noteholders**"). |
| **2021** | |
| May | Seadrill Partners emerged from its own Chapter 11 restructuring. This eliminated NSNCo's ownership stake in Seadrill Partners. |
| July | NSNCo entered a restructuring support agreement with Noteholders to amend and extend the terms of the secured notes. |
| June - November | SeaMex Limited, a joint venture between Paratus and an investment fund controlled by Fintech Investment Limited ("**Fintech**"), each having a 50% ownership stake, separately underwent a restructuring process in Bermuda. This involved refinancing debt, issuing USD 219 million of new notes due August 2024 ("**New Notes**") to certain Noteholders, and ultimately the sale of SeaMex Limited assets to a new subsidiary, SeaMex Holdings Ltd. To effect the sale, SeaMex Limited first transferred its shares in the operating subsidiaries of the group to SeaMex Holdings Ltd and sold its interest in this company to Paratus in return for the release of debt. Following this transaction, Paratus had a 100% equity interest in SeaMex Holdings Ltd. SeaMex Holdings Ltd. later changed it legal name to Fontis Holdings Ltd. |
| **2022** | |
| January | NSNCo filed for voluntary Chapter 11 bankruptcy in order to implement the restructuring agreement through a prepackaged Chapter 11 plan. |
| | NSNCo announced on 12 January 2022 that it had successfully received approval from the U.S. Bankruptcy Court for the Southern District of Texas for its "one-day" Chapter 11 restructuring under the plan, which it emerged from on 20 January 2022. The key terms of the plan included: (i) the release by the holders of the Company's pre-existing 12.0% Senior Secured Notes due 2025 (the "2025 Noteholders" and the "2025 Notes", respectively) of all existing guarantees and security and claims (if any) with respect to Seadrill and its subsidiaries (excluding the Company and certain of its subsidiaries); (ii) the 2025 Noteholders, receiving 65% of pro forma equity in the Company, with Seadrill Investment Holding Company (a subsidiary of Seadrill) retaining the remaining 35% of pro forma equity in the Company, effecting a separation of the Company and its subsidiaries (including the Seabras JV ownership and Fontis) from the consolidated Seadrill group; (iii) the issuance of new notes pro rata to 2025 Noteholders on amended terms. |
| | Seadrill New Finance Ltd. was renamed Paratus Energy Services Ltd. Pursuant to the Chapter 11 plan, Seadrill retained 35 % ownership of Paratus, with the remaining 65 % distributed to Noteholders. |
| | Following emergence, Seadrill continued its role as management services provider to Paratus and Fontis pursuant to respective management services agreements. |
| **2023** | |

| | |
|---|---|
| February | Seadrill sold its entire remaining 35% shareholding in Paratus and its management incentive fee, documented under the management incentive deed. Certain existing shareholders, including Hemen Investments Ltd., Lodbrok Capital LLP, and Melqart Asset Management (UK) Ltd. acquired all of Seadrill ownership interests in Paratus. |
| March | Seadrill issued a termination notice with respect to the management services agreements for Paratus and Fontis. Paratus and Fontis have continued their progress to develop standalone organizations to transition its outsourced management functions in-house. Paratus subscribed to a USD 15.5 million equity investment in Archer as part of Archer's broader efforts to refinance its existing capital structure. In April, Paratus converted its subordinated USD 15.9 million loan to Archer for new shares at an implied value of USD 20.0 million. Through these transactions, Paratus increased its ownership stake in Archer from approximately 15% to approximately 24.2%. |
| **2024** | |
| May | On 4 June 2024, the Company successfully placed a USD 500 million senior secured bond issue under the bond loan 9.50% Paratus Energy Services Ltd USD 500,000,000 Senior Secured Bond Issue 2024/2029. The purpose of the Bond Issue is to use the net proceeds from the Bond Issue towards the refinancing in part of the Senior Secured Notes under the 2026 Notes Indenture. |
| June | On 21 June 2024, the Company applied for admission to trading on Euronext Growth Oslo. On 24 June 2024, the Company announced that it has successfully completed a USD 75 million private placement through the conditional allocation and issuance of 15,309,059 new shares at the NOK equivalent of USD 4.90 per share. The private placement was conditional upon approval of the Company's admission to trading. The Private Placement was completed on 26 June 2024 following the approval by the Oslo Stock Exchange of the Company's application for admission to trading on Euronext Growth Oslo. |

## 5.6 Material contracts outside the ordinary course of business

The Group considers the following agreements to be material to the Group and entered into outside the ordinary course of business:

### *5.6.1 The 2026 Notes Indenture*

The Company, as the issuer, is party to the 2026 Notes Indenture with Deutsche Bank Trust Company Americas as trustee, principal paying agent, transfer agent, registrar and collateral agent (the Collateral Agent) (in relation to the Senior Secured Notes due 2026) in an aggregate principal amount of approximately USD 716 million as of the date of this Information Document, which will be reduced to approximately USD 215 million in July 2024 upon disbursement of the proceeds from the Bond Issue.

The Company's obligations under the 2026 Notes Indenture are guaranteed by guarantees granted by the certain subsidiaries (as guarantors) including by Paratus Seabras UK Limited, Paratus Seabras SP UK Limited and Seabras Servicos de Petroleo SA (the "**Guarantors**").

Security for the obligations of the Company as issuer is provided by the Guarantors and certain other restricted subsidiaries (which include all subsidiaries of the Company other than subsidiaries of Fontis Holdings Limited) (the "**Restricted Subsidiaries**") in the form of shares pledges over the Guarantors and certain Restricted Subsidiaries, assignments of intra-group claims, charges or pledges over operational bank accounts and also including certain general floating charges (the "**Notes Security**").

In relation to Fontis, while the shares in Fontis Holdings Limited are pledged to the Collateral Agent as part of the security under the 2026 Notes Indenture, no other security is provided by Fontis Holdings Limited or any of its subsidiaries (being "**Unrestricted Subsidiaries**").

The terms of the 2026 Notes Indenture contain a range of restrictive covenants including payment restrictions, limitations on dividend payments and incurrence of indebtedness, among others. These restrictive covenants include various threshold tests allowing for caveats or permitted "baskets" within the scope of these restrictions and are applicable to the Company as issuer and Restricted Subsidiaries. However, the indenture does not include a specific equity ratio maintenance covenant per se (i.e. the proportion of debt to equity to be maintained / not exceeded). Instead, under section 4.09 of the 2026 Notes Indenture, the ability of the issuer and Restricted Subsidiaries to incur additional indebtedness is regulated by a Consolidated Fixed Charge Coverage Ratio (as defined below) for the issuer's most recently ended four full fiscal quarters which must be maintained at 2.0 to 1.0 (i.e. in order to incur additional indebtedness). In relation to the ability of the issuer to pay dividends to holders of its capital stock or in relation to any share buy back or redemption, a NIBD EBITDA Ratio applies (equal to or below the applicable NIBD EBITDA Threshold). Under the 2026 Indenture, "NIBD EBITDA Threshold" means,

where the NIBD EBITDA Ratio is calculated at a date falling: (i) in the period prior to and including 30 June 2024, the amount 3.75; (ii) in the period from 01 July 2024 up to and including 30 June 2025, the amount 3.5; (iii) in the period from 01 July 2025 up to and including 30 June 2026, the amount 3.25; or (iv) in the period from and after 01 July 2026, the amount 3.00.

Under the 2026 Notes Indenture, Consolidated Fixed Charge Coverage Ratio means (in summary form and subject to a range of further provisos) the ratio of consolidated EBITDA to the sum of (i) consolidated net interest expense and (ii) cash and non-cash dividends due on the redeemable capital stock of the issuer and Restricted Subsidiaries and on the preferred stock of any Restricted Subsidiary.

Furthermore, the 2026 Notes Indenture contains Change of Contral provisions. For the purposes of the 2026 Notes Indenture, "Change of Control" means (subject to certain carve outs):

- a disposal of all or substantially all of the properties or assets of the issuer and its Subsidiaries; or
- a change of beneficial owner of more than 50% of the issued and outstanding voting stock of the issuer measured by voting power rather than number of shares or obtaining the ability to elect the majority of the Board of the issuer.

The Change of Control provisions trigger a right of noteholders to require that the Company repurchase all or part of the Senior Secured Notes (subject to exceptions). Upon a Change of Control, the issuer must offer payment in cash of 101% of the aggregate principal amount of Senior Secured Notes repurchased, plus accrued and unpaid interest (including accrued and unpaid PIK Interest) and any additional amounts. If a Change of Control offer is made to not less than 90% aggregate principal noteholders, the issuer has the right to redeem all of the Senior Secured Notes at the same price (101% of the aggregate principal amount of Senior Secured Notes plus accrued and unpaid interest and PIK interest).

The terms of the 2026 Notes Indenture also contain covenants which, subject to specific carve outs, broadly restrict the ability of the issuer, Guarantors and other Restricted Subsidiaries to:

- enter into other financing agreements
- incur additional indebtedness
- create or permit liens on its respective assets
- grant guarantees
- sell its assets or the capital stock of its respective subsidiaries
- change the nature of its business
- make investments
- pay distributions to shareholders
- make capital expenditures

### *5.6.2 The Bond Terms*

*Security package and guarantees*

The Bonds rank pari passu with the Senior Secured Notes, where the key transaction security consists of equivalent security on a second priority basis (until the Senior Secured Notes are fully redeemed) as the Senior Secured Notes Security under the 2026 Notes Indenture subject to the terms of an intercreditor agreement between the Notes Trustee for the Noteholders and the Bond Trustee for the Bondholders. The Senior Secured

Bonds are guaranteed by the equivalent guarantors as under the Senior Secured Notes: Paratus Seabras UK Limited, Paratus Seabras SP UK Limited, Seabras Servicos de Petroleo SA.

*Change of control*

Pursuant to the Bond Terms, each bondholder shall have a right to require that Paratus Energy Services Ltd (as issuer) repurchases that bondholder's Bonds at a price of 101%. of the nominal amount of the repurchased Bonds (plus accrued and unpaid interest on the repurchased Bonds) upon a Change of Control Event. A "Change of Control" under the Bond Terms means any event where any person or group of persons, other than (i) Hemen Holding Ltd. and/or other companies controlled directly or indirectly by Mr. John Fredriksen, his direct lineal descendants and/or (ii) any funds or accounts managed or advised by Lodbrok Capital LLP, acting in concert gains Decisive Influence (as defined therein) over the issuer.

*Material covenant*

Pursuant to the Bond Term, the issuer shall comply with the following financial covenant:

"Free Liquidity to be not less than the greater of:

(i) 5% of the aggregate of the consolidated Total Interest-Bearing Debt of the Group and the Seabras Percentage of the Total Interest-Bearing Debt of the Seabras JV Group, and

(ii) USD 35,000,000."

For the purposes of the Bond Terms, "Free Liquidity" means the consolidated amount of (i) freely available cash and cash equivalents of the Group and the Seabras Percentage (as defined therein) of the cash and cash equivalents of Seabras Sapura Holding GmbH and Seabras Sapura Participações S.A., and their respective Subsidiaries from time to time, in each case as reported in accordance with the accounting standard and (ii) undrawn and available amounts under revolving credit facilities with a remaining tenor of more than 6 months, as per the relevant Quarter Date (as defined therein).

The issuer undertakes to comply with the above financial covenant, such compliance to be measured on each relevant Quarter Date and be certified by the issuer in a compliance certificate in connection with each respective reporting date for each financial report.

In addition, similar to the 2026 Notes Indenture, the Bond Terms contains covenants that, subject to specific carve outs, restricts the issuers and the Group Companies ability to, inter alia, incur guarantees, declare or distribute dividends or distribution, grant loans, change its nature of business, incur or maintain indebtedness, or create or permit liens on its respective assets.

### *5.6.3 Investment and shareholders' agreement between Sapura Offshore SDN BHD, Seabras Servicos de Petroleo SA, Seadrill, Seabras Sapura Participacoes S.A. and Sapura Navegacao Maritima S.A.*

On 11 May 2012, Sapura Offshore SDN. BHD. ("**SEB Offshore**"), Seabras Servicos De Petroleo S.A. ("**Seabras Servicos**"), Seadrill, Seabras Sapura Participacoes S.A. ("**SSP**") and Sapura Navegacao Maritima S.A. ("**SNM**") entered into an investment and shareholders' agreement, as amended and restated pursuant to an amendment and restatement deed dated 16 October 2018, relating to the incorporation and ongoing investment in respect of the ownership and operation of the pipe laying vessel known as "Sapura Esmeralda", registered in the name of SNM under the Brazilian flag, through SSP and the management and operation of SSP (the "**Brazilian ISA**").

The Brazilian ISA contains restrictions on transfer of shares. Pursuant to clause 5.1 of the Brazilian ISA, neither shareholder shall, except with the prior written consent of the other shareholder (not to be unreasonably withheld), sell, dispose, assign or transfer any of its shares and/or otherwise deal with the shares in any manner that is or would be a breach of the terms of the Facilities Agreements or the Austrian Facilities Agreements (as defined therein).

The Brazilian ISA includes pre-emptive rights of first refusal. If any shareholder intends to transfer its shares, or any interest in such shares, an offer shall be made to the other shareholder by giving notice in writing to transfer the shares. However, such a transfer is subject to additional limitations under the agreement. For instance, it

shall be a condition of any sale and transfer of shares to a third party that the third party executes a deed of adherence by which the third party undertakes to be bound by the provisions in the Brazilian ISA. Furthermore, no transfer shall be made unless it involves all of the shares in, and the whole of the Shareholder Funding to, any of the companies held by the shareholder in question.

Notwithstanding the pre-emptive rights of first refusal, a shareholder may transfer all (and not part only) of its shares to another company within its own group of companies (the "**Group Transferee**") provided that certain cumulative requirements are fulfilled, namely:

(i) the Group transferee is a majority owned subsidiary of Seadrill (in the case of shares held by Seabras Servicos) and of SEB (in the case of shares held by SEB Offshore) and the transfer would not be in a breach of the obligations of the Transferring Party under the agreement or any breach of any of the terms of the Facilities Agreements or the Austrian Facilities Agreement (as defined in the Brazilian ISA);

(ii) the Group Transferee is a company of substantially the same financial standing as the Transferring Party and, if not, the Transferring party shall provide a guarantee for the performance of the obligations of the transferee under the Brazilian ISA;

(iii) the transfer will not create a conflict with the Business (as defined in Brazilian ISA)

(iv) the Group Transferee assumes all the liabilities and obligations of the Transferring Party contained in the Brazilian ISA, and the Group Transferee executes a deed of adherence by which the Group Transferee undertakes to be bound by the provisions of the Brazilian ISA and the Transferring Party is released from any and all obligations under the Brazilian ISA;

(v) the Group Transferee may assume all Shareholder Funding provided by the Transferring Party;

(vi) the Group Transferee shall transfer, in a manner and to a transferee permitted by the Brazilian ISA, all the shares held by it before it ceases to be a majority owned subsidiary of the Transferring Party;

(vii) all shares transferred shall be subject to any financing arrangements, be transferred free from all liens, chares and encumbrances with all rights and benefits attaching thereto at the date of the sale.

If any event of default occurs, the non-defaulting shareholder may (in addition to seeking contractual damages or other remedies permitted by law in the case of a breach of this agreement), by notice in writing to the defaulting shareholder require the defaulting shareholder to: (a) purchase all of the non-defaulting shareholder's shares and shareholder funding at a premium rate of 10 % above the fair market value of each of the shares and the shareholder funding, or (b) tender all of its shares and shareholder funding for sale to the non-defaulting shareholder at a discounted rate of 10 % below the fair market value of each of the shares and the shareholder funding.

The following events constitute an event of default: (a) any shareholder commits a material breach of Brazilian ISA , which is not remedied within 60 days from the date on which notice requiring it to do so or is incapable of being remedied; (b) an order is made or an effective resolution is passed for winding up or dissolution of a shareholder; (c) a receiver, liquidator, or like official is appointed over the whole or a substantial part of the undertaking and property of a shareholder; (d) a holder of an encumbrance takes possession of the whole or any substantial part of the undertaking and property of a shareholder without the consent of such shareholder; and (e) a shareholder makes any disposal of any shares which is in breach of the Brazilian ISA.

#### *5.6.4 Investment and shareholders' agreement between Sapura Offshore SDN BHD, Seadrill Seabras UK Limited, Seadrill and Seabras Sapura Holding GmbH.*

On 11 May 2012, SEB Offshore, Seadrill Seabras UK Limited ("**Seadrill SB UK**"), Seadrill and Seabras Sapura Holding GmbH ("**SSH**") entered an investment and shareholders' agreement, as amended pursuant to a

supplement agreement dated 24 July 2014, and as further amended and restated pursuant to an amendment and restatement deed dated 16 August 2018 and 12 October 2018, relating to a joint venture between SEB Offshore and Seadrill SB UK with respect to the ownership and operation of the pipe laying vessels known as "Sapura Topazio, Sapura Diamante, Sapura Önix, Sapura Jade and Sapura Rubi, through SSH and the management and operation of SSH (the "**Austrian ISA**").

Similar to the Brazilian ISA, the Austrian ISA imposes restrictions on transfer of shares, including pre-emptive rights of first refusal and provisions relating to transfer of shares to majority owned subsidiaries. Under the Austrian ISA, a shareholder may transfer all of its shares to another company within its own group of companies (Group Transferee) provided that certain requirements are fulfilled, namely the Group Transferee is a majority owned subsidiary of Seadrill (in the case of Shares held by Seadrill SB UK) and of SEB (in the case of Shares held by SEB Offshore) and the transfer would not result in a breach of the obligations of the Transferring Party under the Austrian ISA or any breach of any of the terms of the Facilities Agreement (as defined therein).

If any event of default occurs, the non-defaulting shareholder may (in addition to seeking contractual damages or other remedies permitted by law in the case of a breach of this agreement), by notice in writing to the defaulting shareholder require the defaulting shareholder to: (a) purchase all of the non-defaulting shareholder's shares and shareholder funding at a premium rate of 10% above the fair market value of each of the shares and the shareholder funding, or (b) tender all of its shares and shareholder funding for sale to the non-defaulting shareholder at a discounted rate of 10% below the fair market value of each of the shares and the shareholder funding.

The following events constitute an event of default: (a) any shareholder commits a material breach of the agreement, which is not remedied within 60 days from the date on which notice requiring it to do so or is incapable of being remedied; (b) an order is made or an effective resolution is passed for winding up or dissolution of a shareholder; (c) a receiver, liquidator, or like official is appointed over the whole or a substantial part of the undertaking and property of a shareholder; (d) a holder of an encumbrance takes possession of the whole or any substantial part of the undertaking and property of a shareholder without the consent of such shareholder; and (e) a shareholder makes any disposal of any shares which is in breach of the Austrian ISA.

#### *5.6.5 The Management Agreement*

The Company has entered into a management agreement (the "**Management Agreement**") with its wholly-owned subsidiary Paratus Management. According to the Management Agreement, Paratus Management is appointed as a service provider responsible for the day-to-day management of the assets, liabilities and activities of the Company on the terms and conditions set forth therein. Paratus Management receives a fee as compensation for the provisions of the services, but is responsible for its own expenses related to performing the services.

### 5.7 Dependency on contracts, patents, licenses, trademarks, etc.

Neither the Company nor any other company of the Group has any particular business-critical patents or licenses, and the Company considers that its current business and activities are not dependent on any single industrial, commercial or financial contract.

### 5.8 Related party transactions

The Company has entered into a service agreement with Front Ocean Management AS ("**Front Ocean**"), whereby Front Ocean has agreed to provide management and administrative services to the Company (the "**Service Agreement**"). In consideration for the services provided, the Company shall pay a fee to Front Ocean, calculated in accordance with terms and conditions of the Service Agreement. Front Ocean is affiliated with Hemen Holding

Ltd, a company indirectly controlled by trusts established by Mr. John Fredriksen for the benefit of his immediate family ("**Hemen**"), one of the Company's largest shareholders.

In addition, the Company has entered into certain agreements with affiliates of Seadrill to provide certain management and administrative services, as well as technical and commercial management services. Fontis received management, administrative, and operational support services from Seadrill Limited. Both Seadrill and Fintech, former joint venture partners, have also provided financing arrangements as further described in Note 18 to the financial statements for the year ended 31 December 2023.

The Company has a series of loan facilities that was extended to Seabras between May 2014 and December 2016. The loans are repayable on demand, subject to restrictions on Seabras' external debt facilities. Moreover, on 13 March 2020, Archer announced completion of a refinancing, which included agreed renegotiated terms on the convertible loan. The updated terms amended the loan balance to USD 13 million that bears interest of 5.5%, matures in April 2024 and an equity conversion option. On 20 April 2023, the Company received 208,000,000 new common share of Archer in connection with the conversion of the convertible loan. For further information, refer to Note 18 to the Financial Statements.

## 5.9 Legal and arbitrational proceedings

Other than as set out below, neither the Company, nor any other company in the Group is, nor has been, during the course of the preceding twelve months involved in any legal, governmental or arbitration proceedings which may have, or have had in the recent past, a significant effect on the Company's and/or the Group's financial position or profitability, and the Company is not aware of any such proceedings which are pending or threatened. Furthermore, as of the date of this Information Document, the Company is not aware of any material claims involving the Group.

The Group is currently involved in ongoing legal claims relating to (1) eight (8) labour lawsuits against Fontis entities by former employees as a result of dismissal, (2) civil litigation in relation to enforcement of payment obligations under office lease agreements and 3) an amparo lawsuit relating to the request of the Harbour Master for rigs to be obtain clearances every 28 days of operations. The maximum possible exposure related to matter (1) and (2) is considered to be USD 405k and USD 130k, respectively, while matter (3) does not involve any monetary exposure. On this basis, the Group is of the opinion that the resolution of such claims will not have a material impact individually or in the aggregate on our operations or financial condition.

Furthermore, and as described under Section 2.2.8 "*The Group may from time to time become involved in legal disputes and legal proceedings which could have a material adverse effect on the Group*", the Group is in the process of negotiating a settlement with the Mexican tax authorities in respect of unsettled tax liabilities for years of account from 2014, and from 2017 through 2019, together with interest and late payments. These liabilities relate in particular to the deductibility of mobilisation costs and transfer pricing. The Mexican tax authorities have questioned the deductibility of certain costs including the sufficiency of documentation to support the deductions taken for subsidiaries of Fontis. As a result, the Company has engaged external advisers to assist in discussions with the Mexican tax authorities. The settlement negotiations with the Mexican tax authorities are ongoing as of the date of this Information Document, and due to their complexity, time-consuming nature, and the interpretation involved, the outcome and impact on the Group's financial position or profitability are uncertain.

## 5.10 Outlook

### *5.10.1 Introduction*

On 24 May 2024, the Company published a trading update for the first quarter 2024 (the "**Trading Update**") and on 4 June 2024, the Company furthermore, in connection with the Bond Issue, provided financial guidance for 2024 (the "**Forecast**"). According to the Trading Update, the Group (representing 100% of Paratus, 100% of Fontis and 50% of Seabras financial results) reported a trading update with total revenue (representing 100% of Fontis and 50% of Seabras, before amortization of favourable contracts) of USD 109m, and Adjusted EBITDA of

USD 53m for Q1 2024. The full year financial guidance for 2024, as per Management Reporting (see Section 3.6 "*Alternative performance measures (APMs)"*), is presented as follows:

| USDm | 2024e | Comments |
|---|---|---|
| Adjusted EBITDA | 210 – 240 | |
| Capex | 45 – 55 | Includes USD ~20-25m of vessel upgrade and other one-time special capex projects |

The Forecast is based on the principal assumptions set out in Section 5.10.3 "*Principal assumptions*" below. The Forecast is based on a number of assumptions, the most significant of which are detailed below, and many of which are outside of the Group's control or influence. The Forecast reflects the Company's views about future events and is, by its nature, subject to significant risks and uncertainties because it relates to events and depend on circumstances that may or may not occur in the future. The Forecast is inherently subject to significant business, operational, economic and competitive uncertainties and contingencies. It is likely that one or more of the assumptions that the Company has relied upon will not prove to be accurate in whole or in part. The Company's expectations presented in the Forecast may thus deviate substantially from actual developments. Actual results may hence deviate substantially from the Forecast since anticipated events may not occur as expected. Readers should read the Forecast in conjunction with Section 2 "*Risk Factors*", Section 3.7 "*Cautionary note regarding forward-looking statements*", Section 7 "*Selected financial information*", as well as the other sections of this Information Document, including the Financial Statements appended to this Infromation Document. Accordingly, readers should treat this information with caution and not place undue reliance on the Forecast.

### *5.10.2 Methodology and assumptions*

The Trading Update and Forecast has been prepared on a basis that is both (a) comparable with the Financial Statements, and (b) consistent with the Group's accounting policies. Although the Trading Update and the Forecast have been prepared on a basis comparable with the Financial Statements, the presented figures are adjusted, non-GAAP and unaudited. The Forecast is based on estimates made by the Company based on assumptions about future events, which are subject to numerous and significant uncertainties which could cause the Group's actual results to differ materially from the Forecast presented above. The Forecast is also based on factors which are outside the Group's control or influence. These include changes in political, legal, fiscal, market or economic conditions, including macroeconomic conditions, and actions by customers or competitors of the Group.

### *5.10.3 Principal assumptions*

The Forecast is expected to be driven by the anticipated contribution (i) from anticipated scope of work under firm contracts and projects during 2024; (ii) from anticipated scope of work under new contracts awarded during 2023 and 2024; and (iii) anticipated costs and investments associated with these contracts or other matters. In respect to these principal assumptions, the Company assumes that the Group's growth will continue in accordance with the board of directors and management's expectations. If the activity level deviates from the above-mentioned assumptions both positively or negatively, this will drive deviations of actual results compared to the Company's Forecast.

The Group's activity level depends on many factors outside the Group's control or influence, including those relating to changes in political, legal, fiscal, market or economic conditions, improvements or deterioration in macroeconomic conditions, and timely actions/decisions by its customers to advance projects to the next level of progress. In these principal assumptions, management assumes that the aforementioned factors are relatively stable during the forecasted timeframe.

# 6 ORGANIZATION, THE BOARD OF DIRECTORS AND MANAGEMENT

## 6.1 Introduction

The Board of Directors is responsible for the overall management of the Company and may exercise all the powers of the Company not reserved for the Company's shareholders by the Bye-laws and Bermuda law.

In accordance with Bermuda law, the Board of Directors is responsible for, among other things, supervising the general and day-to-day management of the Company's business; ensuring proper organisation, preparing plans and budgets for its activities; ensuring that the Company's activities, accounts and asset management are subject to adequate controls; and undertaking investigations necessary to ensure compliance with its duties. The Board of Directors may delegate such matters as it seems fit to Management.

Management is responsible for the day-to-day management of the Company's operations in accordance with instructions set out by the Board of Directors. Among other responsibilities, the Management is responsible for keeping the Company's accounts in accordance with existing Bermuda legislation and regulations and for managing the Company's assets in a responsible manner.

## 6.2 The Board of Directors

### *6.2.1 Overview*

The Bye-laws provide that the Board of Directors shall consist of a minimum of three Board Members or such a number in excess thereof as the Company's shareholders may from time to time determine.

The names, positions, current term of office and business addresses of the Board Members as at the date of this Information Document are set out in the table below:

| Name | Position | Served since | Term expires |
|---|---|---|---|
| Mei Mei Chow | Chair | January 2022 | No fixed term |
| Robert Jensen | Board Member | February 2023 | No fixed term |
| James Ayers | Board Member | December 2018 | No fixed term |
| Joachim Bale | Board Member | 30 August 2023 | No fixed term |
| Ørjan Svanevik | Board Member | December 2023 | No fixed term |

The Company's registered business address, Par-La-Ville Place, 14 Par-La-Ville Road, Hamilton, HM 08 Bermuda, serves as business address for Board Members with regard to their directorship in the Company.

### *6.2.2 Brief biographies of the Board of Directors*

Set out below are brief biographies of the Board Members. The biographies include each Board Member's relevant management expertise and experience, an indication of any significant principal activities performed by them outside the Company and names of companies and partnerships of which a Board Member is or has been a member of the administrative management or supervisory bodies or partner in the previous five years.

***Mei Mei Chow, Chair***

Mei Mei Chow is an ICAEW Chartered Accountant with over 25 years' experience at senior and executive management levels. Most recently she has been working as an Expert Adviser with a global management consultant on international and cross border M&A projects. She has also spent over 10 years recently with Sapura Energy Berhad, a global oil and gas company, as a member of Sapura's leadership team alongside the Group CEO and other top management. Prior to that Mei Mei held various senior management positions including Divisional CFO roles, with the Sime Darby Group, a top five listed conglomerate in Malaysia. She is a Chartered Accountant and also a member of the Chartered Institute of Marketing. She also has a BA Hons in Business Studies from the University of South Wales.

| | |
|---|---|
| Current directorships and senior management positions | Directorships: Gas Malaysia Berhad, UM Pharmauji Sdn Bhd, Mercy Humanitarian UK Ltd<br><br>Management position(s): (N/A) |
| Previous directorships and senior management positions – last five years | Directorship(s): N/A<br><br>Management positions: Sapura Energy Berhad (Executive Committee, Senior Vice President, Financial Advisory and Portfolio Planning, Group Strategy and Finance / Group Chief Financial Officer) |

***Robert Jensen, Board Member***

Robert A. Jensen currently serves as the CEO of Paratus Energy and has 16 years of experience across asset management, investment banking and research positions within global energy, oil services and transportation. Prior to joining Paratus Energy, Mr. Jensen was a Partner at Arctic Securities, a leading independent Norwegian investment bank, specializing in corporate finance transactions and advisory services. Prior to this, Mr. Jensen was a Partner at CF Partners Capital Management, an event-driven, liquid hedge fund with investments across the capital structure in the energy and natural resources value chain. Mr. Jensen has also held various roles at Sparebank 1 Markets, Clarksons Platou Securities, Jefferies International and Fearnley Offshore. Mr. Jensen has a MSc in Shipping, Trade and Finance from Bayes Business School in London and a MSc in Business Administration from BI Norwegian Business School.

| | |
|---|---|
| Current directorships and senior management positions | Directorships: Seabras and Fontis<br><br>Management position(s): (N/A) |
| Previous directorships and senior management positions – last five years | Directorship(s): N/A<br><br>Management position(s): (N/A) |

***James Ayers, Board Member***

James Ayers has served as a Director of Paratus Energy (formerly, Seadrill New Finance Limited) since December 2018. Mr. Ayers is the CEO of Front Ocean Management and Company Secretary for the Fredriksen Group of companies based in Bermuda, including publicly listed and SEC-regulated companies. He has served as Director and Secretary of Northern Ocean Ltd. since February 2019. Mr. Ayers has more than ten years of industry experience with a range of director, officer and management positions across the maritime sectors. He holds a Master's in International Business and Commercial Law (LLM), a Bachelor's in Law (LLB) and a professional qualification in Legal Practice (LPC).

| | |
|---|---|
| Current directorships and senior management positions | Directorships: Northern Ocean Ltd. and various subsidiaries, Frontline group subsidiaries, Golden Ocean group subsidiaries (various), SFL Corporation group subsidiaries, Archer group subsidiaries (various), FLEX LNG group subsidiaries (various), Northern Drilling group subsidiaries (various) and Avance Gas group subsidiaries (various) and Seabras.<br><br>Management position: Front Ocean Management Ltd. (CEO) |
| Previous directorships and senior management positions – last five years | Directorships: Seadrill group subsidiaries (various)<br><br>Management position: Frontline Management (Bermuda) Ltd. (Head of Corporate) |

***Joachim Bale, Board Member***

Joachim Bale's career spans over more than 14 years in investment management, private equity, and management consulting, and brings a wealth of financial expertise and strategic insights that will contribute to the Company's continued growth and success. Mr. Bale is a founding partner at Lodbrok Capital LLP, an alternative investment management firm. Prior to Lodbrok Capital, Mr. Bale served as an investment professional at Farallon Capital, a multi-strategy hedge fund. Mr. Bale has also held roles at Bain Capital and McKinsey & Company. Mr Bale holds an MSc with Distinction in Financial Economics from University of Oxford.

| | |
|---|---|
| Current directorships and senior management positions | Directorship(s): N/A<br><br>Management position(s): N/A |
| Previous directorships and senior management positions – last five years | Directorship(s): N/A<br><br>Management position(s): N/A |

**Ørjan Svanevik, Board Member**

Ørjan Svanevik is the CEO and founder of Oavik Capital AS, an investment management and advisory services firm. Currently he is also acting CEO at Western Bulk Chartering. Previously, he served as CEO of Arendals Fossekompani from 2019 to 2022, and was Director and COO at Seatankers Management, advising companies including Seadrill, Mowi and Archer. He held roles at Kværner ASA during its reorganization into Aker companies, and was later Partner and Head of M&A at Aker. He has chaired the boards of companies including Volue, Archer, ENRX, Kleven Verft and North Atlantic Drilling. He has also been a director at Seadrill, Mowi, Nordic Jet Line, RigNet, American Shipping Company, amongst others. Mr. Svanevik has an AMP from Harvard Business School, MBA/MIM from Thunderbird and a Master's from BI Norwegian Business School.

| | |
|---|---|
| Current directorships and senior management positions | Directorships: Norgesgruppen ASA, Norgesgruppen Finans Holding AS Western Bulk Chartering AS, Axactor ASA, Paratus Energy, Sea1 Offshore Inc, Prai AS (Chair), CW Downer AS (Chair), Oavik Invest AS (Chair), Oavik Management AS (Chair)<br><br>Management positions: CEO Western Bulk Chartering AS CEO Oavik Capital, CW Downer AS, Oavik Invest AS, Oavik Management AS, Prai AS |
| Previous directorships and senior management positions – last five years | Directorships: Chair Volue ASA, Chair Enrx AS (EFD Induction Group AS), Tekna Holding ASA<br><br>Management positions: Arendals Fossekompani ASA (CEO), Oavik Capital AS (CEO) |

## 6.3 The Management

### *6.3.1 Overview*

The Company's Management team consists of 4 individuals. The names of the members of Management as at the date of this Information Document, and their respective positions, are presented in the table below:

| Name | Current position within the Group | Employed with the Group since |
|---|---|---|
| Robert Jensen | CEO | 10 November 2022 |
| Baton Haxhimehmedi | CFO | 1 June 2024 |
| Nika Hasanova | Group Head of Finance | 19 June 2023 |
| Raphael Siri | CEO of Fontis Energy | 16 May 2023 |

The following addresses serves as c/o address for the members of the Management in relation to their employment with the Group:

- For Robert Jensen and Baton Haxhimehmedi: Bryggegata 3, 0250 Oslo, Norway
- For Nika Hasanova: 10 Eastcheap, London, EC3M 1AJ, London, United Kingdom
- For Raphael Siri: Av. Isla de Tris 216, Residencial San Miguel, Cuidad Del Carmen, C.P. 24157.

### *6.3.2 Brief biographies of the members of the Management*

Set out below are brief biographies of the members of the Management. The biographies include the members of Management's relevant management expertise and experience, an indication of any significant principal activities performed by them outside the Company and names of companies and partnerships of which a member of the Management is or has been a member of the administrative, management or supervisory bodies or partner the previous five years.

***Robert Jensen, CEO***

Robert Jensen has served as member of the Board of Directors and as CEO of the Company since 10 November 2022. For a brief biography of Mr. Jensen, please see above under Section 6.2.2 "*Brief biographies of the Board of Directors*".

***Baton Haxhimehmedi, CFO***

Baton Haxhimehmedi joined Paratus as Chief Financial Officer in June 2024. Mr. Haxhimehmedi has been working with the oil and gas upstream industry for 15 years. He has previously held positions as Group Head of Finance and Deputy CFO of DNO, and was an audit manager in KPMG and senior associate in Ernst & Young mainly working with international upstream oil and gas clients. Mr. Haxhimehmedi holds a Master in Accounting and Auditing and a Bachelor of Science in Business and Economics from the Norwegian Business School (BI).

| | |
|---|---|
| Current directorships and senior management positions | Directorship(s): N/A<br><br>Management position(s): DNO ASA (Group Head of Finance, December 2023 – May 2024) |
| Previous directorships and senior management positions -last five years | Directorship(s): N/A<br><br>Management position(s): N/A |

***Nika Hasanova, Group Head of Finance***

Nika Hasanova currently serves as Group Head of Finance at Paratus Energy and has over 15 years of experience in accounting and finance. Prior to joining Paratus held positions of Director of Accounting and International Controller at Quorum Software, leading provider of energy software worldwide. Prior to this, Mrs. Hasanova was an audit manager at PricewaterhouseCoopers LLP working with Oil & Gas, Technology and Pipeline clients and holds Canadian CPA designation from the Canadian Institute of Chartered Accountants (CICA), MBA and Bachelor of Business Administration (BBA) from Azerbaijan State Oil Academy.

| | |
|---|---|
| Current directorships and executive management positions | Directorship(s): N/A<br><br>Management position(s): N/A |

| | |
|---|---|
| Previous directorships and executive management positions last five years | Directorship(s): N/A<br><br>Management position(s): N/A |

***Raphael Siri, CEO of Fontis Energy***

Raphael Siri is currently the CEO of Fontis Energy (100% subsidiary of the Company) with 27 years of experience within the oil and gas industry. He holds an Engineering Diploma in Applied Mathematics from Ecole Nationale Supérieure de Techniques Avancées, Paris, and a degree in Applied Mathematics from Université de Nice Sophia Antipolis, Nice. Mr. Siri joined Seadrill Limited in 2011 after 16 years of operational and management experience in Drilling from major oil and gas companies like Schlumberger (Sedco Forex) and Pride International. His extensive engineering portfolio covers different locations across Africa including Algeria, Nigeria and Congo as well as Houston, Texas. He previously held the position of Director of Operations Preparations in 2011 before assuming the role of Senior Vice President, Asia Pacific of Seadrill Limited in 2013.

| | |
|---|---|
| Current directorships and executive management positions | Directorship(s): Fontis Energy with certain subsidiaries (chair since June 2023)<br><br>Management positions: Fontis energy with certain subsidiaries |
| Previous directorships and executive management positions last five years | Directorship(s): Sapura Drilling Pte Ltd with certain subsidiaries (1 May 2013-15 May 2023)<br><br>Management position(s): CEO of Sapura Drilling, Senior Vice President QHSE of Sapura Energy. |

### 6.4 Shareholdings, options and benefits of Board Members and Management

The below table sets forth the number of Shares and options to acquire Shares held by the members of Management and Board Members.

| Name and position | No. of Shares | No. of options/warrants |
|---|---|---|
| Mei Mei Chow – chair | 61,800 | 225,000 |
| James Ayers | N/A | N/A |
| Joachim Bale | N/A | N/A |
| Ørjan Svanevik | N/A | N/A |
| Robert Jensen – CEO and Board Member | N/A | 400,000* |
| Baton Haxhimehmedi – CFO | N/A | N/A |
| Nika Hasanova – Group Head of Finance | N/A | N/A |
| Raphael Siri – CEO of Fontis Energy | N/A | N/A |

**Number of options has been adjusted for the share split resolved by the Company on 21 May 2024 (the "**Share Split**").*

Pursuant to the terms of Mei Mei Chow's amended and restated appointment letter, which amends and restates her engagement letter dated 28 April 2023, (the "**Amended and Restated Appointment Letter**") Mei Mei Chow is entitled to a monthly fee, which as of 1 April 2023, is USD 14,500 gross per month ("**Monthly Fees**").

Moreover, and subject to certain terms and conditions set out in the Amended and Restated Appointment Letter, Mei Mei Chow is entitled to 225,000 non-assignable, non-transferable warrants for shares at a strike price of USD 2.50 per share (subject to certain agreed adjustments set out in the Amended and Restated Appointment Letter)

which shall be exercisable conditionally: (i) upon, and from, the occurrence of the Initial Exit Event, and (ii) at any time prior to the date being five (5) years from the date of the Initial Exit Event. An "**Initial Exit Event**" under the Amended and Restated Engagement Letter means the first occurrence of a (i) listing; (ii) sale; (iii) winding-up; or (iv) any other similar event after the date of the Amended and Restated Appointment Letter. In addition, and subject to certain terms and conditions, Mei Mei is entitled to receive consideration equal to:

(i) a cash sum equal to 25bps (0.25%) of any amount of gross debt achieved in a Seabras refinancing (the "**Base Refinancing Fee**"); and

(ii) a cash sum of USD 200,000, payable in the event that a Seabras refinancing achieves more than USD 600,000,000 in gross debt (the "**Seabras Additional Refinancing Fee**"); and

(iii) a cash sum of USD 200,000, payable in the event that a Fontis refinancing achieves more than USD 200,000,000 in gross debt (the "**Fontis Additional Refinancing Fee**").

Certain conditons, summarised below, apply to Mei Mei Chow's entitlement to receive each and any of the Base Refinancing Fee, the Seabras Additional Refinancing Fee and the Fontis Additional Refinancing Fee, and these include:

a) Once the aggregate of the Monthly Fees and the Base Refinancing Fee paid equals USD 750,000, then Mei Mei Chow will not be entitled to receive any further amounts of Base Refinancing Fee; and

b) In order for Mei Mei Chow to be eligible to receive any amount by way of the Base Refinancing Fee, the Seabras Additional Refinancing Fee, or the Fontis Additional Refinancing Fee then either:

- Mei Mei Chow's appointment as a director: (a) must remain in effect and (b) not have been terminated in accordance with the bye-laws of the Company, in each case as at the point the entilment arises; or
- notice to terminate Mei Mei Chow's appointment as a director must: (a) have been given by the Company in accordance with the Company bye-lawswithin the 180-day period prior to the date of the relevant entilement arising; and (b), such termination was not as a result of Mei Mei Chow having, *inter alia*, committed any serious or repeating breach, been guilty of any fraud or dishonesty, been declared bankrupt, or been disqualified from acting as a director.

Moreover, the Company has granted Robert Jensen a total of 400,000 options on the terms and conditions set out in an option agreement dated 10 November 2022 by and between Mr. Jensen and the Company (the "**Option Agreement**"). According to the Option Agreement, each option carries a right (but no obligation) to acquire one (1) share, with a nominal value of USD 0.01 in the Company. The options vests as follows:

- 75,000 shares 12 months after signing of the option agreement at a strike price of USD 2 per share
- 125,000 shares 24 months after signing of the option agreement at a strike price of USD 4 per share
- 200,000 shares 36 months after signing of the option agreement at a strike price of USD 6 per share

If the Company resolves or carries out a share capital increase at a price lower than the market value, the strike price shall be adjusted downwards to reflect the value reduction per share.

In a change of control event, any options that have not yet vested, will immediately vest, and, together with all previously vested options, will be exercisable for ninety (90) days thereafter. Pursuant to section 7 of the Option Agreement, a "change of control" means any event, circumtsance, transaction, or series of transactions resulting in (i) in the sale of all or substantiall yall of the Companys assets or shares in the Company, or (ii) any entity other than the company or its affiliates becomes owner of more than 50.1% of the outstanding shares in the subsidiary. Mr. Jensen may, subject to Clause 11 "Termination" of the Option Agreement, exercise the vested portion of the options at any time from the date of vesting and until five years after signing of this agreement. Any options not exercised such date will automatically become void and lapse without compensation to Mr.

Jensen. Following the Share Split, each share of the Company split into 500 shares, and the number of outstanding options and the strike price under the Option Agreement have been adjusted accordingly.

Based on the above, the total number of options and warrants are 625,000. With 169,325,049 shares currently in issue, this represents a dilution of 0.40%.

### 6.5 Benefits upon termination

Raphael Siri is entitled to severance pay equivalent to four months of his annual compensation (base salary plus annual bonus at target) if his employment contract with Fontis International Talent Ltd. ("**FIT**"), dated 11 September 2023, is terminated by Fontis before 15 May 2025 and without cause.

Pursuant to the employment agreement entered into between Robert Jensen and Paratus Management, Mr. Jensen is entitled to severance pay equivalent to 100 percent of his ordinary fixed salary at the date of termination, for three months after the expiry of the notice period (subject to certain terms and conditions), if the employment as CEO is terminated by Paratus Management.

For the sake of completeness, in the event of a termination of Mei Mei Chow's appointment or in the event that her office is vacated in accordance with the Bye-laws, Mei Mei Chow will only be entitled to accrued Monthly Fees (as defined above) as at the date of termination, together with reimbursement of any expenses properly incurred prior to that date and any other amounts to the extent accrued or otherwise payable under the Amended and Restated Appointment Letter.

No other members of the Board of Directors or Management are entitled to benefits upon termination.

### 6.6 Arrangements for involving the employees in the capital of the Company

In April 2023, the Company established an incentive plan to provide selected participants with a financial incentive, which recognizes long-term corporate, organization and individual performance and accomplishments (the "**Incentive Scheme**"). Pursuant to the Incentive Scheme, the Company can grant warrants for Shares (or their cash settled equivalent) up to an aggregate amount of the higher of 1,428,500 Shares or an amount of Shares which is equal in number to 1% of the total shares in the Company in issue from time to time, which can be awarded to Directors and management personnel of the Company or any Group Company.

In April 2023, the Company issued warrants and stock options to the directors of the Company as compensation for the services performed. The Warrants issued are performance-based awards and require achievement of certain performance criteria, which is predefined by the Board of Directors at the time of grant. Stock option awards expire 4 years after the grant date and vest based upon the passage of time.

There are currently no outstanding options under the Incentive Scheme.

In conjunction with the Admission, the Company expects to implement an incentive program for certain executive personnel and other key employees on customary market terms and conditions, also including with respect to maximum dilution from the exercise of financial instruments under any future incentive programs.

### 6.7 Employees

The Group has approximately 531 employees at the date of this Information Document.

The table below shows the development in the number of employees for the years ended 31 December 2023 and 2022.

| | 2023 | 2022 |
|---|---|---|
| **Group** | 516 | 493 |

The above table does not include the numbers of employees of Seabras as Seabras is accounted for using the equity method and is not a consolidated subsidiary of the Group. In 2023 and 2022, Seabras had approximately 1,053 employees and 1,060 employees, respectively. The table below shows the development in the number of employees of the Group together with the number for employees of Seabras for the years ended 31 December 2023 and 2022.

| | 2023 | 2022 |
|---|---|---|
| **Group and Seabras** | 1,569 | 1,553 |

### 6.8 Corporate governance

As a company incorporated in Bermuda, the Company is subject to Bermuda laws and regulations with respect to corporate governance, including the provisions of the Bermuda Companies Act. Bermuda does not have an all-encompassing corporate governance code that applies to all Bermuda companies. However, the Board of Directors has a responsibility to ensure that the Company has sound corporate governance mechanisms, and the Company recognizes the importance of, and is committed to, maintaining good corporate governance across the Group. The Company has thus adopted and implemented a corporate governance regime which complies with the Norwegian Code of Practice for Corporate Governance, dated 14 October 2021 (the "**Norwegian Code of Practice**"), with the following exemptions:

- In accordance with normal practice for Bermuda companies, the Company's Bye-laws do not include a specific description of its business. According to the Memorandum of Association, the objects for which the Company was formed and incorporated are unrestricted. As a Bermuda incorporated company, the Company has chosen to establish the constitutional framework in compliance with the normal practice of Bermuda and accordingly deviate from section 2 of the Norwegian Code of Practice.

- In accordance with Bermuda law, the Board of Directors is authorised to exercise the power of the Company to acquire its own shares to be held as treasury shares, and to issue any unissued shares within the limits of the authorised share capital. These authorities are neither limited to specific purposes nor to a specific period as recommended in section 3 of the Norwegian Code of Practice. While the Company aims at providing competitive long-term return on the investments of its shareholders, it does not currently have a formal dividend policy.

- The Board of Directors will include members of the Management. This represents a deviation from the Norwegian Code of Practice which recommends that no members of management are represented on the board of directors of a company. In the case of the Company, management representation on the Board of Directors is considered beneficial to ensure that the Board of Directors possesses the right competence in its current phase. Furthermore, management presentation on the board of directors, is in line with Bermuda corporate governance practises.

- Under Bye-law 12, the Board of Directors may declare dividends and distributions without the approval of a general meeting of shareholders. This is in line with Bermuda corporate practices but deviates from the Norwegian Code of Practice and Norwegian corporate practises whereby dividends and distributions require the approval of a general meeting of shareholders.

- The Bermuda Companies Act does not contain special case management requirements for how specifically defined agreements between public companies and close associates are to be handled. The Board of Directors will consider and determine, on a case by case basis, whether independent third party evaluations are required when entering into agreements with close associates (but is not required by Bermuda law to do so).

- The Board and Management will consider and determine on a case-by-case basis whether independent third-party evaluations are required if entering into agreements with related parties in accordance with section 9 of the Norwegian Code of Practice. However, the Board of Directors may decide, due to the specific agreement or transaction, to deviate from this recommendation if the interest of the shareholders in general are believed to be maintained in a satisfactory manner thorough other measures.

- The Company encourages shareholders to attend its general meetings. It is also the intention to have representatives of each of the Board of Directors and the nomination and corporate governance committee to attend general meetings. The Company will, however, normally not have the entire Board of Directors attend general meetings, as this is not required by Bermuda law. This represents a deviation from the Norwegian Corporate Code of Practice, which states that arrangements shall be made to ensure participation by all directors.

- There is no obligation to present the guidelines for remuneration of the Board of Directors to the shareholders of a Bermuda incorporated company. Consequently, the Company deviates from this part of section 11 of the Norwegian Code of Practice. There are no service contracts between the Company and any of its directors providing for benefits upon termination of their service.

- There is no obligation to present the guidelines for remuneration of the executive management to the shareholders of a Bermuda incorporated company. In the view of the Company, there is sufficient transparency and simplicity in the remuneration structure and information provided through the annual report and financial statements are sufficient to keep shareholders adequately informed. The Company therefore deviates from this part of section 12 of the Norwegian Code of Practice.

- Pursuant to Bye-law 24, general meetings of shareholders are chaired by the chair of the Board of Directors, if there be one, and if not the president of the Company, if there be one, or a person appointed by the board of directors. Having the chairman, president or a director of the Board of Directors chairing general meetings simplifies the preparations for general meetings significantly and is in compliance with normal procedures under Bermuda law. However, this represents a deviation from the Norwegian Code of Practice, which states that the Board of Directors should seek to ensure that an independent chairman is appointed, if considered necessary based on the agenda items or other relevant circumstances.

- As permitted under Bermuda law, the Company will not have a nomination committee as recommended by the Code of Practice section 7. In lieu of a nomination committee comprised of independent directors, the Board of Directors is responsible for identifying and recommending potential candidates to become board members and recommending directors for appointment to board committees.

- Pursuant to Bye-law 2, the Board of Directors has the power to issue any unissued shares on such terms and conditions as it may determine. Neither the Company's Bye-laws nor Bermuda company laws include regulation of pre-emptive rights for shareholders in connection with share capital increases. The Company is subject to the general principle of equal treatment of shareholders under the Norwegian Securities Trading Act section 5-14. The Board of Directors will, in connection with any future share issues, on a case-by-case basis, evaluate whether deviation from the principle of equal treatment is justified.

- The Company has not yet established guiding principles for how it will act in the event of a take-over bid, which is a deviation from section 14 of the Norwegian Code of Practice.

- The Company has previously granted options and warrants to members of the Board of Directors. The Company shall generally as a guideline not grant options or warrants to its Board Members, however, to further support the Company's phase as a newly listed company, members of the Board have taken on selected assignments for the Company exceeding their appointment and tasks as a member of the Board.

The Board shall be informed when individual Board Members perform tasks for the Company other than exercising their role as Board Members. In some cases, it may thus be necessary that options and other financial instruments form part of the Board's remuneration to be evaluated on a case-by-case basis. As such, the Company may deviate from the recommendation in section 8 of the Norwegian Code of Practice section.

- The Board has not established a remuneration committee as recommended by the Code. It is the Board's assessment that given the limited number of employees in the Company, matters pertaining to remuneration of the Company's executive management can be dealt with by the Board directly without the need to have a dedicated preparatory committee. Members of the Board who are not considered independent of the Company's executive personnel will not participate in the Board's deliberations regarding remuneration.

## 6.9 Committees

### *6.9.1 Introduction*

The Bye-laws empower the Board of Directors to designate one or more committees. Each such committee of one or more persons may consist partly or entirely of non-directors and may exercise the powers of the Board as may be delegated to such committee in the management of the business and affairs of the Company. The Board shall have power to change the members of any such committee at any time, to fill vacancies and to discharge any such committee, either with or without cause, at any time.

### *6.9.2 Audit committee*

The Board of Directors has established an audit committee. The members of the audit committee are Mei Mei Chow (chair of the committee) and James Ayers.

The primary purpose of the audit committee is to assist the Board of Directors in the preparation of decisions on issues regarding risk assessment, internal control, financial reporting and auditing. The duties of the audit committee include, but are not limited to:

- reviewing and discussing with Management and the auditors prior to public dissemination the Company's audited financial statements and quarterly financial statements, including matters required to be discussed by the applicable auditing standards from time to time;
- approving the audit and non-audit services to be performed by the independent auditors;
- in consultation with the auditors, Management and internal finance team, monitoring the integrity of the Company's financial reporting processes;
- overseeing the performance of the Company's internal finance and audit function; and
- reviewing and discussing with Management and the auditors the Company guidelines and policies with respect to risk assessment and risk management.

## 6.10 Disclosure about convictions and involvement in any bankruptcies etc.

CEO of Fontis Energy, Raphael Siri, was part of the executive committee of Sepura Energy Bhd, a listed company currently designated under Practice Note 17/2005 issued by Bursa Malaysia. Mr. Siri's areas of responsibilities (Sapura Drilling, CEO and Sapura Energy, QHSE) at the time were not in default, however, the Sapura E&C entities were. The Company is of the view that the association with the Practice Note 17/2005 of Sepura Energy Bhd does not make Mr. Siri unfit to participate in the management of a company admitted to trading on Euronext Growth Oslo. Furthermore, James Ayers served as Board Member during the Company's emergence from the voluntary Chapter 11 bankruptcy in January 2022 (see Section 5.5 "*Important events in the history of the Group*"

for further details), while Mei Mei Chow was appointed as Board Member at the emergence (ie. on 20 January 2022).

Other than as set out above, during the last five years preceding the date of this Information Document, none of the Board Members or the members of the Management has, or had, as applicable:

- any convictions in relation to fraudulent offences;
- been involved in any bankruptcies, receiverships, liquidations or companies put into administration where he/she has acted as a member of the administrative, management or supervisory body of a company, nor as partner, founder or senior manager of a company; or
- received any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies), nor been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of affairs of any issuer.

### 6.11 Disclosure of conflict of interest

As set out in Section 6.2 "*The Board of Directors*" above, Board Member Joachim Bale is a partner in Lodbrok Capital LLP, an investment manager, whose accounts and funds, on a combined basis, is one of the largest creditor and shareholder in the Company with an approximate combined shareholding of 20 %. Mr. Bale is hence not deemed independent in relation to larger shareholders. In addition, Mr. Bale, both in his personal capacity and through investments made by funds managed by Lodbrok Capital LLP invests in other companies within the energy sector, some of which may have interests which deviate from those of Paratus.

Furthermore, Board Member James Ayers is a director of companies that are related to Hemen, being one of the largest shareholders of the Company. As such, there may be real or apparent conflicts of interest with respect to matters affecting Lodbrok Capital LLP, the personal investments of Mr. Bale as well as Hemen and other relevant affiliated companies whose interest in some circumstances may be in conflict with or adverse to the interest of the Company.

In addition, and as set out in Section 6.2 "*The Board of Directors*" and Section 6.3 "*The Management*", Robert Jensen has a dual role as both CEO and member of the Board and is hence not considered independent of the Company's management. It is common and acceptable practice for executive management of a company incorporated and existing in Bermuda to also serve as a director on the board of directors. This dual role is recognized and permitted under Bermuda law and aligns with the norms of the industry in which the Group operates.

Other than as specified above and the related party transactions set out in Section 5.8 "*Related party transactions*", and to the best of the Company's knowledge, there are currently no other actual or potential conflicts of interests between the Company and the private interests or other duties of any of the members of the Management or the Board of Directors, including any family relationships between such persons.

# 7 SELECTED FINANCIAL INFORMATION

## 7.1 Introduction

The following selected financial information has been extracted from the audited Financial Statements, appended to this Information Document as Appendix B.

## 7.2 Summary of accounting policies and principles

The Financial Statements have been prepared in accordance with US GAAP. For information regarding accounting policies and principles, see Note 1 of the consolidated financial statements as of and for the year ended 31 December 2023 and 31 December 2022, and Note 1, attached hereto as Appendix B.

## 7.3 The Financial Statements

### *7.3.1 Consolidated Statements of Operations and Consolidated Statements of other comprehensive income*

The table below provides selected data pertaining to the Company's consolidated statements of operations for the years ended 31 December 2023 and 2022, extracted from the Financial Statements.

| *(In USD millions)* | **December 31, 2023** | **December 31, 2022** |
|---|---|---|
| **Operating revenues** | | |
| Contract revenues | 167 | 148 |
| **Total operating revenues** | **167** | **148** |
| **Operating expenses** | | |
| Rig operating expenses | (94) | (89) |
| Depreciation | (15) | (15) |
| Selling, general and administrative expenses | (10) | (17) |
| Settlement of Management Incentive Deed | (13) | - |
| Expected credit gains/(losses) | (1) | 21 |
| **Total operating expenses** | (**133**) | **(100)** |
| **Operating income** | **34** | **48** |
| **Financial and other items** | | |
| Interest income | 2 | 3 |
| Interest expense | (85) | (91) |
| Share in results from associated companies | 66 | 47 |
| Gain/(loss) on extinguishment of financial instruments | 4 | (12) |
| Other financial items | (20) | (10) |
| **Total financial and other items** | **(33)** | **(63)** |
| **Income/ (Loss) before taxes** | **1** | **(15)** |
| Income tax (expense) | **(24)** | (21) |
| **Net (loss)/income** | **(23)** | **(36)** |
| **LOSS PER SHARE** | | |
| Basic | (0.15) | (0.25) |

| | | |
|---|---|---|
| Diluted | (0.15) | (0.25) |

The table below provides selected data pertaining to the Company's consolidated statements of comprehensive income/(loss) for the years ended 31 December 2023 and 2022, extracted from the Financial Statements.

| *(amounts in USD millions)* | **December 31, 2023** | **December 31, 2022** |
|---|---|---|
| **Net (loss)/income** | **(23)** | **(36)** |
| Other comprehensive income/(loss), net of tax: | | |
| Share in results from associated companies | (3) | **—** |
| Change in fair value of debt component of Archer convertible bond | **—** | 3 |
| Archer convertible bond reclassification | (6) | - |
| **Total other comprehensive income/(loss) for the year** | **(32)** | **(33)** |

### *7.3.2 Consolidated balance sheets*

The table below provides selected data on pertaining to the Company's consolidated balance sheet as of 31 December 2023 and 2022, extracted from the Financial Statements.

| *(In USD millions)* | **December 31, 2023** | **December 31, 2022** |
|---|---|---|
| **ASSETS** | | |
| **Current assets** | | |
| Cash, cash equivalents and restricted cash | 115 | 94 |
| Accounts receivables, net | 169 | 114 |
| Amount due from related party current | 3 | 56 |
| Favorable contracts | 31 | 38 |
| Other current assets | 34 | 46 |
| **Total current assets** | **352** | **348** |
| **Non-current assets** | | |
| Investment in associated companies | 355 | 311 |
| Drilling units and equipment | 258 | 250 |
| Deferred tax assets | — | 5 |
| Amount due from related party non-current | — | 19 |
| Favorable contracts | 38 | 68 |
| Other non-current assets | — | 1 |
| **Total non-current assets** | **651** | **654** |
| **Total assets** | **1,003** | **1,002** |
| **LIABILITIES AND EQUITY** | | |
| **Current liabilities** | | |
| Trade accounts payable | 19 | 10 |
| Short-term amounts due to related parties | — | 2 |
| Other current liabilities | 29 | 32 |
| **Total current liabilities** | **48** | **44** |
| **Non-current liabilities** | | |
| Long-term debt | 655 | 650 |
| Other non-current liabilities | 85 | 74 |
| **Deferred non-current tax liability** | — | **—** |
| **Total non-current liabilities** | **740** | **724** |
| **Commitments and contingencies** | | |
| **Equity** | | |

| | | |
|---|---|---|
| Common shares | — | - |
| Additional paid in capital | 1,291 | 1,278 |
| Accumulated other comprehensive loss | (3) | 6 |
| Accumulated deficit | (1,073) | (1,050) |
| **Total Equity** | **215** | **234** |
| **Total liabilities equity** | **1,003** | **1,002** |

### *7.3.3 Statement of cash flows*

The table below provides statements of cash flows pertaining to the Company's consolidated statements of cash flows for the years ended 31 December 2023 and 2022, extracted from the Financial Statements.

| *(In USD millions)* | **December 31, 2023** | **December 31, 2022** |
|---|---|---|
| **Cash flows from operating activities** | | |
| **Net income / (loss)** | (23) | (36) |
| *Adjustments to reconcile net income to net cash provided by operating activities* | | |
| Depreciation | 15 | 15 |
| Amortization of deferred loan changes | 15 | 8 |
| Amortization of favorable contracts | 37 | 58 |
| Share of results from associated companies | (66) | (47) |
| Loss/(gain) on realization of marketable securities | 5 | 7 |
| Unrealized (gain)/loss related to derivative financial instruments | — | 1 |
| Unrealized foreign exchange (gain)/loss | 15 | (3) |
| Deferred and other income taxes | 2 | — |
| Change in allowance for credit losses | (1) | (25) |
| (Gain)/loss on extinguishment of financial instruments | (4) | 12 |
| Share-based compensation | - | - |
| Settlement of Management Incentive Deed | 13 | - |
| *Other cash movements in operating activities* | | |
| Payment-in-kind-interest and non-cash interest expense | 69 | 62 |
| Distributions received from associated companies | - | - |
| Payments for long term maintenance | (11) | (10) |
| *Changes in operating assets and liabilities* | | |
| Trade accounts receivable | (56) | 225 |
| Trade accounts payable | 9 | 3 |
| Related party balances | (2) | (2) |
| Other assets | 3 | (23) |
| Other liabilities | (3) | (14) |
| **Net cash used in operating activities** | **19** | **231** |
| **Cash Flows from Investing Activities** | | |
| Additions to drilling units and equipment | (12) | **-** |

| | | |
|---|---|---|
| Cash and restricted cash obtained through acquisition of subsidiary | - | **-** |
| Investment in associates | (16) | |
| Payments received from loans granted to related parties | 114 | **-** |
| Loans granted to related parties | - | **-** |
| **Net cash provided by investing activities** | **86** | **-** |
| **Cash Flows from Financing Activities** | | |
| Loan costs paid | — | (3) |
| Repayments of external debt | (49) | (179) |
| Interest paid on external debt | (35) | (17) |
| Repayments of debt to related party | — | (8) |
| **Net cash used in financing activities** | **(84)** | **(207)** |
| **Net increase in cash and cash equivalents, including restricted cash** | **21** | **24** |
| Cash and cash equivalents, including restricted cash, at beginning of the period | 94 | 70 |
| **Cash and cash equivalents, including restricted cash, at the end of period** | **115** | **94** |
| **Supplementary disclosure of cash flow information** | | |
| Interest paid | 35 | 17 |
| Net taxes paid | 16 | 22 |
| Reorganization items, net including loan costs paid | — | 6 |

## 7.4 Statement of changes in equity

The table below provides selected data pertaining to the Company's statements of changes in equity for the years ended 31 December 2023 and 2022, extracted from the Financial Statements.

| *(In USD millions)* | **Share Capital *** | **Additional paid-in capital** | **Accumulated other comprehensive loss** | **Accumulated deficit** | **Total equity** |
|---|---|---|---|---|---|
| **Balance as at January 1, 2022** | **—** | **1,192** | **3** | **(1,014)** | **181** |
| Net loss | — | — | — | (36) | **(36)** |
| Issuance of common shares in connection with debt modification | — | 86 | — | — | **86** |
| Other comprehensive income | — | — | 3 | — | **3** |
| **Balance as at December 31,** | **—** | **1,278** | **6** | **(1,050)** | **234** |
| Net loss | — | — | — | (23) | **(23)** |
| Issuance of C-shares in connection with termination of | — | 13 | — | — | **13** |
| Other comprehensive income | — | — | (9) | — | **(9)** |
| Balance as at December 31, 2023 | — | 1,291 | (3) | (1,072) | **215** |

**Refer to Note 8 – Share capital. Includes Class A and Class C shares*

## 7.5 Large transactions of the Group

The Group has not carried out any transactions after 31 December 2023 that represent a change of more than 25 % in its total assets, revenue or profit or loss.

## 7.6 Operating and financial review

### *7.6.1 Capital, cash flow and liquidity*

The Group manages its financing structure and cash flow requirements in response to the Group's strategy and objectives, deploying financial and other resources related to those objectives.

The Group's main sources of liquidity are cash flows derived from operating activities, its borrowings and equity (financing activities), as well as cash and cash equivalents. The Group's ability to generate cash from operations depends on its future operating performance, which in turn is dependent on general macroeconomic, financial, competitive and market regulatory conditions, many of which are beyond the Group's control, as well as other factors described in Section 2 "*Risk Factors*".

The Group's assets and investments have been provided and funded through a series of transactions as described below:

Restructuring support agreement:

On 2 July 2021, Seadrill, who at that point held a 100% equity interest in Paratus, and holders of senior secured notes issued by the Company (Noteholders) agreed to key commercial terms for a comprehensive restructuring of the Company and entered into a restructuring support agreement ("**RSA**"). The RSA was implemented through a series of transactions. The first element of the RSA was implemented during the period on 2 November 2021, and resulted in Paratus increasing its ownership interest in Fontis to 100%. The second part of the RSA was a debt restructuring that required the use of a pre-packaged chapter 11 process which concluded on 20 January 2022, following the end of the reporting period. See Section 5.5 "*Important events in the history of the Group*" for further information related to the history and restructuring process of the Group.

Conversion of convertible loan:

On 6 March 2023, the Company subscribed to a USD 15.5 million equity investment in Archer as part of Archer's broader efforts to refinance its existing capital structure and converted its subordinated USD 15.9 million loan to Archer for new shares at an implied value of USD 20.0 million (see Section 7.7.1 "*Historical investment*" below). On 20 April 2023, Paratus received 208,000,000 new common shares of Archer in connection with the conversion of Paratus convertible loan. As at December 31, 2022, Paratus held a total of 392,305,324 shares in Archer, representing 24.4% of the total number of share and voting rights in Archer. As at 31 December 2022 the investment in Archer was recognized as Marketable Securities included in "Other Current Assets" in the Consolidated Balance Sheets. From April 2023, the investment in Archer was accounted for as an equity method investee.

Payments under debt facility:

During 2023, interest payments of USD 1.4 million were made on the USD 219m New Notes. The New Notes were fully repaid in July 2023 (see Section 5.5 "*Important events in the history of the Group*").

Repayment of Seabras loans:

Paratus received USD 65.5 million in June 2023 from Seabras to settle the loan receivable from Seabras. The payment includes (i) USD 34.7 million loan principal, (ii) USD 12.8 million loan equity and (iii) 18.0 million of accrued interest. In September 2023, Paratus received USD 19 million as return of a part of the equity investment. Further information on the loan receivable can be found in note 18 "Related party transactions" in the consolidated financial statements for the year ended 31 December 2022.

Class C share issuance:

On May 25, 2023, the Company's Board of Directors authorized the issuance of 22,332 shares of a new class of ordinary nonvoting shares in the Company (the "**C Shares**") to Hemen Investments Ltd., Lodbrok Capital LLP, and Melqart Asset Management (UK) Ltd as consideration for the termination of the management incentive deed. The Class C Shares were redesignated to Class A Shares in shareholder resolution dated 15 May 2024.

### *7.6.2 Restrictions on use of capital*

The Group is subject to certain restrictions on the use of capital, such as: (i) limitations on dividends and redeeming on purchasing stock, subject to specific carve outs and certain tests; (ii) limitations on investments, subject to specific carve outs, and (iii) limitations on repaying subordinated indebtedness. Additionally, the 2026 Notes Indenture and the Bond Terms each contains change of control clauses, providing noteholders and bondholders the ability to require the Company as issuer to repurchase all or part of the Senior Secured Notes and Bonds in a change of control event. For further information, see Sections 5.6.1 "*The 2026 Notes Indenture*", 5.6.2 "*The Bond Terms*" and 7.6.2 "*Financing arrangements*".

### *7.6.3 Statement of operations of the Group for the years ended 31 December 2023 and 2022*

The below table provides selected data pertaining to the Group's statements of operations for the years ended 31 December 2023 and 2022:

| *(In USD millions)* | **December 31, 2023** | **December 31, 2022** |
|---|---|---|
| **Operating revenues** | **167** | **148** |
| **Operating expenses** | **(133)** | **(100)** |
| **Operating income** | **34** | **48** |
| **Financial and other items** | **(33)** | **(63)** |
| **Income/(Loss) before income taxes** | **1** | **(15)** |
| **Income tax (expense)** | **(24)** | **(21)** |
| **Net (loss)** | **(23)** | **(36)** |

Operating revenues:

Operating revenues relates to Fontis and are earned from the drilling contracts, which include providing the rig and associated services. All five jack-up rigs have long-term contracts in place with a large state-owned petroleum company in Mexico. Year over year fluctuations in revenue are driven by the rig activity (number of active/ideal days) and additional services to the customer. Furthermore, the amortization of favorable revenue contract assets is recognized as an adjustment (decrease) to revenues over the contract term. In 2023, USD 37 million was recognized as an adjustment in revenues compared to USD 58 million in 2022.

Operating expenses:

The increase in operating expenses from USD 133 million in 2022 to USD 100 million in 2023 was mainly driven by the termination of management incentive deed ("**MID**") with Seadrill in Q1 2023 (USD 13 million cost) and changes in expected credit loss position (from USD 21 million as credit in 2022 to USD -1 million as a cost in 2023). Details of MID agreement are disclosed in Note 1 and Note 8 of the Financial Statements. Furthermore, there was an increase in rig operating expenses of USD 5 million (from USD 89 million in 2022 to USD 94 million in 2023), offset by a decrease in selling, general and administrative expenses of USD 7 million (from USD 17 million to USD 10 million).

Financial and other items:

Total financial and other items consist mainly of interest expense, share in results from associated companies (Seabras and Archer, equity method accounting) and unrealized foreign exchange effects. In 2023, total financial and other items expenses amounted to USD 33 million, compared to USD 63 in 2022. The improved net financial and other items was mainly due to higher income from Seabras (from USD 47 million in 2022 to USD 67 million in 2023) and lower interest expenses (from USD 91 million in 2022 to USD 85 million in 2023), partly offset by higher other financial expenses mainly related to unrealized foreign exchange loss due translation of the UTP provision.

Net loss:

The Group's net loss of USD 23 million in 2023 decreased from a net loss of USD 36 million in 2022.

### *7.6.4 Summarized cash flow information for the years ended 31 December 2023 and 2022*

The following table presents the Group's historical cash flows for the years ended 31 December 2023 and 2022 as derived from the Financial Statements.

| *(In USD millions)* | **December 31, 2023** | **December 31, 2022** |
|---|---|---|
| **Cash from/(used in) operating activities** | **19** | **231** |
| **Cash from/(used in) investing activities** | **86** | - |
| **Cash from/(used in) financing activities** | **(84)** | (**207**) |
| **Net increase in cash and cash equivalents, including restricted cash** | **21** | **24** |
| **Cash and cash equivalents at end of period** | **115** | **94** |

Cash flow from operating activities:

Net cash inflow from operating activities for the 12-month period ending December 31, 2023 was approximately USD 19 million compared to a net outflow of USD 231 million for the 12-month period ending December 31, 2022. The decrease in inflow was primarily driven by increase in accounts receivable due to normal administrative requirements associated with the change of the company name at Fontis. Fontis Energy was unable to submit new billings to its key customer for a period of six months, leading to a build in accounts receivable. As well as higher unrealized foreign exchange gains and losses driven by operations in Mexican entities, as well as increase in Seabras results.

Cash flow from investing activities:

Net cash flow provided by investing activities was USD 86 million from and was mainly related to payments received from the loans granted to Seabras and conversion of Archer loan. There were no cash outflow from investing activities for the 12-month period ending December 31, 2022.

Cash flow from financing activities:

Net cash used in financing activities for the 12-month period ending December 31, 2023 was USD 84 million compared to USD 207 million for the period ending December 31, 2022. The net cash used in the period ending December 31, 2022 was primarily relating to repayment of external debt in Fontis.

### *7.6.5 Financial condition of the Group for years ended 31 December 2023 and 2022*

The table below provides selected data pertaining to the Group's statements of financial position as at 31 December 2023 and 2022:

| *(amounts in USD millions)* | **December 31, 2023** | **December 31, 2022** |
|---|---|---|
| **Total current assets** | **352** | **348** |
| **Total non-current assets** | **651** | **654** |
| **Total assets** | **1,003** | **1,002** |
| **Current liabilities** | | |
| **Total current liabilities** | **48** | **44** |
| **Non-current liabilities** | | |
| **Total non-current liabilities** | **740** | **724** |
| **Total equity** | **215** | **234** |
| **Total liabilities and equity** | **1,003** | **1,002** |

Total current assets:

Total current assets comprise mainly cash and cash equivalents, restricted cash, accounts receivables, favorable contracts and other current assets. The Group's total current assets as at 31 December 2023 were USD 352 million compared to USD 348 million as at 31 December 2022. The net increase was principally driven by higher cash levels at the end of 2023 and increase in accounts receivable due to normal administrative requirements associated with the change of the company name at Fontis. Fontis Energy was unable to submit new billings to its key customer for a period of six months, leading to a build in accounts receivable. Cash increased by USD 21 million, and accounts receivable balance increased by USD 55 million. Increase in current assets was offset by decrease in receivables from related parties and movements in favorable contracts marketable securities. Seabras settled USD 56 million in principal and accumulated interest.

Total non-current assets:

Total non-current assets comprise mainly investments in associated companies, drilling units and equipment, favorable contracts, amount due from related party non-current and deferred tax assets. The Group's total non-current assets as at 31 December 2023 was USD 651 million compared to USD 654 million as at 31 December 2022. The net decrease was principally driven by a decrease in related party balances and amortization of favorable contracts, partly offset by increase in Investment in associated companies, Paratus increased its ownership in Archer from 15.7% to 24.2%, and PP&E/capex additions.

Total assets:

Total assets are the total of non-current assets and current assets. The Group's total assets as at 31 December 2023 were USD 1,003 million, compared to USD 1,002 million as at 31 December 2022. Key factors impacting the movement in Total assets are discussed in the paragraphs above.

Total current liabilities:

Total current liabilities comprise mainly of trade accounts payable, debt due within twelve months and short-term amounts due to related parties. The Group's total current liabilities as at 31 December 2023 were USD 48 million, compared to USD 44 million as at 31 December 2022. The increase was principally driven by higher trade payable balance at the end of 2023 which was partially offset by lower VAT and employee taxes. Increase in trade payables is mostly associated with administrative processes and timing of transition from the previous rig manager.

Total non-current liabilities:

Total non-current liabilities comprise mainly of long-term debt and other non-current liabilities. The Group's total non-current labilities as at 31 December 2023 were USD 740 million, compared to USD 724 million as at 31 December 2022. The increase was principally driven by accrued PIK interest for Paratus Senior Secured Notes and increase in uncertain tax ("UTP") position in Mexican entities.

Total equity:

Total equity is the sum of common shares, additional paid-in capital, accumulated other comprehensive loss and accumulated deficit. The Group's total equity as at 31 December 2023 were USD 215 million, compared to USD 234 million as at 31 December 2022. The decrease was principally driven by changes in paid in capital and accumulated which was offset by increase in accumulated losses.

### *7.6.6 Financing arrangements*

Following emergence from Chapter 11 in January 2022, the Group's capital structure was reconstructed. As of December 31, 2023 and December 31, 2022 we had the following debt amounts outstanding:

| *(In USD millions)* | **December 31, 2023** | **December 31, 2022** |
|---|---|---|
| **Notes:** | | |
| USD 620m Senior Secured Notes plus PIK interest | 716 | 681 |
| USD 219m New Notes | — | 46 |
| **Total external credit facilities** | **716** | **727** |
| Deduct net discount and fees | (61) | (77) |
| **Carrying value** | **655** | **650** |

The key terms relating to the Group's debt in the year ended December 31, 2023 and December 31, 2022 are explained below.

(i) The Senior Secured Notes

Secured Notes due 15 July 2026 were issued on 20 January 2022 pursuant to Amended Secured Notes Indenture as the result of NCNCo's emergence from Chapter 11 bankruptcy and the Plan of Reorganization (see Note 1 – General information for further on the terms of the notes). Secured Notes are in an aggregate principal amount of USD 620 million and PK Notes. As at 31 December 2023, the outstanding notional balance of USD 716 million comprises Senior Secured Notes principal of USD 620 million and USD 96 million accrued PIK interest. The Senior Secured Notes are presented net of an amortized discount and have a carrying amount of USD 655 million at 31 December 2023.

The Company amended the facility with aseries of supplemental indentures in 2023. A supplemental indenture signed in May 2023 waived failure to comply in full with reporting covenant and compliance covenant for the fiscal year ending 31 December 2022. The Company was in compliance with reporting and covenant requirements as at 31 December 2023.

(ii) The New Notes

During 2022, Fontis made voluntary debt repayments of USD 177 million. The payments were comprised of principal and capitalized interest payments of USD 152 million and USD 25 million in July 2022 and August 2022 respectively.

During 2023, interest payments of USD 3 million were made on the USD 219 million New Notes. The New Notes were fully repaid in July 2023. The Group recognized a loss as the result of the call premium paid on the early redemption of USD 3 million and recorded as Gain/(loss) on extinguishment of financial instruments in the consolidated statement of comprehensive income.

Financial covenants

The Group's borrowings include financial covenants. The main terms and covenants are described below:

Under the 2026 Notes Indenture:

(i) Minimum cash

a. at least USD 20 million of unrestricted cash on a pro forma basis

(ii) Two (2) quarters of cash interest payments

a. Paratus having paid Paratus Notes full cash interest in the two prior quarters or:

b. Paratus having escrowed such amounts to have satisfied two consecutive quarters of cash interest payments

(iii) Leverage test

a. Paratus satisfaction of the following Net Interest-Bearing Debt to LTM Adjusted EBITDA ratios for the appropriate time period:

i. Prior to and including June 2024: less than or equal to 3.75x

ii. July 1, 2024 up to and including June 30, 2025: less than or equal to 3.50x

iii. July 1, 2025 up to and including June 30, 2026: less than or equal to 3.25x

iv. July 1, 2026 and after: less than or equal to 3.00x

Under the Bond Terms for the Bonds:

(i) Financial covenant:
minimum free liquidity of the higher of (1) 5% of the Group's (including Seabras) aggregate total interest-bearing debt, or (2) USD 35 million.

(ii) Incurrence test:

Distributions:
(a) Net leverage not exceeding 3.50x / 3.25x / 3.00x / 2.75x / 2.50x until (and including) 30 June 2025 / 30 June 2026 / 30 June 2027 / 30 June 2028 / maturity
(b) Minimum fixed charge coverage ratio of 1.20x, and
(c) Minimum free liquidity (excluding any restricted cash) of USD 60m

New debt:
(a) Net leverage not exceeding 3.50x / 3.25x / 3.00x / 2.75x / 2.50x until (and including) 30 June 2025 / 30 June 2026 / 30 June 2027 / 30 June 2028 / maturity
(b) Minimum fixed charge coverage ratio of 1.20x

## 7.7 Investments

### *7.7.1 Historical investments*

On March 6, 2023, the Company subscribed to a USD 15.5 million equity investment in Archer as part of Archer's broader efforts to refinance its existing capital structure ("**Archer Equity Subscription**"). In addition, Paratus converted its subordinated USD 15.9 million loan to Archer for new shares at an implied value of USD 20.0 million (collectively with the Archer Equity Subscription, "**Archer Recapitalization**"). As part of the Archer

Recapitalization, the Company increased its ownership stake in Archer from 15.5% to approximately 24.2% of the total number of share and voting rights. The Archer Recapitalization was completed in April 2023.

Apart from the above, the Company has not made any material investments since the financial year 2022 and up to the date of this Information Document.

### *7.7.2 Investments in progress*

As of the date of this Information Document, there are no material investments of the Company that are in progress or for which firm commitments have already been made.

## 7.8 Significant change in the financial position

Other than the Bond Issue and the Private Placement, there has been no significant change in the financial or trading position of the Group since 31 December 2023.

## 7.9 Working capital statement

The working capital available to the Group is, in the Company's opinion, sufficient for the Group's present requirements for the period covering at least 12 months from the date of this Information Document.

## 7.10 Non-US GAAP financial measures

The table below set out certain APMs presented by the Group in this Information Document on an annual basis. The tables below show the relevant APMs on a reconciled basis, to provide investors with an overview of the basis of calculation of such APMs. See Section 3.6 "*Alternative performance measures*" above for a further description of the APMs presented below. The figures presented in the respective reconciliation tables below are for the years ended 31 December 2023 and 2022, derived from the Financial Statements.

Please note that 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 in this Information Document and they should not be considered as a substitute for revenue or other financial metrics.

**Reconciliation of Net income/-loss to EBITDA and Adjusted EBITDA**

| ***(amounts in USD millions)*** | **2023** | **2022** |
|---|---|---|
| Net loss | -23 | -36 |
| Interest income | -2 | -3 |
| Interest expense | 85 | 91 |
| Taxes | 24 | 21 |
| Depreciation | 15 | 15 |
| Amortization of favorable contracts | 37 | 58 |
| **EBITDA** (sub-total) | **136** | **146** |
| Share in results from associated companies | -66 | -47 |
| Expected credit gains/losses | 1 | -21 |
| Settlement of Management Incentive Deed (non-recurring item) | 13 | |
| Gain/loss on extinguishment of financial instruments | -4 | 12 |
| Other financial items | 20 | 10 |
| 50% share of Seabras EBITDA | 132 | 127 |

| | | |
|---|---|---|
| **Adjusted EBITDA** (as per Management Reporting) | **232** | **227** |
| | | |
| **Net debt** | | |
| Interest-bearing debt (external) | 716 | 727 |
| *Paratus* | *716* | *681* |
| *Fontis* | | *46* |
| Cash, cash equivalents and restricted cash | 115 | 94 |
| *Paratus* | *60* | *17* |
| *Fontis* | *55* | *77* |
| **Net debt** (as per the audited financial statements) | **601** | **633** |
| Interest-bearing debt (external) (50% of Seabras) | 51 | 57 |
| Cash, cash equivalents and restricted cash (50% of Seabras) | 19 | 20 |
| *Net debt (50% of Seabras)* | *32* | *38* |
| **Net debt** (as per Management Reporting) | **633** | **671** |

# 8 SHARES AND SHARE CAPITAL

*This Section includes a summary of certain information relating to the Shares and certain shareholder matters, including summaries of certain provisions of applicable law in effect as of the date of this Information Document. The mentioned summary does not purport to be complete and is qualified in its entirety by the Company's Bye-laws.*

## 8.1 The Shares and the share capital

As of the date of this Information Document, the Company's has a registered share capital of USD 3,386.50098 divided by 169,325,049 shares, each with a par value of USD 0.00002. The authorised share capital of the Company as at the day of this Information Document is USD 5,685.00. All Shares have been created and issued in accordance with the requirements of the Bermuda Companies Act and the Bye-laws, and all issued shares are validly issued and fully paid. The Shares will be traded in NOK on Euronext Oslo Børs.

The Company has one class of shares in issue, being the Shares, and all Shares carry equal rights in all respects, including rights to dividends. Except for the lock-up arrangements as described in Section 8.8.3 "*The lock-up arrangements*", there are no restrictions on the free transferability of the Shares, meaning that a transfer of Shares is not subject to the consent of the Board of Directors or existing shareholders' rights of first refusal.

During the period covered by the historical financial information (2023 and 2022), less than 10 % of capital has been paid for with assets other than cash.

The number of Shares issued as at 1 January 2023 was 285,700 and the number of Shares issued as at 31 December 2023 was 308,032.[19]

On 26 June 2024, Euronext Oslo Børs resolved to admit the Shares to trading on Euronext Growth. The first day of the Admission of the Shares will be 28 June 2024 under the ticker code "PLSV". The Company does not have securities listed on any stock exchange or other regulated market but intends to apply for a transfer of Shares from Euronext Growth Oslo to Euronext Oslo Børs, a regulated marked operated by the Oslo Stock Exchange.

## 8.2 Share capital history

The table below shows the development in the Company's share capital from the financial years 2022 and 2023 to the date of this Information Document.

| Date registered | Event | Authorised share capital (USD) | Issued share capital (USD) | Par value (USD) | Issued no. Shares |
|---|---|---|---|---|---|
| 10 January 2022 | Increase in share capital | 5,685 | 1,000.00 | 1 | 1,000 |
| 20 January 2022 | Subdivision of shares of nominal USD 1.00 to USD 0.01, and subsequent share issuance | 5,685.00 | 2,857.00 | 0.01 | 285,700 |
| 25 May 2023 | Share issuance | 5,685.00 | 3,080.32 | 0.01 | 308,032 |
| 21 May 2024 | Subdivision of existing A-shares into 500 class A-shares | 5,685.00 | 3,080.32 | 0.00002 | 154,016,000 |

[19] Number of shares on a pre-Share Split basis

| | | | | | |
|---|---|---|---|---|---|
| 26 June 2024 | Private Placement | 5,685.00 | 3,386.50098 | 0.00002 | 169,325,049 |

### 8.3 Ownership structure

Following completion of the Private Placement, see Section 8.8 "*The Private Placement*" below, the following investors, directly or indirectly, have an interest of 5 % or more of the Company's share capital or voting rights:

| # | Shareholders | Total Shares | Percent |
|---|---|---|---|
| 1 | Hemen Investments Ltd | 49,341,840 | 29.1% |
| 2 | Lodbrok (multiple funds) | 31,170,800 | 18.4% |
| 3 | Frost Total Return Bond Fund | 13,832,855 | 8.2% |
| 4 | Melqart (multiple funds) | 12,607,360 | 7.4% |
| 5 | Carmignac Credit (multiple funds) | 9,764,535 | 5.8% |

The Company is not aware of any arrangements, the operation of which may at a subsequent date result in a change of control of the Company.

### 8.4 The VPS and transfer of Shares

The Company's register of members is maintained and kept in Bermuda by the Company, at the Company's registered office at Par-La-Ville Place, 14 Par-La-Ville Road, Hamilton, HM 08 Bermuda. The Shares are registered in book-entry form with the VPS under ISIN BMG6904D1083.

Pursuant to a registrar agreement between DNB Bank ASA, Registrar's Department, with registered address Dronning Eufemias gate 30, 0191 OSLO, Norway (the "**VPS Registrar**") and the Company (the "**Registrar Agreement**"), the VPS Registrar has registered the Shares in the VPS register, and the VPS register functions as the Company's Branch Register in accordance with Bermuda law. As a result of the implementation of the Branch Register, the Shares of the Company are now registered directly with the VPS in book-entry form and may be traded on Euronext Growth Oslo. The Company will distribute dividends and other declared distributions to the shareholders in the VPS system.

Euronext VPS is the Norwegian paperless centralized securities register, operated by Verdipapirsentralen ASA. It is a computerized, book-entry based system, in which the ownership of, and transactions related to, securities that are listed on Euronext Growth must be recorded. Verdipapirsentralen ASA is wholly-owned by Euronext Nordics Holding AS.

Under Norwegian law, shares are registered in Euronext VPS in the name of the beneficial owner of the shares. Beneficial owners of Shares that hold their Shares through a nominee (such as banks, brokers, dealers or other third parties) are registered in Euronext VPS in the name of the nominee. An approved and registered nominee has a duty to provide information on demand about beneficial shareholders to the Company and to the Norwegian authorities. In case of registration by nominees, the registration in Euronext VPS must show that the registered owner is a nominee. There is, however, no assurance from the Company that beneficial owners of the Shares will receive the notice of any general meeting of the Company in time to instruct their nominees to vote for their Shares in the manner desired by such beneficial owners.

Euronext VPS must provide information to the Norwegian Financial Supervisory Authority on an ongoing basis, as well as any information that the Norwegian Financial Supervisory Authority requests. Further, Norwegian tax authorities may require certain information from Euronext VPS regarding any individual's holdings of securities, including information about dividends and interest payments.

Euronext VPS is liable for any loss suffered as a result of faulty registration or an amendment to, or deletion of, rights in respect of registered securities unless the error is caused by matters outside Euronext VPS' control the consequences of which Euronext VPS could not reasonably be expected to avoid or overcome. Damages payable by Euronext VPS may, however, be reduced in the event of contributory negligence by the aggrieved party.

Other than the lock-up arrangements as described in Section 8.8.3 "*The lock-up arrangements*", upon the Admission, and as long as the Shares are admitted to trading on Euronext Growth Oslo, the Shares are freely transferable and not subject to any transfer restrictions pursuant to the Bermuda Companies Act the Bye-laws and any applicable securities law.

## 8.5 Treasury shares

The Company has, pursuant to Bye-law 3.1, the ability to purchase its own shares for cancellation or acquire them as treasury shares in accordance with the Bermuda Companies Act on such terms as the Board of Directors shall think fit. As of the date of this Information Document, the Company does not hold any treasury shares. As of the date of this Information Document, the Company does not hold any treasury shares.

## 8.6 Options and warrants

Other than as set out in Section 6.4 "*Shareholdings, options and benefits of Board Members and Management*", Section 6.5 "*Benefits upon termination*" and Section 6.6 "*Arrangements for involving employees in the capital of the Company*" above, the Company has not issued any other options, warrants, convertible loans, or other instruments that would entitle a holder of any such instrument to subscribe for any shares in the Company.

## 8.7 Authorisations to issue additional Shares

As of the date of this Information Document, the Company's authorised share capital is USD 5,685.00. The issued and registered share capital is USD 3,386.50098 divided by 169,325,049 shares. Pursuant to the Bye Laws, the Board of Directors may issue any unissued authorised share capital.

## 8.8 The Private Placement

### *8.8.1 Details of the Private Placement*

On 24 June 2024, the Company announced a successful private placement (the "**Private Placement**") consisting of 15,309,059 new Shares at an offer price of the NOK 51.66 per Share (equivalent to USD 4.90 based on the official exchange rate of Norges Bank on Friday 21 June 2024) (the "**Offer Price**"), completed on 26 June 2024. The Company raised gross proceeds of the NOK equivalent of USD 75 million.

The application period for the Private Placement took place from 20 June 2024 at 09:00 (CEST) to 21 June 2024 at 16:30 (CEST). Notifications of allocations to subscribers were issued on 24 June 2024. The new Shares will be settled on or about 28 June 2024 on a delivery-versus-payment basis facilitated by the Joint Global Coordinators, in accordance with a pre-funding arrangement in respect of the new Shares entered into between the Company and the Managers.

### *8.8.2 Use of proceeds*

The net proceeds from the Private Placement will be used for general corporate purposes and to increase balance sheet flexibility.

*8.8.3 Lock-up arrangements*

The Company and existing shareholders holding in excess of 10% of the shares in the Company entered into customary lock-up arrangements with the Managers that will restrict, subject to certain exceptions including structured sales in connection with a subsequent uplisting to the Oslo Stock Exchange, their ability to, without the prior written consent of the Managers, issue, sell or dispose of shares, as applicable, for a period of 3 months after the commencement of trading in the shares on Euronext Growth Oslo.

*8.8.4 Costs and expenses*

The gross proceeds to the Company from the Private Placement were approximately the NOK equivalent of USD 75 million. The Company's total costs and expenses in connection with the Private Placement is estimated to be approximately USD 1,6 million.

*8.8.5 Subscription by primary insider*

The Chair of the Board, Mei Mei Chow, subscribed for and been allocated an amount in NOK equivalent to USD 302,820.

*8.8.6 Dilution*

The Private Placement resulted in an immediate dilution of approximately 9.9% for shareholders of the Company who did not participate in the Private Placement.

*8.8.7 Shareholdings following the Private Placement*

The table below indicates the total ownership or voting rights, both directly and indirectly, for the individual shareholder. As of 24 June 2024, the following shareholders hold 5% or more in the Company:

| # | Shareholders | Total Shares | Percent |
|---|---|---|---|
| 1 | Hemen Investments Ltd | 49,341,840 | 29.1% |
| 2 | Lodbrok (multiple funds) | 31,170,800 | 18.4% |
| 3 | Frost Total Return Bond Fund | 13,832,855 | 8.2% |
| 4 | Melqart (multiple funds) | 12,607,360 | 7.4% |
| 5 | Carmignac Credit (multiple funds) | 9,764,535 | 5.8% |

## 8.9 Dividend and dividend policy

*8.9.1 Dividend policy and history*

In deciding whether to propose a dividend and in determining the dividend amount in the future, the Company's Board of Directors will take into account legal restrictions, as set out in Section 8.9.2 "*Legal constraints on the distribution of dividends*" below, the Company's capital requirements, including capital expenditure requirements, its financial condition, general business conditions and any restrictions that its borrowing arrangements or other contractual arrangements in place at the time of the dividend may place on its ability to pay dividends and the maintaining of appropriate financial flexibility.

The Company does not currently have a firm dividend policy beyond a consensus that its goals and strategy are focused on creating long-term shareholders value through increasing the value of the shares over time and contributing to an attractive market for its Shares. Since the Company is a holding company with no material assets other than the shares of the Company's subsidiaries and affiliated companies through which the Company conducts its operations, the Company's ability to pay dividends will depend on its subsidiaries and affiliated companies distributing their earnings and cash flow to the Company. Furthermore, the Company's ability to pay dividends is restricted pursuant to the terms of the 2026 Notes Indenture, as further detailed in Section 5.6.1 "*The 2026 Notes Indenture*".

The Company has not paid any dividend to its shareholders in the period from 31 December 2022 to the date of this Information Document.

Any future decision to pay dividend in any year will be contingent on the Company's financial position and the business outlook, to ensure that the Company can prudently manage future obligations, business cycles and opportunities for strategic development. Investors are cautioned that the tax legislation of an investor's member state and of the Company's country of incorporation may have an impact on the income received from the Shares. See Section 9 "*Taxation*".

*8.9.2 Legal constraints on the distribution of dividends*

Under Bermuda law, a company may declare and pay dividends, or make distributions out of contributed surplus from time to time unless there are reasonable grounds for believing that the company is, or after the payment would be, unable to pay its liabilities as they become due or that the realisable value of its assets will thereby be less than its liabilities.

Pursuant to the Bye-laws, the Board of Directors may, subject to compliance with the Bermuda Companies Act, declare a dividend to be paid to the shareholders, in proportion to the number of shares held by them, and such dividend may be paid in cash or wholly or partly in specie in which case the Board of Directors may fix the value for distribution in specie of any assets. The Board of Directors may fix any date as the record date for determining the shareholders entitled to receive any dividend. The Company may pay dividends in proportion to the amount paid up on each share where a larger amount is paid up on some shares than on others.

The Board of Directors may declare and make such other distributions (in cash or in specie) to the shareholders as may be lawfully made out of the assets of the Company. The Company may deduct from the dividends or distributions payable to any shareholder, all moneys due from such shareholder to the Company on account of calls or otherwise. No dividend, distribution or other monies payable by the Company on or in respect of any share shall bear interest against the Company. There are no dividend restrictions or specific procedures for non-Bermudian resident shareholders under Bermuda law or the Bye-laws.

The timing and amount of dividends if any, is at the discretion of the Board of Directors and will depend upon earnings, market prospects, current capital expenditure programs and investment opportunities. The Company cannot guarantee that its Board of Directors will declare dividends in the future.

*8.9.3 Manner of dividend payments*

Any dividends on the Shares will be delivered in USD. Any dividends or other payments on the Shares will be paid through the Company's VPS Registrar to the holders of the Shares (the 'VPS Registrar'). Shareholders registered in the VPS who have not supplied the VPS Registrar with details of their bank account, will not receive payment of dividends unless they register their bank account details with the VPS Registrar. Shareholders with a registered address outside of Norway may register a bank account in a currency other than NOK with their Norwegian VPS account. Shareholders who have done so will receive payment in the currency of such bank account. The exchange rate(s) applied will be the VPS Registrar's exchange rate on the payment date.

Dividends will be credited automatically to the VPS registered shareholders' accounts, or in lieu of such registered account, at the time when the shareholder has provided the VPS Registrar with their bank account details, without the need for shareholders to present documentation proving their ownership of the Shares. Shareholders' right to payment of dividend will lapse three years following the resolved payment date for those shareholders who have not registered their bank account details with the VPS Registrar within such date. Following the expiry of such date, the remaining, not distributed dividend will be returned from the VPS Registrar to the Company.

## 8.10 Insider trading

In accordance with the Market Abuse Regulation 596/2014 ("**MAR**"), subscription for, purchase, sale or exchange of financial instruments that are admitted to trading, or subject to an application for admission to trading on a regulated market or a multilateral trading facility in the EEA, or incitement to such dispositions, must not be

undertaken by anyone who has inside information. "Inside information" refers in accordance with article 7 in MAR to precise information about financial instruments issued by the company admitted to trading, about the company admitted trading itself or about other circumstances, which has not been made public, and which if it were made public would be likely to have a significant effect on the prices of those financial instruments or on the price of related derivative financial. Information which would be likely to have a significant effect on the prices of financial instruments shall be understood to mean information that a rational investor would probably make use of as part of the basis for his or her investment decision. The same applies to the entry into, purchase, sale or exchange of options or futures/forward contracts or equivalent rights whose value is connected to such financial instruments or incitement to such dispositions. Breach of insider trading obligations may be sanctioned and lead to criminal charges.

### 8.11 Takeover bids and forced transfer of shares

Bermuda law does not provide for a code on take-overs or mergers in Bermuda. Under Bermuda law, an acquiring party is generally able to acquire, compulsorily, the shares of minority holders in a company. This can be achieved by a procedure under the Bermuda Companies Act known as a "scheme of arrangement" or by a tender offer, as explained below. A scheme of arrangement may be effected by obtaining the agreement of the company and of holders of shares, comprising in the aggregate a majority in number representing at least 75 % in value of the shareholders (excluding shares owned by the acquirer) present and voting at a meeting ordered by the Bermuda Supreme Court held to consider the scheme of arrangement. Following such approval by the shareholders, the Bermuda Supreme Court must then sanction the scheme of arrangement. If a scheme of arrangement receives all necessary agreements and sanctions, upon the filing of the court order with the Registrar of Companies in Bermuda, all holders of shares could be compelled to sell their shares under the terms of the scheme of arrangement.

In the case of a tender offer, if an offeror has, within four months after the making of an offer for all the shares not owned by, or by a nominee for, the offeror, or any of its subsidiaries, obtained the approval of the holders of 90 % or more in value of all the shares to which the offer relates, the offeror may, at any time within two months beginning with the date on which the approval was obtained, require by notice any non-tendering shareholder to transfer its shares on the same terms, including as to the form of consideration, as the original offer. In such circumstances, non-tendering shareholders could be compelled to transfer their shares, unless the Bermuda Supreme Court (on application made within a one-month period from the date of the offeror's notice of its intention to acquire such shares) orders otherwise.

Where the acquiring party or parties hold not less than 95% of the shares of a company, by acquiring, pursuant to a notice given to the remaining shareholders, the shares of such remaining shareholders – when such notice is given, the acquiring party is entitled and bound to acquire the shares of the remaining shareholders on the terms set out in the notice, unless a remaining shareholder, within one month of receiving such notice, applies to the Bermuda Supreme Court for an appraisal of the value of their shares. This provision only applies where the acquiring party offers the same terms to all holders of shares whose shares are being acquired.

As a Company listed on Euronext Growth Oslo, the Company is not subject to the takeover regulations set out in the Norwegian Securities Trading Act, or otherwise.

### 8.12 Certain aspects of Bermuda law, the memorandum of association and the bye-laws

The Company's Memorandum of Association and Bye-laws upon Admission are set out in Appendix A to this Information Document and a summary of these are included below.

### *8.12.1 Objective*

Pursuant to the Company's Memorandum of Association the objects for which the Company was formed and incorporated are unrestricted.

### *8.12.2 Number of directors and term of Office*

Under the Bermuda Companies Act, the minimum number of directors on the board of directors of a company is one. Pursuant to the Bye-laws, the Company's Board of Directors shall consist of at least three Board Members or such number in excess thereof as determined by the shareholders.

Each director is elected at the annual general meeting, or any special general meeting called for that purpose. Directors shall hold office for such term as the annual or special general meeting of shareholders may determine or, in the absence of such determination, until the next annual general meeting or until their successors are elected or appointed or their office is otherwise vacated.

### *8.12.3 Removal of Directors*

Bye-law 37 and the Bermuda Companies Act provide that the shareholders of the Company may, at a special general meeting called for that purpose, remove any director. Any director whose removal is to be considered at such a special general meeting is entitled to receive not less than 14 days' notice and shall be entitled to be heard at the meeting.

### *8.12.4 Newly created directorships and vacancies on the Board*

Under the Bermuda Companies Act, the directors shall be elected at each annual general meeting of the company or elected or appointed by the shareholders in such other manner and for such term as may be provided in the bye-laws for the relevant company. Additionally, a vacancy created by the removal of a director at a special general meeting may be filled at that meeting by the election of another director or in the absence of such election, by the other directors. Unless the bye-laws of a company provide otherwise (and the Bye-laws do not) and provided there remains a quorum of directors in office, the remaining directors may fill a casual vacancy on the board.

Under Bye-law 37.2, the Board has the power to appoint any person as a director to fill any vacancy in the Board of Directors occurring as a result of the death, disability, disqualification or resignation of any director, and under Bye Law 33.3 the Board may, if authorised by the shareholders at any general meeting, also fill any vacancy in the number left unfilled. A director so appointed will hold office until the next annual general meeting of the Company or until their appointment is otherwise terminated in accordance with the Bye laws.

### *8.12.5 Board meeting quorum; voting requirement*

Bye-Law 52 provides that the quorum necessary for the transaction of the business of the Board of Directors shall be two directors provided that if there is only one director for the time being in office the quorum shall be one. Questions arising at any meeting of the Board of Directors shall be determined by a majority of votes cast. In the event of an equality of votes, the chairman of the meeting shall be entitled to a second or casting vote under Bye-law 49.

### *8.12.6 Interested Directors*

Under Bye-law 47, any director, or any director's firm, partner or any company with whom any director is associated, may act in any capacity for, be employed by or render services to the Company and such director or such director's firm, partner or company shall be entitled to remuneration as if such director were not a director. However, a director or director's firm, partner or company cannot act as auditor to the Company. A director who is directly or indirectly interested in a contract or proposed contract or arrangement with the Company shall declare the nature of such interest at the first opportunity at a meeting of the Board of Directors or by writing to the Board as required by the Bermuda Companies Act. Following such a declaration, a director may vote in respect

of any contract or proposed contract or arrangement in which such director is interested and may be counted in the quorum for such meeting and shall not be liable to account to the Company for any profit realised thereby.

### *8.12.7 Duties of the Directors*

The duties of a director are owed to the company and not to the individual shareholders and as such, only the company will be able to enforce them (though in certain circumstances shareholders may be able to bring a derivative action on the company's behalf). For these purposes, the company is generally defined by reference to the present and future shareholders of the company as a whole. At common law a director owes two types of duty to the company: a fiduciary duty and a duty of skill and care.

Fiduciary Duty: A director must act in good faith in his or her dealings with or on behalf of the company and must exercise his or her powers for the purposes for which they are intended and fulfil the duties of his or her office honestly. This fiduciary duty includes the following four aspects: (i) a duty to act in good faith in what the director considers is the best interests of the company and not for any collateral purpose, (ii) a duty to exercise powers for a proper purpose, (iii) a duty to avoid conflicts of interest with the company, and (iv) a duty not to profit improperly.

Duty of skill and care: When a director is acting in the company's interest, he or she must exercise whatever skill he or she possess with reasonable care. Directors are expected to be reasonably diligent in conducting the affairs of the company and are not shielded from impunity under the business judgement rule. This duty has three aspects: (i) degree of skill, (ii) attention to business, and (iii) reliance on others.

The common law duties are augmented by certain duties imposed by statute.

The Bermuda Companies Act provides that, if a director or officer has an interest in a material contract or proposed material contract with a company or any of its subsidiaries or has a material interest in any person that is a party to such a contract, such director or officer must disclose the nature of that interest at the first opportunity either at a meeting of directors or in writing to the board of directors. In addition, the Bermuda Companies Act imposes various duties on directors and officers of a company with respect to certain matters of management and administration of such company.

### *8.12.8 Director liability*

A director may be personally liable to the company in damages for breaching his or her fiduciary duties or duties of care, skill and diligence. All directors who participate in the breach will be held jointly and severally liable but as between them, they will have rights of contribution.

The Bermuda Companies Act permits a company to indemnify any director, officer or auditor from loss or liability in circumstances where it is permissible for the company to indemnify such director, officer or auditor, as indicated in "Indemnification of Directors and Officers" below. Such restriction on liability shall not extend to any matter which would render it void pursuant to the Bermuda Companies Act.

### *8.12.9 Indemnification of Directors and Officers*

The Bermuda Companies Act permits a company to indemnify its directors, officers and auditor with respect to any loss arising or liability attaching to such person by virtue of any rule of law concerning any negligence, default, breach of duty, or breach of trust of which the director, officer or auditor may be guilty in relation to the company they serve or any of its subsidiaries; provided that the company may not indemnify a director, officer or auditor against any liability arising out of his or her fraud or dishonesty. The Bermuda Companies Act also permits a company to indemnify a director, officer or auditor against liability incurred in defending any civil or criminal proceedings in which judgement is given in his or her favour or in which he or she is acquitted, or when the Supreme Court of Bermuda grants relief to such director, officer or auditor. The Bermuda Companies Act permits a company to advance moneys to a director, officer or auditor to defend civil or criminal proceedings against them on condition that these moneys are repaid if the allegation of fraud or dishonesty is proved against them. The Supreme Court of Bermuda may relieve a director, officer or auditor from liability for negligence, default,

breach of duty or breach of trust if it appears to the court that such director, officer or auditor has acted honestly and reasonably and, having regard to all the circumstances of the case, ought fairly to be excused.

Bye-law 48.1 provides that the directors, secretary and other officers (such term to include any person appointed to any committee by the Board of Directors) acting in relation to any of the affairs of the Company or any subsidiary thereof and the liquidator or trustees (if any) acting in relation to any of the affairs of the Company or any subsidiary thereof and every one of them (whether for the time being or formerly), and their heirs, executors and administrators (each of which an "**Indemnified Party**"), shall be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them, their heirs, executors or administrators, shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, or in their respective offices or trusts, and no Indemnified Party shall be answerable for the acts, receipts, neglects or defaults of the others of them or for joining in any receipts for the sake of conformity, or for any bankers or other persons with whom any monies or effects belonging to the Company shall or may be lodged or deposited for safe custody, or for insufficiency or deficiency of any security upon which any monies of or belonging to the Company shall be placed out on or invested, or for any other loss, misfortune or damage which may happen in the execution of their respective offices or trusts, or in relation thereto, provided that the indemnity shall not extend to any matter in respect of any fraud or dishonesty in relation to the Company which may attach to any of the indemnified parties

In addition, the Bye-laws of the Company provide exculpation provisions, which provide that the shareholders waive all claims or rights of action, individually or in right of the Company, that they might have against the Company's directors or officers for any act or failure in the performance of his or her duties, except in respect of any fraud or dishonesty. Such provisions make a shareholder's claim against a director legally unsustainable, absent properly particularised and appropriately evidenced allegations of fraud and dishonesty.

#### *8.12.10 Share class*

The share capital of the Company comprises shares of a single class, the holders of which shall, subject to the Bye Laws:

- be entitled to one vote per share;
- be entitled to such dividends as the Board of the Directors may from time to time declare;
- in the event of a winding-up or dissolution of the Company, whether voluntary or involuntary or for the purpose of a reorganisation or otherwise or upon any distribution of capital, be entitled to the surplus assets of the Company; and
- generally be entitled to enjoy all of the rights attaching to shares.

#### *8.12.11 No restrictions of transfer of shares*

Subject to the Bermuda Companies Act, the Bye-laws, and any applicable securities laws, and the lock-up arrangements as described in Section 8.8.3 "*The lock-up arrangements*" there are no restrictions on trading in the Shares. Bye-Law 8.4 provides that where the Company's shares are listed or admitted to trading on a listing exchange share may be transferred in accordance with the rules and regulations of the listing exchange. Where applicable, all transfers of uncertificated shares shall be made in accordance with and be subject to the facilities and requirements of the transfer of title to shares in that class by means of any relevant system concerned and, subject thereto, in accordance with any arrangements made by the Board of Directors pursuant to the Bye-laws. The Board of Directors may also make such additional regulations as it considers appropriate from time to time in connection with the transfer of the Company's publicly traded shares and other securities.

#### *8.12.12 General meetings*

Under the Bermuda Companies Act, an annual general meeting of the shareholders shall (unless dispensed with for a specific year or a period of time or indefinitely, by resolution in accordance with the Bermuda Companies

Act) be held in each calendar year. When the requirement has been so waived, any shareholder may, on notice to the company not later than three months before the end of the year in question, require the holding of an annual general meeting, in which case an annual general must be called. The Company intends to hold an annual general meeting in the year ending December 31, 2024.

The Bye-laws provide that the annual general meeting shall be held at such place, date and hour as shall be fixed by the president or chairman of the Company (if any) or any two directors or any director and the secretary or the Board of Directors.

Under the Bermuda Companies Act, any meeting of shareholders that is not the annual general meeting is called a special general meeting. The Bye-laws provide that the Board of Directors may convene a special general meeting, such meeting to be held at such place, date and hour as fixed by them, whenever in their judgment such a meeting is necessary, and shall, when required by the Bermuda Companies Act, convene a special general meeting of the shareholders. Under the Bermuda Companies Act, a special general meeting of shareholders must be convened by the board of directors of a company on the requisition of shareholders holding not less than one-tenth of the paid-up share capital of the company carrying the right to vote at general meetings as at the date the request is made.

#### *8.12.13 Notice of general meetings*

Pursuant to Bye-Law 19, the shareholders shall be given at least five days notice of an annual general meeting or a special general meeting, but the accidental omission to give notice to, or the non-receipt of a notice of a meeting by, any person entitled to receive notice does not invalidate the proceedings of the meeting.

If a general meeting is called on shorter notice, it will be deemed to have been properly called if it is so agreed (i) in the case of a meeting called as an annual general meeting by all the shareholders entitled to attend and vote thereat; and (ii) in the case of a special general meeting by a majority in number of the shareholders having the right to attend and vote at the meeting, being a majority together holding not less than 95 % in nominal value of the shares giving that right. The Bye-laws permit attendance at general meetings by proxy, provided the instrument appointing the proxy is in such form as the chairman of the meeting shall accept.

Under Bermuda law, accidental omission to give notice, or the non-receipt of a notice of a meeting by any persons entitled to receive notice, will not invalidate proceedings at a general meeting.

#### *8.12.14 Shareholder meeting quorum; voting requirement; voting rights*

Under Bermuda law, the voting rights of shareholders are regulated by the company's bye-laws and, in certain circumstances, by the Bermuda Companies Act. Bye-law 23.1 provides that two or more persons present in person and representing in person or by proxy in excess of 25 % of the total issued voting shares in the Company throughout the meeting will form a quorum for the transaction of business. Except where a greater majority is required by the Bermuda Companies Act or the Bye-laws, any question proposed for consideration at any general meeting shall be decided on by a simple majority of votes cast. There is no cumulative voting. Every shareholder of the Company who is present in person or by proxy has one vote for every Share of which he or she is the holder.

The Bye-laws provide that, in general, the holders of shares in the single class of shares in the share capital of the Company are entitled to one vote per share. No shareholder shall be entitled to vote at a general meeting unless such shareholder has paid all the calls on all shares held by such shareholder.

#### *8.12.15 Shareholder action by written consent*

The Bermuda Companies Act provides that, except in the case of the removal of an auditor before the expiration of his term of office or the removal of a director, anything which may be done by resolution of a company in a general meeting or by resolution of a meeting of any class of the shareholders of a company may be done by resolution in writing. Bye-Law 31.3 provides that such resolution must be signed by the shareholders representing

such majority of votes as would be required if the resolution was voted on at a general meeting at which all shareholders entitled to attend and vote thereat were present and voting.

#### *8.12.16 Notice of shareholder proposals*

Under Bermuda law, shareholders may, as set forth below, at their own expense (unless the company otherwise resolves), require a company to give notice of any resolution that the shareholders can properly propose at the next annual general meeting and/or to circulate a statement (of not more than 1000 words) in respect of any matter referred to in a proposed resolution or any business to be conducted at that general meeting. The number of shareholders necessary for such a request is either the number of shareholders representing not less than one-twentieth of the total voting rights of all the shareholders having at the date of the request a right to vote at the meeting to which the request relates or not less than 100 shareholders.

#### *8.12.17 Disclosure of shareholdings*

There are no disclosure requirements under the Bye-laws.

#### *8.12.18 Additional issuances and preferential rights*

The Bye-laws do not provide a shareholder of the Company with any pre-emptive rights to subscribe for additional issues of the Company's shares. Under Bermuda law and the Bye-laws, the Board of Directors is authorized to issue any unissued shares on such terms and conditions as it may determine and any shares or class of shares may be issued with such preferred, deferred or other special rights or such restrictions, whether in regard to dividend, voting, return of capital, or otherwise as the Company may by resolution of the shareholders prescribe.

The Board's mandate to issue Shares is limited to the extent of the authorised share capital of the Company in accordance with its Memorandum of Association. The authorised share capital of the Company may be increased by a resolution passed by a simple majority of votes cast at a general meeting of the Company's shareholders and a resolution of the Board of Directors.

#### *8.12.19 Capital Reduction*

The Company may, by a resolution passed by a simple majority of votes cast at a general meeting of the Company's shareholders, cancel shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

#### *8.12.20 Minority rights*

Class actions and derivative actions are generally not available to shareholders under Bermuda law. However, Bermuda courts ordinarily would be expected to follow English case law precedent, which would permit a shareholder to commence an action in the name of a company to remedy a wrong done to a company where the act complained of is alleged to be beyond the corporate power of a company, is illegal or would result in the violation of that company's memorandum of association or bye-laws. Furthermore, consideration would be given by a Bermuda court to acts that are alleged to constitute a fraud against the minority shareholders or, for instance, where an act requires the approval of a greater percentage of the Company's shareholders than actually approved it. However, generally a derivative action will not be permitted where there is an alternative action available that would provide an adequate remedy. Any property or damages recovered by derivative action go to the company, not to the plaintiff shareholders. When the affairs of a company are being conducted in a manner which is oppressive or prejudicial to the interests of some part of the shareholders, one or more shareholders may apply to the court, which may make such order as it sees fit, including an order regulating the conduct of the company's affairs in the future or ordering the purchase of the shares of any shareholders by other shareholders or by the company or that the company be wound up.

### *8.12.21 Rights of redemption and repurchase of shares*

The Bye-laws do not provide for any shareholder rights of conversion or redemption of the Shares. However, Bye-Law 2.2 provides that, subject to the Bermuda Companies Act, any preference shares may be issued or converted into shares that (at a determinable date or at the option of the Company or the holder) are liable to be redeemed on such terms and in such manner as may be determined by the Board of Directors (before the issue or conversion). The Company has neither issued any preference shares, nor any redeemable preference shares, as at the date of this Information Document.

### *8.12.22 Shareholder votes on certain reorganisations*

The Bermuda Companies Act is silent on whether a company's shareholders are required to approve a sale, lease or exchange of all or substantially all of a company's property and assets. The Bermuda Companies Act does require, however, that shareholders approve certain amalgamations and mergers. Pursuant to the Bermuda Companies Act, an amalgamation or merger of two or more non-affiliated companies requires approval of the board of directors and the approval of the shareholders of each Bermuda company by a three-fourths majority and the quorum for such a meeting must be two persons holding or representing by proxy more than one-third of the issued shares of the company, unless the bye-laws otherwise provide. Pursuant to the Company's bye-laws, the Company may merge or amalgamate with another company upon the approval by a resolution of the Board and by an ordinary resolution of the shareholders. For purposes of approval of an amalgamation or merger, all shares whether or not otherwise entitled to vote, carry the right to vote. A separate vote of a class of shares is required if the rights of such class would be altered by virtue of the amalgamation or merger. A simplified approach to amalgamations and mergers can be undertaken where a holding company and one or more of its wholly-owned subsidiaries propose to amalgamate or merge and where two or more of wholly-owned subsidiaries of the same holding company propose to amalgamate or merge. A short form amalgamation or merger dispenses with the requirements to have shareholder approval.

Pursuant to the Bermuda Companies Act, a company may be acquired by another company pursuant to a scheme of arrangement effected by obtaining the agreement of such company and of the holders of its shares, representing in the aggregate a majority in number and at least 75 % in value of the shareholders (excluding shares owned by the acquirer, who would act as a separate class) present and voting at a court-ordered meeting held to consider the scheme of arrangement. The scheme of arrangement must then be sanctioned by the Bermuda Supreme Court. If a scheme of arrangement receives all necessary agreements and sanctions, upon the filing of the court order with the Bermuda Registrar of Companies, all holders of ordinary shares will be compelled to sell their shares under the terms of the scheme of arrangement.

### *8.12.23 Appraisal Rights*

Merger or amalgamation: Under the Bermuda Companies Act, a shareholder who did not vote in favour of an amalgamation or merger between non-affiliated companies and who is not satisfied that he or she has been offered fair value for his or her shares may, within one month of the giving of the notice of the shareholders' meeting to consider the amalgamation or merger, apply to the Bermuda Supreme Court to appraise the fair value of his or her shares. If the court appraised value is greater than the value received or to be received in the amalgamation or merger, the acquiring company must pay the Bermuda Supreme Court appraised value to the dissenting shareholder within one month of the appraisal, unless it decides to terminate the amalgamation or merger in accordance with the terms of the amalgamation or merger agreement. An amalgamation agreement or merger agreement may provide that at any time before the issue of a certificate of amalgamation or merger the agreement may be terminated by the directors of an amalgamating or merging company, notwithstanding approval of the agreement by the shareholders of all or any of the amalgamating or merging companies.

Section 103 of the Bermuda Companies Act: Under Section 103 of the Bermuda Companies Act, the holders (the purchasers) of 95% or more of the shares of a company may give notice to the remaining shareholders requiring them to sell their shares on the terms described in the notice. Within one month of receiving the notice, any remaining shareholder may apply to the Bermuda Supreme Court for an appraisal of its shares. Within one month

of the court's appraisal, the purchasers are entitled to either acquire all shares involved at the price fixed by the Bermuda Supreme Court or cancel the notice given to the remaining shareholders. Where shares have been acquired under the notice at a price less than the Bermuda Supreme Court's appraisal, the purchasers must either pay the difference in price or cancel the notice and return to each shareholder concerned the shares acquired and each shareholder must repay the purchaser the purchase price.

#### *8.12.24 Dissenter's rights*

Under Section 102 of the Bermuda Companies Act, if an offer to acquire shares (or any class of shares) of a company is approved by the holders of 90% in value of the shares (excluding shares held by the bidder, or a nominee or subsidiary of the bidder) within four months of the offer then the bidder can, within two months of the date of the approval, compulsorily acquire the shares of dissenting shareholders by giving notice to such shareholders of the compulsory acquisition of their shares. A dissenting shareholder has one month from receipt of the compulsory acquisition notice in order to make an application to the Bermuda Supreme Court, to asset aside the compulsory acquisition. The right of a dissentient shareholder is not limited to having the fair value of its shares appraised and the Bermuda Supreme Court has a broad discretion to order as it thinks fit. If no application to the Court is made, then on the expiry of one month from the date on which the compulsory acquisition notice was given, the bidder becomes entitled to acquire the subject shares on the same terms as those offered to the shareholders who accepted the offer. Dissenting shareholders also have the right under Section 102 to serve a notice on the bidder requiring it to acquire their shares on the terms of the earlier offer, or on such terms as may be agreed or as the Court (on the application of either the acquirer or the dissenting shareholder) thinks fit to order. This right must be exercised within 3 months from the giving of notice by the acquirer that the 90% threshold has been reached.

#### *8.12.25 Distribution of assets upon liquidation*

In the event of the winding up and liquidation of the Company, the liquidator may, with the sanction of a resolution passed by a simple majority of votes cast at a general meeting of the Company's shareholders, and any other sanction required by the Bermuda Companies Act, divide among the shareholders in specie or kind the whole or any part of the assets of the Company and may for such purposes set such value as he deems fair upon any property to be divided and may determine how such division is to be carried out between the shareholders or different classes of shareholders. The liquidator may, with the like sanction, vest the whole or part of the Company's assets in trustees upon such trust for the benefit of the shareholders, however, no shareholder will be compelled to accept any shares or other assets in respect of which there is any liability.

#### *8.12.26 Variation of shareholder rights*

As previously stated, the Company currently has one class of Shares. Bye-Law 11 provides that, subject to the Bermuda Companies Act, all or any of the rights for the time being attached to any class of shares (the Shares included) may (unless otherwise provided by the terms of issue of the shares of that class), from time to time, be varied with the consent in writing of the holders of not less than 75 % of the issued shares of that class or with the sanction of a resolution passed by a majority of the votes cast at a separate general meeting of the holders of the shares of the class at which meeting the necessary quorum (where the Company has more than one shareholder) shall be two persons at least holding or representing by proxy one-third of the issued shares of the class. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.

#### *8.12.27 Amendments to the Memorandum of Association*

The Bermuda Companies Act provides that the memorandum of association of a company may be amended by a resolution passed at a general meeting of shareholders of which due notice has been given. An application may be made to the Bermuda Supreme Court for an alteration to the memorandum of association to be annulled and where such an application is made the alteration shall not have effect except in so far as it is confirmed by the

Supreme Court. An application may only be made (a) by the holders of not less in the aggregate than twenty per centum in par value of the company's issued share capital or any class thereof; or (b) by the holders of not less in the aggregate than twenty per centum of the company's debentures entitled to object to alterations to its memorandum of association provided that an application shall not be made by any person who has voted in favour of the alteration or has given to the company a statement in writing duly signed that he, having had notice, consents to the alteration. The application is required to be made within twenty-one days after the date on which the resolution altering the company's memorandum of association was passed and may be made on behalf of the persons entitled to make the application by one or more of their number as they may appoint in writing for the purpose.

#### *8.12.28 Amendment of the Bye-laws*

The Bye-laws provide that no Bye-Law may be may be rescinded, altered or amended and no new Bye Law may be made save in the manner provided for in the Bermuda Companies Act and until same has been approved by a resolution of the Board of Directors and by a resolution passed at an annual or special general meeting of shareholders.

#### *8.12.29 Inspection of books and records; shareholder lists*

Members of the general public have a right to inspect the public documents of a company available at the office of the Registrar of Companies in Bermuda. These documents include a company's memorandum of association, including its objects and powers, and certain alterations to the memorandum of association. The shareholders have the additional right to inspect the bye-laws of the company, minutes of general meetings and the company's audited financial statements, which must be presented in the annual general meeting. The register of members of a company is also open to inspection by shareholders and by members of the general public without charge. The register of members is required to be open for inspection for not less than two hours in any business day (subject to the ability of a company to close the register of members for not more than thirty days in a year). A company is required to maintain its share register in Bermuda but may, subject to the provisions of the Bermuda Companies Act, establish a branch register outside of Bermuda. A company is required to keep at its registered office a register of directors and officers that is open for inspection for not less than two hours in any business day by members of the public without charge. Bermuda law does not, however, provide a general right for shareholders to inspect or obtain copies of any other corporate records.

# 9 TAXATION

*The tax legislation in the Company's jurisdiction of incorporation and the tax legislation in the jurisdiction in which the shareholders are resident for tax purposes may have an impact on the income received from the Shares.*

*The summary regarding Norwegian and Bermudian taxation is based on the laws in force in as at the date of this* Information Document*, which may be subject to any changes in law occurring after such date. Such changes could possibly be made on a retrospective basis.*

*The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the shares in the Company. Shareholders who wish to clarify their own tax situation should consult with and rely upon their own tax advisers. Shareholders resident in jurisdictions other than Norway and shareholders who cease to be resident in Norway for tax purposes (due to domestic tax law or tax treaty) should specifically consult with and rely upon their own tax advisers with respect to the tax position in their country of residence and the tax consequences related to ceasing to be resident in Norway for tax purposes. The statements in the summary only apply to shareholders who are beneficial owners of the Shares.*

*Please note that for the purpose of the summary below, a reference to a Norwegian or non-Norwegian shareholder refers to the tax residency rather than the nationality of the shareholder.*

## 9.1 Norwegian taxation

### *9.1.1 Taxation of dividends*

Norwegian Corporate Shareholders

Dividends received by shareholders who are limited liability companies (and certain similar entities) resident in Norway for tax purposes ("Norwegian Corporate Shareholders"), are taxed as ordinary income at a flat rate of 22 %. For Norwegian Corporate Shareholders that are considered to be 'financial institutions' under the Norwegian financial activity tax (e.g., banks and holding companies), the effective rate of taxation for dividends is 25 %.

Norwegian Personal Shareholders

Dividends received by shareholders who are natural persons resident in Norway for tax purposes ("**Norwegian Personal Shareholders**") are taxable as ordinary income currently at a rate of 22% (for 2024), to the extent the dividends exceed a statutory tax-free allowance (Nw.: *skjermingsfradrag*). With effect from the fiscal year 2024 the taxable amount is multiplied by a factor of 1.72, resulting in an effective tax rate of 37.84% (22% x 1.72). The tax-free allowance is calculated on a share-by-share basis. The allowance for each Share is equal to the cost price of the Share multiplied by a determined risk-free interest rate based on the effective rate of interest on treasury bills (Nw.: *statskasseveksler*) with three months' maturity plus 0.5 percentage points, after tax. The allowance is calculated for each calendar year, and is allocated solely to Norwegian Personal Shareholders holding Shares at the expiration of the relevant calendar year. The risk-free interest rate is published in January in the year following the income year. The risk-free interest rate for 2023 was 3.2%. Norwegian Personal Shareholders who transfer Shares will thus not be entitled to deduct any calculated tax-free allowance related to the year of the transfer when determining the taxable amount in the year of transfer. Any part of the calculated tax-free allowance one year that exceeds the dividend distributed on a Share ("**excess allowance**") may be carried forward and set off against future dividends received on, or gains upon realization, of the same Share.

The Shares will not qualify for Norwegian share saving accounts (Nw.: *aksjesparekonto*) held by Norwegian Personal Shareholders, as the Company is resident outside the European Economic Area for tax purposes.

Non-Norwegian Shareholders

As a general rule, dividends received by shareholders (both corporate shareholders and personal shareholders) that are not resident in Norway for tax purposes ("**Non-Norwegian Shareholders**"), from Shares in companies who are not resident in Norway for tax purposes, including the Company, are not subject to Norwegian taxation,

unless the Non-Norwegian Shareholder holds the Shares in connection with business activities carried out or managed from Norway.

### *9.1.2 Taxation upon realization of Shares*

Norwegian Corporate Shareholders

A capital gain or loss derived by a Norwegian Corporate Shareholder from a disposal of Shares in the Company is taxable or tax deductible in Norway. The taxable gain/deductible loss per Share is calculated as the difference between the consideration for the Share and the Norwegian Corporate Shareholder's cost price of the Share, including costs incurred in relation to the acquisition or disposal of the Share. Such capital gain or loss is included in or deducted from the basis for computation of ordinary income in the year of disposal. Ordinary income is taxable at flat a rate of 22 %. For Norwegian Corporate Shareholders that are considered to be 'financial institutions' under the Norwegian financial activity tax (e.g., banks and holding companies), the effective rate of taxation of capital gains is 25 %.

The gain is subject to tax and the loss is tax deductible irrespective of the duration of the ownership and the number of shares disposed of. If the Norwegian Corporate Shareholder owns Shares acquired at different points in time, the Shares that were acquired first will be regarded as the first to be disposed of, on a first-in first-out basis. Special rules apply for Norwegian Corporate Shareholders that cease to be tax-resident in Norway.

Norwegian Personal Shareholders

Sale, redemption or other disposal of Shares is considered a realization for Norwegian tax purposes. A capital gain or loss generated by a Norwegian Personal Shareholder through a disposal of Shares is taxable or tax deductible in Norway. Such capital gain or loss is included in or deducted from the Norwegian Personal Shareholder's ordinary income in the year of disposal. Ordinary income is currently taxable at a rate of 22%. However, with effect from the fiscal year 2024, the taxable capital gain (after the tax-free allowance reduction, cf. below) or tax-deductible loss shall be adjusted by a factor of 1.72, resulting in a marginal effective tax rate of 37.84%. The gain is subject to tax and the loss is tax deductible irrespective of the duration of the ownership and the number of Shares disposed of. The taxable gain/deductible loss is calculated per Share as the difference between the consideration for the Share and the Norwegian Personal Shareholder's cost price of the Share, including costs incurred in relation to the acquisition or realization of the Share. Norwegian Personal Shareholders are entitled to deduct a statutory tax-free allowance from any capital gain, provided that such allowance has not already been used to reduce taxable dividend income. Please refer to Section 9.1.1 "*Taxation of dividends*" above for a description of the calculation of the tax-free allowance. The allowance may only be deducted to reduce a taxable gain, and cannot increase or produce a deductible loss, i.e., any unused allowance exceeding the capital gain upon the realization of a Share will be annulled. If the Norwegian Personal Shareholder owns Shares acquired at different points in time, the Shares that were acquired first will be regarded as the first to be disposed of, on a first-in first-out basis.

The Shares will not qualify for Norwegian share saving accounts (Nw.: *aksjesparekonto*) held by Norwegian Personal Shareholder, as the Company is resident outside the European Economic Area for tax purposes.

Non-Norwegian Shareholders

As a general rule, gains derived from the sale or other realization of shares received by Non-Norwegian Shareholders from shares in companies who are not resident in Norway for tax purposes, including the Company, are not subject to Norwegian taxation, unless the Non-Norwegian Shareholder holds the shares in connection with business activities carried out or managed from Norway.

Controlled Foreign Corporation (CFC) taxation

Norwegian shareholders in the Company will be subject to Norwegian taxation following the Norwegian Controlled Foreign Corporations regulations (Norwegian CFC-regulations) if Norwegian shareholders directly or indirectly own or control (hereinafter together referred to as "Control") the Shares of the Company.

Norwegian shareholders will be considered to Control the Company if:

- Norwegian shareholders Control 50 % or more of the Shares in the Company at the beginning of and at the end of a tax year; or

- If Norwegian shareholders Controlled the Company the previous tax year, the Company will also be considered Controlled by Norwegian shareholders in the following tax year unless Norwegian resident shareholders Control less than 50 % of the Shares at both the beginning and the end of the following tax year; or

- Norwegian shareholders Control more than 60 % of the Shares in the Company at the end of a tax year.

If less than 40% of the Shares are Controlled by Norwegian shareholders at the end of a tax year, the Company will not be considered Controlled by Norwegian shareholders for Norwegian tax purposes. Under the Norwegian CFC-regulations Norwegian shareholders are subject to Norwegian taxation on their proportionate part of the taxable net income generated by the Company (and relevant foreign companies of the Group), calculated according to Norwegian tax regulations, regardless of whether or not any dividends are distributed from the Company. Please also refer to Section 2 "*Risk factors*" for information on risks relating to law, regulation and litigation.

#### *9.1.3 Net wealth tax*

Norwegian Corporate Shareholders

Norwegian Corporate Shareholders are not subject to net wealth tax.

Norwegian Personal Shareholders

The value of Shares is included in the basis for the computation of net wealth tax imposed on Norwegian Personal Shareholders. With effect from the fiscal year 2024, the marginal net wealth tax rate is 1% of the tax assessment value of total net assets exceeding NOK 1.7 million (NOK 3.4 million jointly for married couples), increased to 1.1% of the tax assessment value of total net assets exceeding NOK 20 million. The value for assessment purposes for listed Shares is equal to 80 % of the listed value as of 1 January in the year of assessment (i.e. the year following the relevant fiscal year).

Non-Norwegian shareholders

Shareholders not resident in Norway for tax purposes are not subject to Norwegian net wealth tax. Non-Norwegian personal shareholders may, however, be liable for Norwegian net wealth tax if the shareholding is, in effect, connected to business activities carried out in or managed from Norway.

#### *9.1.4 VAT and transfer tax*

No VAT, stamp or similar duties are currently imposed in Norway on the transfer or issuance of Shares.

#### *9.1.5 Inheritance tax*

A transfer of Shares through inheritance or as a gift does not give rise to inheritance or gift tax in Norway.

#### *9.1.6 Norwegian CFC taxation*

In the event that the Company's shareholders are affected by Norwegian CFC taxation, they could be exposed to Norwegian tax liabilities based on their pro-rata portion of the taxable net income generated by the Company and related foreign entities within the Group, as calculated in accordance with Norwegian tax regulations. Such a scenario may place a substantial tax encumbrance on these investors, with potential administrative complexities for both the Company and its shareholders.

### 9.2 Bermuda taxation

#### *9.2.1 Taxation applicable to the Company*

Under current Bermuda law, there is no withholding tax, capital gains tax, capital transfer tax, estate duty or inheritance tax payable by the Company in Bermuda.

The Government of Bermuda has recently passed the CIT Act, conforming to the OECD BEPS Pillar 2 framework, which will impose corporate income tax on certain Bermuda-based entities for fiscal years beginning on or after January 1, 2025. The CIT Act will apply to any entity incorporated or formed in Bermuda, or that has a permanent place of business in Bermuda, if that entity is a member of an "In Scope MNE Group" (i.e. a group of entities related through ownership and control that has an annual revenue of 750 million euros or more in a fiscal year, pursuant to the consolidated financial statements of the ultimate parent entity, in at least two of the four fiscal years immediately preceding the fiscal year beginning on or after January 1, 2025, and such group includes at least one entity located in a jurisdiction that is not the parent entity's jurisdiction). The CIT Act could, if applicable to the Company, have a material adverse effect on the Company's financial condition and results of operations.

Prior to the enactment of Bermuda's corporate income tax legislation, the Company obtained from the Bermuda Minister of Finance under the Exempted Undertaking Tax Protection Act 1966, as amended, an assurance that, in the event that Bermuda enacts legislation imposing tax computed on profits, income, any capital asset, gain or appreciation, or any tax in the nature of estate duty or inheritance, the imposition of any such tax shall not be applicable to the Company or any of its operations or its shares, debentures or other obligations, until March 31, 2035. This assurance is subject to the proviso that it is not to be construed so as to prevent the application of any tax or duty to such persons as are ordinarily resident in Bermuda or to prevent the application of any tax payable in accordance with the provisions of the Bermuda Land Tax Act 1967, as amended, or otherwise payable in relation to any property leased to the Company. Given the limited duration of the Bermuda Minister's assurance, it cannot be certain that the Company (or any of its Bermuda incorporated subsidiaries) will not be subject to any Bermuda tax after March 31, 2035.

Notwithstanding the Exempted Undertakings Tax Protection Act 1966 or the assurance to the Company issued thereunder, beginning January 1, 2025, with respect to Bermuda entities in scope of Bermuda's corporate income tax legislation, liability for tax pursuant to such corporate income tax legislation shall apply notwithstanding any assurance given pursuant to the Exempted Undertakings Tax Protection Act 1966. Any assurance issued prior to January 1, 2024, will be subject to the application of the CIT Act and the imposition of any tax pursuant thereto. Any assurance issued after January 1, 2024 shall not apply to the imposition of any tax pursuant to the CIT Act.

*Taxation applicable to the shareholders*

The Company's shareholders will not, based on their shareholding in the Company only, be taxable in Bermuda as of the date hereof. The assurance obtained by the Company from the Minister of Finance of Bermuda referred to above covers taxation of the Company's shareholders as well. Hence, in the event any legislation is enacted in Bermuda imposing any tax on the shares or dividends paid on the shares or in the nature of estate duties or inheritance tax on the transfer of shares, such tax shall not, until after 31 March 2035, be applicable on the Company's shareholders except insofar as such shareholders may be tax resident in Bermuda.

### 9.3 Cautionary note

Potential investors should be aware that the tax legislation of the investor's Member State and of the Company's country of incorporation may have an impact on the income received from the securities.

# 10 ADDITIONAL INFORMATION

## 10.1 Admission to trading on Euronext Growth Oslo

The Company applied for the Admission on Euronext Growth Oslo on 21 June 2024. The first day of trading on Euronext Growth Oslo will be on 28 June 2024. The Company does not have, and has not applied to have, securities listed on any stock exchange or other regulated marketplace.

## 10.2 Independent auditor

The Company's current independent auditor is KPMG AS with company registration number 935 174 627, and registered business address Sørkedalsveien 6, 0369 Oslo, Norway. The partners of KPMG AS are members of The Norwegian Institute of Public Accountants (Nw: *Den Norske Revisorforeningen*).

KPMG AS was engaged as independent auditor by the Company on 7 June 2023. Previously, PricewaterhouseCoopers LLP, based in the United Kingdom, served as independent auditor. The change was primarily due to change in ownership of the Company.

The Financial Statements of Paratus Energy Services Ltd. as of 31 December 2023 and 2022, and for the years then ended, included in this Information Document, have been audited by KPMG AS, independent auditors, as stated in their report appearing herein.

## 10.3 Advisors

DNB Markets, a part of DNB Bank ASA, with business registration number 984 851 006 and registered business address Dronning Eufemias gate 30, 0191 Oslo, Norway, is acting as Manager and Euronext Growth Advisors. DNB Markets, a part of DNB Bank ASA, its beneficial owners and persons with managerial roles within DNB Bank ASA do not hold ownership interest in the Company.

Ducera Partners LLC (and its affiliate Ducera Securities LLC, as appropriate) is serving as financial advisor to the Company in connection with the Private Placement. In this regard, Ducera is providing financial advisory services solely to the Company and will not be a participant in the underwriting syndicate, will not provide placement services, will not receive or execute orders from subscribers in the public offering, will not participate in stabilization or any similar activities and will not provide investment advice to potential subscribers. In addition, Ducera will not be receiving any underwriting, placement agent or similar fees and will not be receiving any portion of the Managers' fees; Ducera will receive a fixed fee from the Company for its services to the Company.

Advokatfirmaet Wiersholm AS is acting as Norwegian legal counsel to the Manager and Euronext Growth Advisors.

Advokatfirmaet Schjødt AS, with business registration number 996 918 122 and registered address Tordenskiolds gate 12, 0160 Oslo, Norway, is acting as legal counsel to the Company.

Carey Olsen Bermuda Limited, with company registration number 52901 and registered address at Rosebank Centre, 5th Floor, 11 Bermudiana Road, Pembroke HM08, Bermuda, is acting as special legal counsel to the Company, advising on certain legal matters with respect to Bermuda law.

## 11 DEFINITIONS AND GLOSSARY OF TERMS

| | |
|---|---|
| **Admission** | The admission to trading of the Shares on Euronext Growth Oslo to take place on 28 June 2024 |
| **2026 Notes Indenture** | The Group's amended and restated 2026 notes indenture dated and effective as of January 20, 2022 |
| **Amended and Restated Appointment Letter** | The amended and restated appointment letter, which amends and restates the engagement letter dated 28 April 2023, between Mei Mei Chow and the Company |
| **APMs** | Alternative performance indicators |
| **Appropriate Channels for Distribution** | Distribution channels permitted by MiFID II |
| **Archer** | Archer Ltd. |
| **Audited Financial Statements** | Audited consolidated financial statements for the Company for the financial years ended 31 December 2023 and 31 December 2022, in accordance with US GAAP, audited by KPMG AS |
| **Austrian ISA** | The investment and shareholders' agreement, originally dated 11 May 2012, as amended pursuant to a supplement agreement dated 24 July 2014, and as further amended and restated pursuant to an amendment and restatement deed dated 16 August 2018 and 12 October 2018 |
| **Bermuda Companies Act** | The Companies Act 1981 of Bermuda, as amended |
| **BMA** | The Bermuda Monetary Authority |
| **Board of Directors** or **Board Members** | The board of directors of the Company |
| **Bonds** | The senior secured bonds issued by the Company |
| **Brazilian ISA** | The investment and shareholders' agreement, originally dated 11 May 2012, as amended and restated pursuant to an amendment and restatement deed dated 16 October 2018 |
| **Bye-laws** | The bye laws of the Company as they read as of the date of this Information Document |
| **CEO** | The Company's chief executive officer |
| **CIT Act** | The Corporate Income Tax Act 2023 |
| **COCG** | The Code of Conduct Group for Business Taxation of the European Union |
| **Company** or **Paratus** | Paratus Energy Services Ltd., an exempted company limited by shares incorporated under the laws of Bermuda with registration number 53451 and registered address Par-La-Ville Place, 14 Par-La-Ville Road, Hamilton, HM 08 Bermuda |
| **Declaration** | The declaration in the prescribed form under the ESA |
| **DNB** | DNB Bank ASA |
| **E&P** | Exploration and production |
| **EEA** | The European Economic Area covering the members of the European Union, Norway, Iceland and Liechtenstein |
| **ESA** | The Economic Substance Act 2018 and the Economic Substance Regulations 2018 of Bermuda |
| **EU** | The European Union |
| **EU Prospectus Regulation** | Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a Regulated Market, as amended, and as implemented in Norway |
| **Euronext Growth Advisor** | DNB Markets, a part of DNB Bank ASA |
| **Euronext Growth Oslo** | A multilateral trading facility operated by Oslo Børs ASA as one of several Euronext Growth Markets under Euronext |
| **Euronext Growth Rule Book** | The Euronext Rule Book I and the Euronext Rule Book II for Euronext Growth Oslo, collectively |
| **Financial Statements** | The Company's Audited Financial Statements |
| **Fintech** | Fintech Investment Limited |
| **FIT** | Fontis International Talent Ltd. |
| **Fontis** | Fontis Holdings Ltd., previously known as SeaMex Holdings Ltd., and its subsidiaries |
| **Forecast** | The Company's financial guidance for 2024 |
| **Front Ocean** | Front Ocean Management AS |
| **GDPR** | The General Data Protection Regulation (EU) 2016/679 |
| **Group** | The Company together with its consolidated subsidiaries |
| **Group Transferee** | The right for a shareholder to transfer all (and not part only) of its shares to another company within its own group of companies under the Brazilian ISA |
| **Guarantors** | Paratus Seabras UK Limited, Paratus Seabras SP UK Limited and Seabras Servicos de Petroleo SA |
| **Hemen** | Hemen Holding Ltd, a company indirectly controlled by trusts established by Mr. John Fredriksen for the benefit of his immediate family |
| **Incentive Scheme** | The Company's incentive scheme established in April 2023 |
| **Information Document** | This Information Document dated 28 June 2024 with all attachments hereto |

| | |
|---|---|
| **ISIN** | International Securities Identification Number |
| **Joint Global Coordinators** | DNB Markets, a part of DNB Bank ASA and Arctic Securities AS as joint global coordinators and joint bookrunners in the Private Placement |
| **KPMG** | KPMG AS |
| **Management** | The members of the senior management of the Company |
| **Management Agreement** | The management agreement between the Company and Paratus Management |
| **Managers** | ABG Sundal Collier ASA, Fearnley Securities AS and Pareto Securities AS as joint bookrunners in connection with the Private Placement, together with the Joint Global Coordinators |
| **MAR** | The Market Abuse Regulation (EU) No. 596/2014 |
| **Memorandum of Association** | The Company's memorandum of association |
| **MID** | The management incentive deed |
| **MiFID II** | EU Directive 2014/65/EU on markets in financial instruments, as amended |
| **MiFID II Product Governance Requirements** | Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II, together with local implementing measures |
| **Negative Target Market** | Investors looking for full capital protection or full repayment of the amount invested or having no risk tolerance, or investors requiring a fully guaranteed income or fully predictable return profile |
| **New Notes** | The USD 219 million of new notes due August 2024 issued to certain Noteholders |
| **NOCs** | National oil companies |
| **NOK** | Norwegian Kroner, the lawful currency of Norway |
| **Non-Norwegian Shareholders** | Shareholders who are not resident in Norway for tax purposes |
| **Norwegian Corporate Shareholders** | Shareholders who are limited liability companies (and certain similar entities) domiciled in Norway for tax purposes |
| **Norwegian Personal Shareholders** | Norwegian Shareholders other than Norwegian Corporate Shareholders |
| **Norwegian Shareholders** | Shareholders who are resident in Norway for tax purposes |
| **Noteholders** | NSNCo secured noteholders |
| **Notes Security** | The security package under the 2026 Notes Indenture |
| **NSNCo** | Seadrill New Finance Limited |
| **Offer Price** | The offer price per share in the Private Placement |
| **OPEC** | Organization of Petroleum Exporting Countries |
| **Option Agreement** | The option agreement dated 10 November 2022 by and between Mr. Jensen and the Company |
| **Paratus Management** | Paratus Management Norway AS |
| **PIK** | Paid-in kind |
| **PLSV Charter Agreement** | Charter agreements between Petrobras and SAPURA NAVEGACAO MARÍTIMA S.A., Sapura Diamante GmbH, Sapura Topázio GmbH, Sapura Ônix GmbH, Sapura Jade GmbH and Sapura Rubi GmbH |
| **PLSVs** | Pipe-laying support vessels |
| **Positive Target Market** | The end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II |
| **Private Placement** | The private placement completed by the Company on 26 June 2024 by the issue of 15,309,059 new Shares with a subscription price of NOK 51.66 per Share (equivalent to USD 4.90 based on the official exchange rate of Norges Bank on Friday 21 June 2024) per Share, raising gross proceeds of the NOK equivalent of USD 75 million. |
| **Registrar Agreement** | The registrar agreement between the VPS Registrar and the Company |
| **Restricted Subsidiaries** | All subsidiaries of the Company other than subsidiaries of Fontis Holdings Limited |
| **Rig Leasing Agreement** | Lease agreements between the 5 rig-operating subsidiaries of Fontis and a large state-owned petroleum company |
| **ROV** | Remote operation vessels |
| **RSA** | The restructuring support agreement dated July 2, 2021 |
| **RSA** | Restructuring support agreement |
| **Seabras** | Seabras Sapura joint venture, comprising of Seabras Sapura Holding GmbH and Seabras Sapura Participacoes SA |
| **Seabras Servicos** | Seabras Servicos de Petroleo SA |
| **Seadrill** | Seadrill Limited |
| **Seadrill SB UK** | Seadrill Seabras UK Limited |
| **SEB Offshore** | Sapura Offshore SDN. BHD |
| **Senior Secured Notes** | The senior secured notes due 2026 issued by the Company |
| **Service Agreement** | The service agreement between the Company and Front Ocean |
| **Share Split** | The share split resolved by the Company on 21 May 2024 |

| | |
|---|---|
| **Share(s)** | The Company's 169,325,049 shares, each with a par value of USD 0.00002 |
| **SNM** | Sapura Navegacao Maritima S.A. |
| **SSH** | Seabras Sapura Holding GmbH |
| **SSP** | Seabras Sapura Participacoes S.A. |
| **Target Market Assessment** | The Negative Target Market together with the Positive Target Market |
| **Trading Update** | The Company's trading update for the first quarter 2024 |
| **U.S. Securities Act** | The U.S. Securities Act of 1933 |
| **UDW** | Ultra-deepwater |
| **US GAAP** | United States of America Generally Accepted Accounting Principles |
| **VPS** | Euronext Securities Oslo, the Norwegian Central Securities Depository (Nw.: *Verdipapirsentralen ASA*) |
| **VPS Registrar** | DNB Bank ASA, Registrar's Department |

**APPENDIX A**

**MEMORANDUM OF ASSOCIATION AND BYE LAWS OF THE COMPANY**

FORM NO. 2

BERMUDA

THE COMPANIES ACT 1981

# MEMORANDUM OF ASSOCIATION OF COMPANY LIMITED BY SHARES

**(Section 7(1) and (2))**

## MEMORANDUM OF ASSOCIATION OF

**Seadrill New Finance Limited**
**(hereinafter referred to as "the Company")**

1. The liability of the members of the Company is limited to the amount (if any) for the time being unpaid on the shares respectively held by them.

2. We, the undersigned, namely,

| NAME | ADDRESS | BERMUDIAN STATUS (Yes/No) | NATIONALITY | NUMBER OF SHARES SUBSCRIBED |
|---|---|---|---|---|
| Dawn C. Griffiths | Clarendon House<br>2 Church Street<br>Hamilton HM 11<br>Bermuda | Yes | British | One |
| David W.P. Cooke | " | Yes | British | One |
| Christopher G. Garrod | " | Yes | British | One |

do hereby respectively agree to take such number of shares of the Company as may be allotted to us respectively by the provisional directors of the Company, not exceeding the number of shares for which we have respectively subscribed, and to satisfy such calls as may be made by the directors, provisional directors or promoters of the Company in respect of the shares allotted to us respectively.

3. The Company is to be an exempted company as defined by the Companies Act 1981 (the "Act").

4. The Company, with the consent of the Minister of Finance, has power to hold land situate in Bermuda not exceeding ___ in all, including the following parcels:- N/A

5. The authorised share capital of the Company is US$1,000.00 divided into shares of US$1.00 each.

6. The objects for which the Company is formed and incorporated are unrestricted.

7. The following are provisions regarding the powers of the Company –

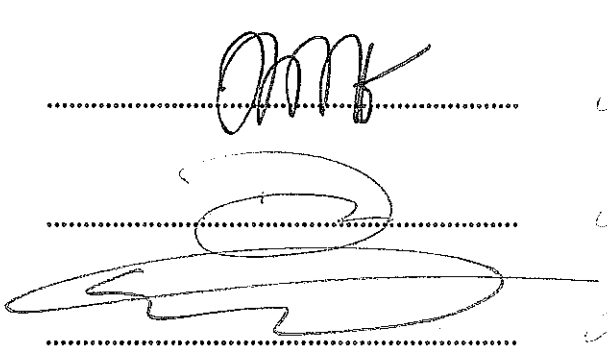
Subject to paragraph 6, the Company may do all such things as are incidental or conducive to the attainment of its objects and shall have the capacity, rights, powers and privileges of a natural person, and –

(i) pursuant to Section 42 of the Act, the Company shall have the power to issue preference shares which are, at the option of the holder, liable to be redeemed;

(ii) pursuant to Section 42A of the Act, the Company shall have the power to purchase its own shares for cancellation; and

(iii) pursuant to Section 42B of the Act, the Company shall have the power to acquire its own shares to be held as treasury shares.

**Signed by each subscriber in the presence of at least one witness attesting the signature thereof**



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(Subscribers) (Witnesses)

SUBSCRIBED this 14th day of March, 2018.

**THIRD AMENDED AND RESTATED BYE-LAWS**

**OF**

**PARATUS ENERGY SERVICES LTD.**

Adopted on 21 May 2024

CAREY OLSEN

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## INTERPRETATION

### 1. DEFINITIONS

1.1 In these Bye-laws, the following words and expressions shall, where not inconsistent with the context, have the following meanings:

"**Alternate Director**" means an alternate director appointed in accordance with these Bye-laws.

"**Auditor**" includes an individual, company or partnership for the time being appointed as auditor of the Company.

"**Bermuda**" means the Islands of Bermuda.

"**Board**" means the board of directors appointed or elected pursuant to these Bye-laws and acting by resolution in accordance with the Companies Act and these Bye-laws or the Directors present at a meeting of Directors at which there is a quorum.

"**Branch Register**" means a branch of the Register of Members for the shares which is maintained by a Registrar pursuant to the terms of an agreement with the Company and pursuant to the Companies Act.

"**Business Day**" means any day that is not a Saturday, Sunday or other day on which commercial banks in Bermuda are authorised or required by law to close.

"**Bye-laws**" means these bye-laws in their current form or as from time to time amended.

"**Common Shares**" means the common shares of par value US$0.00002 each in the Company having the rights and restrictions contained in these Bye-laws.

"**Companies Act**" means the Companies Act 1981 as amended from time to time.

"**Company**" means the company for which these Bye-laws are approved and confirmed.

"**CSD**" means a central securities depository where the Company's shares are registered, including without limitation the VPS.

"**Director**" means a director of the Company for the time being and shall include an Alternate Director.

"**Indemnified Party**" has the meaning ascribed thereto in Bye-Law 48.1.

"**Listing Exchange**" means any stock exchange, multilateral trading facility or quotation system upon which the shares are listed or admitted to trading from time to time.

"**Member**" means the person registered in the Register of Members as the holder of shares in the Company and, when two or more persons are so registered as joint holders of shares, means the person whose name stands first in the Register of Members as one of such joint holders or all of such persons, as the context so requires.

"**Notice**" means written notice as provided in these Bye-laws unless specifically stated otherwise.

"**Officer**" means any person appointed by the Board to hold an office in the Company.

"**Register of Directors and Officers**" means the register of directors and officers of the Company maintained in accordance with the Companies Act.

"**Register of Members**" means the register of members of the Company maintained in accordance with the Companies Act and, except in Bye-laws 6.1, 6.2 and 6.3, includes any Branch Register.

"**Registered Office**" means the registered office of the Company maintained in accordance with the Companies Act.

"**Registrar**" means such person or body corporate who may from time to time be appointed by the Board as registrar of the Company with responsibility to maintain a Branch Register.

"**Resident Representative**" means any person appointed to act as resident representative and includes any deputy or assistant resident representative.

"**Secretary**" means any person appointed to act as secretary of the Company and includes any deputy or assistant secretary and any person appointed by the Board to perform any of the duties of the Secretary.

"**share**" means share in the capital of the Company and includes a fraction of a share.

"**Treasury Share**" means a share of the Company that was or is treated as having been acquired and held by the Company and has been held continuously by the Company since it was so acquired and has not been cancelled.

"**VPS**" means Euronext Securities Oslo, the computerized central share registry maintained in Oslo, Norway for bodies corporate whose shares are listed for trading on the Oslo Stock Exchange, and includes any successor registry.

1.2 In these Bye-laws, where not inconsistent with the context:

(a) words denoting the plural number include the singular number and vice versa;

(b) words denoting the masculine gender include the feminine and neuter genders;

(c) the word "may" shall be construed as permissive and the word "shall" shall be construed as imperative; and

(d) unless otherwise provided herein, words or expressions defined in the Companies Act shall bear the same meaning in these Bye-laws.

1.3 In these Bye-laws a reference to writing shall, unless the contrary intention appears, include facsimile, printing, lithography, photography, electronic mail and other modes of representing words in visible form.

1.4 Headings used in these Bye-laws are for convenience only and are not to be used or relied upon in the construction hereof.

## SHARES

### 2. POWER TO ISSUE SHARES

2.1 Subject to these Bye-laws and to any resolution of the Members to the contrary, the Board shall have the power to issue any unissued shares (whether forming part of the original share capital or any increased capital) on such terms and conditions as it may determine and any shares or class of shares may be issued with such preferred, deferred or other special rights or such restrictions, whether in regard to dividend, voting, return of capital, or otherwise as the Company may by resolution of the Members prescribe or, if no such resolution is in effect or insofar as the resolution does not make specific provision, as the Board may from time to time determine.

2.2 Subject to the Companies Act, any preference shares may be issued or converted into shares that (at a determinable date or at the option of the Company or the holder) are liable to be redeemed on such terms and in such manner as may be determined by the Board (before the issue or conversion).

### 3. POWER OF THE COMPANY TO PURCHASE ITS SHARES

3.1 The Company may purchase its own shares for cancellation or acquire them as Treasury Shares in accordance with the Companies Act on such terms as the Board shall think fit. Subject to these Bye-laws, any Treasury Shares held by the Company will be at the disposal of the Board which may elect to hold the shares as Treasury Shares or dispose of or transfer the shares for cash or other consideration.

3.2 The Board may exercise all the powers of the Company to purchase or acquire all or any part of its own shares in accordance with the Companies Act.

### 4. RIGHTS ATTACHING TO SHARES

4.1 Subject to any resolution of the Members to the contrary (and without prejudice to any special rights conferred thereby on the holders of any other shares or class of shares), the share capital shall be divided into Common Shares of a single class the holders of which shall, subject to these Bye-laws:

(a) be entitled to one vote per share;

(b) be entitled to such dividends as the Board may from time to time declare;

(c) in the event of a winding-up or dissolution of the Company, whether voluntary or involuntary or for the purpose of a reorganisation or otherwise or upon any distribution of capital, be entitled to the surplus assets of the Company; and

(d) generally be entitled to enjoy all of the rights attaching to shares.

4.2 All the rights attaching to a Treasury Share shall be suspended and shall not be exercised by the Company while it holds such Treasury Share and, except where required by the Companies Act, all Treasury Shares shall be excluded from the calculation of any percentage or fraction of the share capital, or shares, of the Company.

## 5. SHARE CERTIFICATES

5.1 Subject to the Companies Act, no share certificates shall be issued by the Company unless the Board has either for all or for some holders of such shares (who may be determined in such manner as the Board thinks fit) determined that the holder of such shares may be entitled to share certificates.

5.2 Every Member shall be entitled to a share certificate under the common seal of the Company (or a facsimile thereof) or bearing the signature (or a facsimile thereof) of a Director or the Secretary or a person expressly authorised to sign. The Board may by resolution determine, either generally or in any particular case, that any signatures on any such certificates need not be autographic but may be affixed to such certificates by some mechanical means or may be printed thereon or that such certificates need not be signed by any persons. Where share certificates are issued they shall specify the number and, where appropriate, the class of shares held by such Member and whether the same are fully paid up and, if not, specifying the amount paid on such shares.

5.3 The Company shall be under no obligation to complete and deliver a share certificate unless specifically requested by the person to whom the shares have been allotted. In the case of a share held jointly by several persons, delivery of a certificate to one of several joint holders shall be sufficient delivery to all.

5.4 If any share certificate shall be proved to the satisfaction of the Board to have been worn out, lost, mislaid, or destroyed the Board may cause a new certificate to be issued and request an indemnity for the lost certificate if it sees fit.

5.5 Notwithstanding any provisions of these Bye-laws:

(a) the Board shall, subject always to the Companies Act and any other applicable laws and regulations and the facilities and requirements of any relevant system concerned, have power to implement any arrangements it may, in its absolute discretion, think fit in relation to the evidencing of title to and transfer of uncertificated shares, and to the extent such arrangements are so implemented, no provision of these Bye-laws shall apply or have effect to the extent that it is in any respect inconsistent with the holding or transfer of shares in uncertificated form; and

(b) unless otherwise determined by the Board and as permitted by the Companies Act and any other applicable laws and regulations, no person shall be entitled to receive a certificate in respect of any share for so long as the title to that share is evidenced otherwise than by a certificate and for so long as transfers of that share may be made otherwise than by a written instrument.

## REGISTRATION OF SHARES

## 6. REGISTER OF MEMBERS

6.1 The Board shall cause to be kept in one or more books a Register of Members and shall enter therein the particulars required by the Companies Act.

6.2 Subject to the provisions of the Companies Act, the Board may resolve that the Company may keep one or more Branch Registers in any place in or outside of Bermuda, and the Board may make, amend and revoke any such regulations as it may think fit respecting the keeping of such Branch Registers.

6.3 The Register of Members and Branch Register shall be open to inspection in the manner prescribed by the Companies Act. The Register of Members and Branch Register may, after notice has been given in accordance with the Companies Act, be closed for any time or times not exceeding in the whole thirty days in each year.

**7. REGISTERED HOLDER ABSOLUTE OWNER**

7.1 The Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not be bound to recognise any equitable claim or other claim to, or interest in, such share on the part of any other person.

**8. TRANSFER OF REGISTERED SHARES**

8.1 Subject to the Companies Act and to such of the restrictions contained in these Bye-laws as may be applicable, any shareholder may transfer all or any of his shares.

8.2 Except where the Company's shares are listed or admitted to trading on a Listing Exchange, shares shall be transferred by an instrument of transfer in the usual common form or in any other form which the Board may approve. The instrument of transfer of a share shall be signed by or on behalf of the transferor and, where any share is not fully paid, thetransferee.

8.3 Subject to any directions of the Board from time to time in force, the Secretary may exercise the powers and discretions of the Board under Bye-law 8.2.

8.4 Where the Company's shares are listed or admitted to trading on a Listing Exchange shares may be transferred in accordance with the rules and regulations of the Listing Exchange. Where applicable, all transfers of uncertificated shares shall be made in accordance with and be subject to the facilities and requirements of the transfer of title to shares in that class by means of any relevant system concerned and, subject thereto, in accordance with any arrangements made by the Board pursuant to Bye-law 5.5. The Board may also make such additional regulations as it considers appropriate from time to time in connection with the transfer of the Company's publicly traded shares and other securities.

8.5 Where the shares are not listed or admitted to trading on a Listing Exchange and are traded over-the-counter, shares may be transferred in accordance with the Companies Act and where appropriate, with the permission of the Bermuda Monetary Authority. The Board shall decline to register the transfer of any shares unless the permission of the Bermuda Monetary Authority has been obtained.

8.6 The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register in respect thereof.

8.7 If the Board declines to register a transfer it shall, within three months after the date on which the instrument of transfer was lodged, send to the transferee notice of such refusal.

8.8 No fee shall be charged by the Company for registering any transfer, probate, letters of administration,

certificate of death or marriage, power of attorney, distringas or stop notice, order of court or other instrument relating to or affecting the title to any share, or otherwise making an entry in the Register of Members relating to any share.

8.9 Notwithstanding anything contained in these Bye-laws the Directors shall not decline to register any transfer of shares, nor may they suspend registration thereof where such transfer is executed by any bank or other person to whom such shares have been charged by way of security, or by any nominee or agent of such bank or person, and whether the transfer is effected for the purpose of perfecting any mortgage or charge of such shares or pursuant to the sale of such shares under such mortgage or charge, and a certificate signed by any officer of such bank or by such person that such common shares were so mortgaged or charged and the transfer was so executed shall be conclusive evidence of such facts.

8.10 No fee shall be charged by the Company for registering any transfer, probate, letters of administration, certificate of death or marriage, power of attorney, distringas or stop notice, order of court or other instrument relating to or affecting the title to any share, or otherwise making an entry in the Register of Members and/or the VPS relating to any share.

**9. TRANSMISSION OF REGISTERED SHARES**

9.1 In the case of the death of a Member, the survivor or survivors where the deceased Member was a joint holder, and the legal personal representatives of the deceased Member where the deceased Member was a sole holder, shall be the only persons recognised by the Company as having any title to the deceased Member's interest in the shares. Nothing herein contained shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by such deceased Member with other persons. Subject to the Companies Act, for the purpose of this Bye-law, legal personal representative means the executor or administrator of a deceased Member or such other person as the Board may, in its absolute discretion, decide as being properly authorised to deal with the shares of a deceased Member.

9.2 Any person becoming entitled to a share in consequence of the death or bankruptcy of any Member may be registered as a Member upon such evidence as the Board may deem sufficient or may elect to nominate some person to be registered as a transferee of such share, and in such case the person becoming entitled shall execute in favour of such nominee an instrument of transfer in writing in such form as the Board may accept. All the limitations, restrictions and provisions of these Bye-Laws relating to the transfer of registered shares shall be applicable to any such transfer.

9.3 On the presentation of the foregoing materials to the Board, accompanied by such evidence as the Board may require to prove the title of the transferor, the transferee shall be registered as a Member.

9.4 Where two or more persons are registered as joint holders of a share or shares, then in the event of the death of any joint holder or holders the remaining joint holder or holders shall be absolutely entitled to such share or shares and the Company shall recognise no claim in respect of the estate of any joint holder except in the case of the last survivor of such joint holders.

9.5 Subject to any directions of the Board from time to time in force, the Secretary may exercise the powers and discretions of the Board under Bye-laws 9.1 – 9.4 (inclusive).

## ALTERATION OF SHARE CAPITAL

### 10. POWER TO ALTER CAPITAL

10.1 The Company may, if authorised by resolution of the Members, and in any manner permitted by the Companies Act:

(a) increase its share capital by new shares of such amount as it thinks expedient;

(b) change the currency denomination of its share capital;

(c) cancel shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled.

10.2 The Board may, in any manner permitted by the Companies Act:

(a) divide its shares into several classes and attach thereto respectively any preferential, deferred, qualified or special rights, privileges or conditions;

(b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

(c) subdivide its shares, or any of them, into shares of smaller amount than is fixed by the memorandum;

(d) make provision for the issue and allotment of shares which do not carry any voting rights.

10.3 The Company may, if authorised by resolution of the Members, reduce its share capital in any manner permitted by the Companies Act.

10.4 Where, on any alteration or reduction of share capital, fractions of shares or some other difficulty would arise, the Board may deal with or resolve the same in such manner as it thinks fit and, in particular, may arrange for the sale of the shares representing fractions and the distribution of the net proceeds of sale in due proportion amongst the Members who would have been entitled to the fractions, and, for this purpose, the Board may authorize some person to transfer the shares representing fractions to the purchase thereof, who shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings related to the sale.

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### 11. VARIATION OF RIGHTS ATTACHING TO SHARES

11.1 If, at any time, the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not

the Company is being wound-up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class or with the sanction of a resolution passed by a majority of the votes cast at a separate general meeting of the holders of the shares of the class at which meeting the necessary quorum (where the Company has more than one Member) shall be two persons at least holding or representing by proxy one-third of the issued shares of the class. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.

## DIVIDENDS AND CAPITALISATION

### 12. DIVIDENDS AND OTHER PAYMENTS

12.1 The Board may, subject to these Bye-laws and in accordance with the Companies Act, declare a dividend to be paid to the Members, in proportion to the number of shares held by them, and such dividend may be paid in cash or wholly or partly in specie in which case the Board may fix the value for distribution in specie of any assets.

12.2 The Board may fix any date as the record date for determining the Members entitled to receive any dividend.

12.3 The Company may pay dividends in proportion to the amount paid up on each share where a larger amount is paid up on some shares than on others.

12.4 The Board may declare and make such other distributions (in cash or in specie) to the Members as may be lawfully made out of the assets of the Company.

12.5 The Board may deduct from the dividends or distributions payable to any Member all moneys due from such Member to the Company on account of calls or otherwise.

12.6 No dividend, distribution or other monies payable by the Company on or in respect of any share shall bear interest against the Company.

### 13. POWER TO SET ASIDE PROFITS

13.1 The Board may, before declaring a dividend or distribution out of contributed surplus, set aside out of the surplus or profits of the Company, such amount as it thinks proper as a reserve to be used to meet contingencies or for equalising dividends or for any other purpose.

### 14. METHOD OF PAYMENT

14.1 Any dividend, interest, or other moneys payable in cash in respect of the shares may be paid by cheque or draft sent through the post directed to the Member at such Member's address in the Register of Members, or to such person and to such address as the Member may in writing direct, or by transfer to such account as the Member may in writing direct. For payment in respect of shares which are registered in a CSD, payment shall be made pursuant to the procedures for such CSD.

14.2 In the case of joint holders of shares, any dividend, interest or other moneys payable in cash in respect of shares may be paid by cheque or draft sent through the post directed to the address of the holder first named in the Register of Members, or to such person and to such address as the joint holders may in writing direct, or by transfer to such account as the joint holders may in writing direct. If two or more persons are registered as joint holders of any shares any one can give an effectual receipt for any dividend or other payment paid in respect of such shares.

**15. CAPITALISATION**

15.1 The Board may capitalise any amount for the time being standing to the credit of any of the Company's share premium or other reserve accounts or to the credit of the profit and loss account or otherwise available for distribution by applying such amount in paying up unissued shares to be allotted as fully paid bonus shares pro rata to the Members.

15.2 The Board may capitalise any amount for the time being standing to the credit of a reserve account or amounts otherwise available for dividend or distribution by applying such amounts in paying up in full, partly or nil paid shares of those Members who would have been entitled to such amounts if they were distributed by way of dividend or distribution.

## MEETINGS OF MEMBERS

**16. ANNUAL GENERAL MEETINGS**

Subject to any rights to dispense with the annual general meeting pursuant to the Companies Act, the annual general meeting shall be held in each year (other than the year of incorporation) at such place, date and hour as shall be fixed by the president or the chairman of the Company (if any) or any two Directors or any Director and the Secretary or the Board.

**17. SPECIAL GENERAL MEETINGS**

The Board may convene a special general meeting, such meeting to be held at such place, date and hour as fixed by them, whenever in their judgment such a meeting is necessary.

**18. REQUISITIONED GENERAL MEETINGS**

The Board shall, on the requisition of Members holding at the date of the deposit of the requisition not less than one-tenth of such of the paid-up share capital of the Company as at the date of the deposit carries the right to vote at general meetings, forthwith proceed to convene a special general meeting and the provisions of the Companies Act shall apply.

**19. NOTICE**

19.1 At least five days' notice of an annual general meeting shall be given to each Member entitled to attend and vote thereat, stating the place, date and hour at which the meeting is to be held, that the election of Directors will take place thereat, and as far as practicable, the other business to be conducted at the meeting.

19.2 At least five days' notice of a special general meeting shall be given to each Member entitled to attend and vote thereat, stating the place, date and hour and the general nature of the business to be considered at the meeting.

19.3 The Board may fix any date as the record date for determining the Members entitled to receive notice of and to vote at any general meeting.

19.4 A general meeting shall, notwithstanding that it is called on shorter notice than that specified in these Bye-laws, be deemed to have been properly called if it is so agreed by (i) all the Members entitled to attend and vote thereat in the case of an annual general meeting; and (ii) by a majority in number of the Members having the right to attend and vote at the meeting, being a majority together holding not less than 95% in nominal value of the shares giving a right to attend and vote thereat in the case of a special general meeting.

19.5 The accidental omission to give notice of a general meeting to, or the non-receipt of a notice of a general meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

**20. GIVING NOTICE AND ACCESS**

20.1 It shall be a term of issue of each share in the Company that each Member shall provide the Secretary or the Registrar of the Branch Register with an email or other address for electronic communications by and with the Company.

20.2 A notice may be given by the Company to a Member:

(a) by delivering it to such Member in person, in which case the notice shall be deemed to have been served upon such delivery; or

(b) by sending it by post to such Member's address in the Register of Members, in which case the notice shall be deemed to have been served seven days after the date on which it is deposited, with postage prepaid, in the mail; or

(c) by sending it by courier to such Member's address in the Register of Members, in which case the notice shall be deemed to have been served two days after the date on which it is deposited, with courier fees paid, with the courier service; or

(d) by transmitting it by electronic means (including through the facilities of a CSD where the Company's shares are registered, facsimile and electronic mail, but not telephone) in accordance with such directions as may be given by such Member to the Company for such purpose, in which case the notice shall be deemed to have been served at the time that it would in the ordinary course be transmitted; or

(e) in accordance with Bye-law 20.3.

20.3 Any notice required to be given to a Member shall, with respect to any shares held jointly by two or more persons, be given to whichever of such persons is named first in the Register of Members and notice so given shall be sufficient notice to all the holders of such shares.

20.4 Where a Member indicates his consent (in a form and manner satisfactory to the Board), to receive information or documents by accessing them on a website rather than by other means, or receipt in this manner is otherwise permitted by the Companies Act, the Board may deliver such information or documents by notifying the Member of their availability and including therein the address of the website, the place on the website where the information or document may be found, and instructions as to how the information or document may be accessed on the website.

20.5 In the case of information or documents delivered in accordance with Bye-law 20.4, service shall be deemed to have occurred when (i) the Member is notified in accordance with that Bye-law; and (ii) the information or document is published on the website.

**21. POSTPONEMENT OR CANCELLATION OF GENERAL MEETING**

21.1 The Secretary may postpone or cancel any general meeting called in accordance with these Bye-laws (other than a meeting requisitioned under these Bye-laws) provided that notice of postponement or cancellation is given to the Members before the time for such meeting. Fresh notice of the date, time and place for the postponed or, if applicable, the new meeting shall be given to each Member in accordance with these Bye-laws.

**22. ELECTRONIC PARTICIPATION IN MEETINGS**

Members may participate in any general meeting by such telephonic, electronic or other communication facilities or means (including, without limiting the generality of the foregoing, by telephone, or by video conferencing) as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting.

**23. QUORUM AT GENERAL MEETINGS**

23.1 At any general meeting two or more persons present in person and representing in person or by proxy and entitled to vote (whatever the number of shares held by them)in the Company throughout the meeting shall form a quorum for the transaction of business, provided that if the Company shall at any time have only one Member, one Member present in person or by proxy shall form a quorum for the transaction of business at any general meeting held during such time.

23.2 If within half an hour from the time appointed for the meeting a quorum is not present, then, in the case of a meeting convened on a requisition, the meeting shall be deemed cancelled and, in any other case, the meeting shall stand adjourned to the same day one week later, at the same time and place or to such other day, time or place as the Secretary may determine. Unless the meeting is adjourned to a specific date, time and place announced at the meeting being adjourned, fresh notice of the resumption of the meeting shall be given to each Member entitled to attend and vote thereat in accordance with these Bye-laws.

**24. CHAIRMAN TO PRESIDE AT GENERAL MEETINGS**

Unless otherwise agreed by a majority of those attending and entitled to vote thereat, the chairman of the Company, if there be one, and if not the president of the Company, if there be one, or a person

appointed by the board of directors, shall act as chairman at all general meetings at which such person is present. In their absence a chairman shall be appointed or elected by those present at the meeting and entitled to vote.

**25. VOTING ON RESOLUTIONS**

25.1 Subject to the Companies Act and these Bye-laws, any question proposed for the consideration of the Members at any general meeting shall be decided by the affirmative votes of a majority of the votes cast in accordance with these Bye-laws and in the case of an equality of votes the resolution shall fail.

25.2 No Member shall be entitled to vote at a general meeting unless such Member has paid all the calls on all shares held by such Member.

25.3 At any general meeting a resolution put to the vote of the meeting shall, in the first instance, be voted upon by a show of hands and, subject to any rights or restrictions for the time being lawfully attached to any class of shares and subject to these Bye-laws, every Member present in person and every person holding a valid proxy at such meeting shall be entitled to one vote and shall cast such vote by raising his hand.

25.4 In the event that a Member participates in a general meeting by telephone, electronic or other communication facilities or means, the chairman of the meeting shall direct the manner in which such Member may cast his vote on a show of hands.

25.5 At any general meeting if an amendment is proposed to any resolution under consideration and the chairman of the meeting rules on whether or not the proposed amendment is out of order, the proceedings on the substantive resolution shall not be invalidated by any error in such ruling.

25.6 At any general meeting a declaration by the chairman of the meeting that a question proposed for consideration has, on a show of hands, been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in a book containing the minutes of the proceedings of the Company shall, subject to these Bye-laws, be conclusive evidence of that fact.

**26. POWER TO DEMAND A VOTE ON A POLL**

26.1 Notwithstanding the foregoing, a poll may be demanded by any of the following persons:

(a) the chairman of such meeting; or

(b) at least three Members present in person or represented by proxy; or

(c) any Member or Members present in person or represented by proxy and holding between them not less than one-tenth of the total voting rights of all the Members having the right to vote at such meeting; or

(d) any Member or Members present in person or represented by proxy holding shares in the Company conferring the right to vote at such meeting, being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total amount paid up on all such shares conferring such right.

26.2 Where a poll is demanded, subject to any rights or restrictions for the time being lawfully attached to any class of shares, every person present at such meeting shall have one vote for each share of which such person is the holder or for which such person holds a proxy and such vote shall be counted by ballot as described herein, or in the case of a general meeting at which one or more Members are present by telephone, electronic or other communication facilities or means, in such manner as the chairman of the meeting may direct and the result of such poll shall be deemed to be the resolution of the meeting at which the poll was demanded and shall replace any previous resolution upon the same matter which has been the subject of a show of hands. A person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

26.3 A poll demanded for the purpose of electing a chairman of the meeting or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time and in such manner during such meeting as the chairman (or acting chairman) of the meeting may direct. Any business other than that upon which a poll has been demanded may be conducted pending the taking of the poll.

26.4 Where a vote is taken by poll, each person physically present and entitled to vote shall be furnished with a ballot paper on which such person shall record his vote in such manner as shall be determined at the meeting having regard to the nature of the question on which the vote is taken, and each ballot paper shall be signed or initialled or otherwise marked so as to identify the voter and the registered holder in the case of a proxy. Each person present by telephone, electronic or other communication facilities or means shall cast his vote in such manner as the chairman shall direct. At the conclusion of the poll, the ballot papers and votes cast in accordance with such directions shall be examined and counted by a committee of not less than two Members or proxy holders appointed by the chairman for the purpose and the result of the poll shall be declared by the chairman.

**27. VOTING BY JOINT HOLDERS OF SHARES**

In the case of joint holders, the vote of the senior who tenders a vote (whether in person or by proxy) shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members.

**28. INSTRUMENT OF PROXY**

28.1 An instrument appointing a proxy shall be in writing in such form as the chairman of the meeting shall accept.

28.2 The instrument appointing a proxy must be received by the Company at the Registered Office or at such other place or in such manner as is specified in the notice convening the meeting or in any instrument of proxy sent out by the Company in relation to the meeting at which the person named in the instrument appointing a proxy proposes to vote, and an instrument appointing a proxy which is not received in the manner so prescribed shall be invalid.

28.3 A Member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf in respect of different shares.

28.4 The decision of the chairman of any general meeting as to the validity of any appointment of a proxy shall be final.

28.5 Any Member may irrevocably appoint a proxy and in such case:

(a) such proxy shall be irrevocable in accordance with the terms of the instrument of appointment;

(b) the Company shall be given notice of the appointment, such notice to include the name, address, telephone number and electronic mail address of the proxy holder and the Company shall give to the holder of such proxy notice of all meetings of Members of the Company;

(c) the holder of such proxy shall be the only person entitled to vote the relevant shares at any meeting at which such holder is present; and

(d) the Company shall be obliged to recognise the holder of such proxy until such time as the holder shall notify the Company in writing that such proxy is no longer in force.

28.6 The appointment of a proxy, whether an irrevocable proxy or a proxy relating to a particular meeting, shall be deemed, unless the contrary is stated, to confer authority to bote on any amendment of a resolution and on any other resolution put to a meeting for which it is valid in such manner as the proxy thinks fit.

**29. REPRESENTATION OF CORPORATE MEMBER**

29.1 A corporation which is a Member may, by written instrument, authorise such person or persons as it thinks fit to act as its representative at any meeting and any person so authorised shall be entitled to exercise the same powers on behalf of the corporation which such person represents as that corporation could exercise if it were an individual Member, and that Member shall be deemed to be present in person at any such meeting attended by its authorised representative or representatives.

29.2 Notwithstanding the foregoing, the chairman of the meeting may accept such assurances as he thinks fit as to the right of any person to attend and vote at general meetings on behalf of a corporation which is a Member.

**30. ADJOURNMENT OF GENERAL MEETING**

30.1 The chairman of a general meeting may, with the consent of the Members at any general meeting at which a quorum is present, and shall if so directed by the meeting, adjourn the meeting. Unless the meeting is adjourned to a specific date, place and time announced at the meeting being adjourned, fresh notice of the date, place and time for the resumption of the adjourned meeting shall be given to each Member entitled to attend and vote thereat in accordance with these Bye-laws.

**31. WRITTEN RESOLUTIONS**

31.1 Subject to these Bye-laws and the Companies Act, anything which may be done by resolution of the Company in a general meeting or by resolution of a meeting of any class of the Members may, without

a meeting, be done by written resolution in accordance with this Bye-law.

31.2 Notice of a written resolution shall be given, and a copy of the resolution shall be circulated to all Members who would be entitled to attend a meeting and vote thereon. The accidental omission to give notice to, or the non-receipt of a notice by, any Member does not invalidate the passing of a resolution.

31.3 A written resolution is passed when it is signed by (or in the case of a Member that is a corporation, on behalf of) the Members who at the date that the notice is given represent such majority of votes as would be required if the resolution was voted on at a meeting of Members at which all Members entitled to attend and vote thereat were present and voting.

31.4 A resolution in writing may be signed in any number of counterparts.

31.5 A resolution in writing made in accordance with this Bye-law is as valid as if it had been passed by the Company in general meeting or by a meeting of the relevant class of Members, as the case may be, and any reference in any Bye-law to a meeting at which a resolution is passed or to Members voting in favour of a resolution shall be construed accordingly.

31.6 A resolution in writing made in accordance with this Bye-law shall constitute minutes for the purposes of the Companies Act.

31.7 This Bye-law shall not apply to:

(a) a resolution passed to remove an Auditor from office before the expiration of his term of office; or

(b) a resolution passed for the purpose of removing a Director before the expiration of his term of office.

31.8 For the purposes of this Bye-law, the effective date of the resolution is the date when the resolution is signed by (or in the case of a Member that is a corporation, on behalf of) the last Member whose signature results in the necessary voting majority being achieved and any reference in any Bye-law to the date of passing of a resolution is, in relation to a resolution made in accordance with this Bye-law, a reference to such date.

**32. DIRECTORS' ATTENDANCE AT GENERAL MEETINGS**

32.1 The Directors shall be entitled to receive notice of, attend, and be heard at any general meeting.

## DIRECTORS AND OFFICERS

**33. ELECTION OF DIRECTORS**

33.1 The Board of Directors shall be elected or appointed in the first place at the statutory meeting of the Company and thereafter, except in the case of a casual vacancy, at the annual general meeting or at any special general meeting called for that purpose.

33.2 Each Director shall be entitled to receive such fees for his services as a Director, if any, as the Members may determine and in the absence of a determination to the contrary in general meeting, such fees shall be deemed to accrue from day to day. Each Director shall be paid all expenses properly and reasonably incurred by him in the conduct of the Company's business or in the discharge of his duties as a Director, including (but without limitation) his reasonable travelling, hotel and incidental expenses in attending and returning from meetings of the Board or any committee of the Board or general meetings.

33.3 At any general meeting, the Members may authorise the Board to fill any vacancy in their number left unfilled at a general meeting.

**34. NUMBER OF DIRECTORS**

34.1 The number of Directors shall be at least three (3) or such number in excess thereof as the Members may from time to time determine.

**35. TERM OF OFFICE OF DIRECTORS**

Directors shall hold office for such term as the Members may determine or, in the absence of such determination, until the next annual general meeting or until their successors are elected or appointed or their office is otherwise vacated.

**36. ALTERNATE DIRECTORS**

36.1 At any general meeting, the Members may elect a person or persons to act as a Director in the alternative to any one or more Directors or may authorise the Board to appoint such Alternate Directors.

36.2 Any person elected or appointed pursuant to this Bye-law shall have all the rights and powers of the Director or Directors for whom such person is elected or appointed in the alternative, and shall have one vote for each Director for whom he acts as alternate (in addition to his own vote if he is also a Director) provided that such person shall not be counted more than once in determining whether or not a quorum is present.

36.3 An Alternate Director shall be entitled to receive notice of all Board meetings and to attend and vote at any such meeting at which a Director for whom such Alternate Director was appointed in the alternative is not personally present and generally to perform at such meeting all the functions of such Director for whom such Alternate Director was appointed.

36.4 An Alternate Director’s office shall terminate:

(a) on the occurrence in relation to the Alternate Director of any event which, if it occurred in relation to the Director for whom he was elected to act, would result in the termination of that Director; or

(b) if the Director for whom he was elected in the alternative ceases for any reason to be a Director, provided that the alternate removed in these circumstances may be re-appointed by the Board as an alternate to the person appointed to fill the vacancy.

36.5 Every person acting as an Alternate Director shall (except as regards powers to appoint an alternate and remuneration) be subject in all respects to the provisions of these Bye-Laws relating to Directors and shall alone be responsible to the Company for his acts and defaults and shall not be deemed to be the agent of or for any Director for whom he is alternate. An Alternate Director may be paid expenses and shall be entitled to be indemnified by the Company to the same extent mutatis mutandis as if he were a Director.

**37. REMOVAL OF DIRECTORS**

37.1 Subject to any provision to the contrary in these Bye-laws, the Members entitled to vote for the election of Directors may, at any special general meeting convened and held in accordance with these Bye-laws, remove a Director provided that the notice of any such meeting convened for the purpose of removing a Director shall contain a statement of the intention to do so and be served on such Director no fewer than 14 days before the meeting and at such meeting the Director shall be entitled to be heard on the motion for such Director's removal.

37.2 If a Director is removed from the Board under this Bye-law, the Members may fill the vacancy at the meeting at which such Director is removed. In the absence of such election or appointment, the Board may fill the vacancy.

**38. VACANCY IN THE OFFICE OF DIRECTOR**

38.1 The office of Director shall be vacated if the Director:

(a) is removed from office pursuant to these Bye-laws or is prohibited from being a Director by law;

(b) is or becomes bankrupt or insolvent;

(c) is or becomes of unsound mind or a patient for any purpose of any statute or applicable law relating to mental health and the Board resolves that his office is vacated, or dies; or

(d) resigns his office by notice to the Company.

38.2 The Board shall have the power to appoint any person as a Director to fill a vacancy on the Board occurring as a result of the death, disability, disqualification or resignation of any Director and to appoint an Alternate Director to any Director so appointed.

**39. DIRECTORS TO MANAGE BUSINESS**

39.1 The business of the Company shall be managed and conducted by the Board. In managing the business of the Company, the Board may exercise all such powers of the Company as are not, by the Companies Act or by these Bye-laws, required to be exercised by the Company in general meeting.

**40. POWERS OF THE BOARD OF DIRECTORS**

40.1 The Board may:

(a) appoint, suspend, or remove any manager, secretary, clerk, agent or employee of the Company and may fix their remuneration and determine their duties;

(b) exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof, and may issue debentures, debenture stock and other securities whether outright or as security for any debt, liability or obligation of the Company or any third party;

(c) appoint one or more Directors to the office of managing director or chief executive officer of the Company, who shall, subject to the control of the Board, supervise and administer all of the general business and affairs of the Company;

(d) appoint a person to act as manager of the Company's day-to-day business and may entrust to and confer upon such manager such powers and duties as it deems appropriate for the transaction or conduct of such business;

(e) by power of attorney, appoint any company, firm, person or body of persons, whether nominated directly or indirectly by the Board, to be an attorney of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board) and for such period and subject to such conditions as it may think fit and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Board may think fit and may also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretions so vested in the attorney;

(f) procure that the Company pays all expenses incurred in promoting and incorporating the Company;

(g) designate one or more committees, such committee or committees to have such name or names as may be determined from time to time by resolution adopted by the Board, and each such committee of one or more persons may consist partly or entirely of non- directors, which to the extent provided in said resolution or resolutions shall have and may exercise the powers of the Board as may be delegated to such committee in the management of the business and affairs of the Company; provided further that the meetings and proceedings of any such committee shall be governed by the provisions of these Bye-laws regulating the meetings and proceedings of the Board, so far as the same are applicable and are not superseded by directions imposed by the Board. A majority of all the members of any such committee may determine its action and fix the time and place of its meetings, unless the Board shall otherwise provide. The Board shall have power to change the members of any such committee at any time, to fill vacancies and to discharge any such committee, either with or without cause, at any time;

(h) delegate any of its powers (including the power to sub-delegate) to any person on such terms and in such manner as the Board may see fit;

(i) present any petition and make any application in connection with the liquidation or reorganisation of the Company;

(j) in connection with the issue of any share, pay such commission and brokerage as may be permitted by law; and

(k) authorise any company, firm, person or body of persons to act on behalf of the Company for any specific purpose and in connection therewith to execute any deed, agreement, document or instrument on behalf of the Company.

**41. REGISTER OF DIRECTORS AND OFFICERS**

The Board shall establish and maintain a Register of the Directors and Officers of the Company as required by the Companies Act. The Register of the Directors and Officers shall be open to inspection subject to such conditions as the Registrar of Companies may impose and on payment of such fee as may be prescribed.

**42. APPOINTMENT OF OFFICERS**

The Board may appoint such officers (who may or may not be Directors) as the Board may determine.

**43. APPOINTMENT OF SECRETARY AND RESIDENT REPRESENTATIVE**

The Secretary and Resident Representative (if applicable), shall be appointed by the Board at such remuneration (if any) and upon such terms as it deems fit and any Secretary and Resident Representative (where applicable) so appointed may be removed by the Board.

**44. DUTIES OF OFFICERS**

44.1 The Officers shall have such powers and perform such duties in the management, business and affairs of the Company as may be delegated to them by the Board from time to time.

**45. DUTIES OF THE SECRETARY**

The duties of the Secretary shall be those prescribed by the Companies Act together with such other duties as shall from time to time be prescribed by the Board.

**46. REMUNERATION OF OFFICERS**

The Officers shall receive such remuneration as the Board may determine.

**47. CONFLICTS OF INTEREST**

47.1 Any Director, or any Director's firm, partner or any company with whom any Director is associated, may act in any capacity for, be employed by or render services to the Company and such Director or such Director's firm, partner or company shall be entitled to remuneration as if such Director were not a Director. Nothing herein contained shall authorise a Director or Director's firm, partner or company to act as Auditor to the Company.

47.2 A Director who is directly or indirectly interested in a contract or proposed contract or arrangement with the Company shall declare the nature of such interest as required by the Companies Act.

47.3 Following a declaration being made pursuant to this Bye-law, a Director may vote in respect of any contract or proposed contract or arrangement in which such Director is interested and may be counted

in the quorum for such meeting and shall not be liable to account to the Company for any profit realised thereby.

47.4 Subject to the Companies Act and any further disclosure required thereby, a general notice to the Directors by a Director or officer declaring that he is a director or officer of or has an interest in any person and is to be regarded as interested in any transaction or arrangement made with that person shall be sufficient declaration of interest in relation to any transaction or arrangement so made.

**48. INDEMNIFICATION AND EXCULPATION OF DIRECTORS AND OFFICERS**

48.1 The Directors, Resident Representative, Secretary and other Officers (such term to include any person appointed to any committee by the Board) acting in relation to any of the affairs of the Company or any subsidiary thereof and the liquidator or trustees (if any) acting in relation to any of the affairs of the Company or any subsidiary thereof and every one of them (whether for the time being or formerly), and their heirs, executors and administrators (each of which an "Indemnified Party"), shall be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them, their heirs, executors or administrators, shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, or in their respective offices or trusts, and no Indemnified Party shall be answerable for the acts, receipts, neglects or defaults of the others of them or for joining in any receipts for the sake of conformity, or for any bankers or other persons with whom any monies or effects belonging to the Company shall or may be lodged or deposited for safe custody, or for insufficiency or deficiency of any security upon which any monies of or belonging to the Company shall be placed out on or invested, or for any other loss, misfortune or damage which may happen in the execution of their respective offices or trusts, or in relation thereto, PROVIDED THAT this indemnity shall not extend to any matter in respect of any fraud or dishonesty in relation to the Company which may attach to any of the indemnified parties.

48.2 Each Member agrees to waive any claim or right of action such Member might have, whether individually or by or in the right of the Company, against any Director or Officer on account of any action taken by such Director or Officer, or the failure of such Director or Officer to take any action in the performance of his duties with or for the Company or any subsidiary thereof, PROVIDED THAT such waiver shall not extend to any matter in respect of any fraud or dishonesty in relation to the Company which may attach to such Director or Officer.

48.3 The Company may purchase and maintain insurance for the benefit of any Director or Officer against any liability incurred by him under the Companies Act in his capacity as a Director or Officer or indemnifying such Director or Officer in respect of any loss arising or liability attaching to him by virtue of any rule of law in respect of any negligence, default, breach of duty or breach of trust of which the Director or Officer may be guilty in relation to the Company or any subsidiary thereof.

48.4 The Company may advance monies to an Indemnified Party for the costs, charges and expenses incurred by such Indemnified Party in defending any civil or criminal proceedings against him, on condition that the Indemnified Party shall repay such portion of the advance attributable to any claim

of fraud or dishonesty if such claim is proved against him.

## MEETINGS OF THE BOARD OF DIRECTORS

### 49. BOARD MEETINGS

The Board may meet for the transaction of business, adjourn and otherwise regulate its meetings as it sees fit. A resolution put to the vote at a meeting of the Board shall be carried by the affirmative votes of a majority of the votes cast and in the case of an equality of votes the chairman of the meeting shall be entitled to a second or casting vote.

### 50. NOTICE OF BOARD MEETINGS

A Director may, and the Secretary on the requisition of a Director shall, at any time summon a meeting of the Board. Notice of a meeting of the Board shall be deemed to be duly given to a Director if it is given to such Director orally (including in person or by telephone) or otherwise communicated or sent to such Director by post, electronic means or other mode of representing words in a visible form at such Director's last known address or in accordance with any other instructions given by such Director to the Company for this purpose.

### 51. ELECTRONIC PARTICIPATION IN MEETINGS

Directors may participate in any meeting by such telephonic, electronic or other communication facilities or means (including, without limiting the generality of the foregoing, by telephone, or by video conferencing) as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting.

### 52. QUORUM AT BOARD MEETINGS

The quorum necessary for the transaction of business at a meeting of the Board shall be two Directors, provided that if there is only one Director for the time being in office the quorum shall be one.

### 53. BOARD TO CONTINUE IN THE EVENT OF VACANCY

The Board may act notwithstanding any vacancy in its number but, if and so long as its number is reduced below the number fixed by these Bye-laws as the quorum necessary for the transaction of business at meetings of the Board, the continuing Directors or Director may act for the purpose of (i) summoning a general meeting; or (ii) preserving the assets of the Company.

### 54. CHAIRMAN TO PRESIDE

Unless otherwise agreed by a majority of the Directors attending, the chairman, if there be one, and if not, the president, if there be one, shall act as chairman at all meetings of the Board at which such person is present. In their absence a chairman shall be appointed or elected by the Directors present at the meeting.

**55. WRITTEN RESOLUTIONS**

A resolution executed by (all the Directors, which may be in counterparts, shall be as valid as if it had been passed at a meeting of the Board duly called and constituted, such resolution to be effective when the resolution is executed by the last Director. For the purpose of this Bye-law only, "Director" shall not include an Alternate Director.

**56. VALIDITY OF PRIOR ACTS**

56.1 All acts done in good faith by the Board or by any committee or by any person acting as a Director or member of a committee or any person authorized by the Board or any committee shall, notwithstanding that it is afterwards discovered that there was some defect in the appointment of any member of the Board or such committee or person acting as aforesaid or that they or any of them were disqualified or had vacated their office, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director, member of such committee or person so authorized.

56.2 No regulation or alteration to these Bye-laws made by the Company in a general meeting shall invalidate any prior act of the Board or by any committee or by any person acting as a Director or member of a committee or any person duly authorised by the Board or any committee which would have been valid if that regulation or alteration had not been made.

## CORPORATE RECORDS

**57. MINUTES**

57.1 The Board shall cause minutes to be duly entered in books provided for the purpose:

(a) of all elections and appointments of Officers;

(b) of the names of the Directors present at each meeting of the Board and of any committee appointed by the Board; and

(c) of all resolutions and proceedings of general meetings of the Members, meetings of the Board, and meetings of committees appointed by the Board.

**58. PLACE WHERE CORPORATE RECORDS KEPT**

Minutes prepared in accordance with the Companies Act and these Bye-laws shall be kept at the Registered Office.

**59. FORM AND USE OF SEAL**

59.1 The Company may adopt a seal in such form as the Board may determine. The Board may adopt one or more duplicate seals for use in or outside Bermuda.

59.2 A seal may, but need not, be affixed to any deed, instrument, share certificate or document, and if the seal is to be affixed thereto, it shall be attested by the signature of (i) any Director, or (ii) any Officer,

or (iii) the Secretary, or (iv) any person authorised by the Board for that purpose.

59.3 A Resident Representative may, but need not, affix the seal of the Company to certify the authenticity of any copies of documents.

## ACCOUNTS

### 60. RECORDS OF ACCOUNT

60.1 The Board shall cause to be kept proper records of account with respect to all transactions of the Company and in particular with respect to:

(a) all amounts of money received and expended by the Company and the matters in respect of which the receipt and expenditure relates;

(b) all sales and purchases of goods by the Company; and

(c) all assets and liabilities of the Company.

60.2 Such records of account shall be kept at the Registered Office, or subject to the Companies Act, at such other place as the Board thinks fit and shall be available for inspection by the Directors during normal business hours.

### 61. FINANCIAL YEAR END

The financial year end of the Company may be determined by resolution of the Board and failing such resolution shall be 31 December in each year.

### 62. ANNUAL AUDIT

Subject to any rights to waive laying of accounts or appointment of an Auditor pursuant to the Companies Act, the accounts of the Company shall be audited at least once in every year.

### 63. APPOINTMENT OF AUDITOR

63.1 Subject to the Companies Act, the Members shall appoint an auditor to the Company to hold office for such term as the Members deem fit or until a successor is appointed.

63.2 The Auditor may be a Member but no Director, Officer or employee of the Company shall, during his continuance in office, be eligible to act as an Auditor of the Company.

### 64. REMUNERATION OF AUDITOR

64.1 The remuneration of an Auditor appointed by the Members shall be fixed by the Company in general meeting or in such manner as the Members may determine.

64.2 The remuneration of an Auditor appointed by the Board to fill a casual vacancy in accordance with these Bye-laws shall be fixed by the Board.

**65. DUTIES OF AUDITOR**

65.1 The financial statements provided for by these Bye-laws shall be audited by the Auditor in accordance with generally accepted auditing standards. The Auditor shall make a written report thereon in accordance with generally accepted auditing standards.

65.2 The generally accepted auditing standards referred to in this Bye-law may be those of a country or jurisdiction other than Bermuda or such other generally accepted auditing standards as may be provided for in the Companies Act. If so, the financial statements and the report of the Auditor shall identify the generally accepted auditing standards used.

**66. ACCESS TO RECORD**

The Auditor shall at all reasonable times have access to all books kept by the Company and to all accounts and vouchers relating thereto, and the Auditor may call on the Directors or Officers of the Company for any information in their possession relating to the books or affairs of the Company.

**67. FINANCIAL STATEMENTS**

67.1 Subject to the following Bye-law, the financial statements and/or the auditor's report as required by the Companies Act shall:

(a) be laid before the Members at the annual general meeting; or

(b) be received, accepted, adopted, approved or otherwise acknowledged by the Members by written resolution passed in accordance with these Bye-laws; or

(c) in circumstances where the Company has elected to dispense with the holding of an annual general meeting, be made available to the Members in accordance with the Companies Act in such manner as the Board shall determine.

67.2 If all Members and Directors shall agree, either in writing or at a meeting, that in respect of a particular interval no financial statements and/or auditor's report thereon need be made available to the Members, and/or that no auditor shall be appointed then there shall be no obligation on the Company to do so.

**68. DISTRIBUTION OF AUDITOR'S REPORT**

The report of the Auditor shall be submitted to the Members in a general meeting.

**69. VACANCY IN THE OFFICE OF AUDITOR**

The Board may fill any casual vacancy in the office of the Auditor.

## VOLUNTARY WINDING UP AND DISSOLUTION

**70. WINDING UP**

If the Company shall be wound up the liquidator may, with the sanction of a resolution of the Members, divide amongst the Members in specie or in kind the whole or any part of the assets of the

Company (whether they shall consist of property of the same kind or not) and may, for such purpose, set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members. The liquidator may, with the like sanction, vest the whole or any part of such assets in the trustees upon such trusts for the benefit of the Members as the liquidator shall think fit, but so that no Member shall be compelled to accept any shares or other securities or assets whereon there is any liability.

## CHANGES TO CONSTITUTION

### 71. CHANGES TO BYE-LAWS

No Bye-law may be rescinded, altered or amended and no new Bye-law may be made save in accordance with the Companies Act and until the same has been approved by a resolution of the Board and by a resolution of the Members.

### 72. CHANGES TO MEMORANDUM OF ASSOCIATION

No alteration or amendment to the Memorandum of Association may be made save in accordance with the Companies Act and until same has been approved by a resolution of the Board and by a resolution of the Members.

## MISCELLANEOUS

### 73. DISCONTINUANCE

The Board may exercise all the powers of the Company to discontinue the Company to a jurisdiction outside Bermuda pursuant to the Companies Act.

### 74. BENEFICIAL OWNERSHIP REQUIREMENTS

74.1 Subject to Bye-law 74.2, the Company shall establish a beneficial ownership register and shall enter therein the information required by the Companies Act (the "**statutorily required information**") and shall keep the statutorily required information up-to-date, correct and complete as required by the Companies Act; and

74.2 Bye-law 74.1 shall not apply when the Company's shares are admitted to listing on an appointed stock exchange, including the Oslo Stock Exchange and Euronext Expand Oslo, or multi-lateral trading facility such as Euronext Growth Oslo or if the Company is otherwise exempt under the Companies Act from the requirement to maintain a register of beneficial ownership.

**APPENDIX B**

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED 31 DECEMBER 2023 AND 2022**

# PARATUS ENERGY SERVICES LTD.

# CONSOLIDATED
# FINANCIAL STATEMENTS

## For the year ended
## December 31, 2023 and 2022

**Paratus Energy Services Ltd.**

*INDEX TO THE CONSOLIDATED FINANCIAL STATEMENTS*


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To the Board of Directors of Paratus Energy Services Ltd.

# Independent Auditor's Report

## Opinion

We have audited the consolidated financial statements of Paratus Energy Services Ltd. and its subsidiaries ("the Group"), which comprise the consolidated balance sheets as at December 31, 2023 and 2022, the consolidated statements of operations, the consolidated statements of other comprehensive income (loss), the consolidated statements of changes in equity and the consolidated statements of cash flows for each of the years then ended, and notes, including material accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2023 and 2022, and of its consolidated financial performance and its consolidated cash flows for each of the years then ended in accordance with accounting principles generally accepted in the United States of America.

## Basis for Opinion

We conducted our audits in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting standards generally accepted in the United States of America, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

## Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial

statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Oslo, Norway June 3, 2024
KPMG AS

Thomas Sørhaug

John Thomas Sørhaug
*State Authorized Public Accountant-Norway*

**Paratus Energy Services Ltd.**
**CONSOLIDATED STATEMENTS OF OPERATIONS**
**for the years ended December 31, 2023 and December 31, 2022**

| *(In $ millions, except per share data)* | | Note | December 31, 2023 | December 31, 2022 |
|---|---|---|---|---|
| **Operating revenues** | | | | |
| Contract revenues | | 6,10 | 167 | 148 |
| **Total operating revenues** | | | **167** | **148** |
| | | | | |
| **Operating expenses** | | | | |
| Rig operating expenses | * | | (94) | (89) |
| Depreciation | | 9 | (15) | (15) |
| Selling, general and administrative expenses | * | | (10) | (17) |
| Settlement of Management Incentive Deed | ** | 8 | (13) | |
| Expected credit gains/(losses) | | 4 | (1) | 21 |
| **Total operating expenses** | | | **(133)** | **(100)** |
| | | | | |
| **Operating income** | | | **34** | **48** |
| **Financial and other items** | | | | |
| Interest income | * | | 2 | 3 |
| Interest expense | * | | (85) | (91) |
| Share in results from associated companies | | 19 | 66 | 47 |
| Gain/(loss) on extinguishment of financial instruments | | 17 | 4 | (12) |
| Other financial items | | | (20) | (10) |
| **Total financial and other items** | | | **(33)** | **(63)** |
| **Income/(Loss) before income taxes** | | | **1** | **(15)** |
| Income tax (expense) | | 7 | (24) | (21) |
| **Net (loss)** | | | **(23)** | **(36)** |
| | | | | |
| **LOSS PER SHARE:** | *** | | | |
| Basic | | | ($0.15) | ($0.25) |
| Diluted | | | ($0.15) | ($0.25) |

** Includes transactions with related parties. Refer to Note 18 – Related party transactions.*
*** This is a one-off transaction in 2023 which relates to cancellation of Management Incentive Deed in return for equity. Refer to Note 8 – Share capital.*
**** Loss per share is calculated using the share number following subdivision in May 2024. Refer to Note 21 – Subsequent events.*

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

**Paratus Energy Services Ltd.**
**CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME/(LOSS)**
**for the years ended December 31, 2023 and December 31, 2022**

| *(In $ millions)* | December 31, 2023 | December 31, 2022 |
|---|---|---|
| **Net loss** | **(23)** | **(36)** |
| Other comprehensive income/(loss), net of tax: | | |
| Share in results from associated companies | (3) | — |
| Change in fair value of debt component of Archer convertible bond | — | 3 |
| Archer convertible bond reclassification | (6) | — |
| **Total other comprehensive income/(loss) for the year** | **(32)** | **(33)** |

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

**Paratus Energy Services Ltd.**
**CONSOLIDATED BALANCE SHEETS**
**as at December 31, 2023 and December 31, 2022**

| *(In $ millions)* | Note | December 31, 2023 | December 31, 2022 |
|---|---|---|---|
| **ASSETS** | | | |
| **Current assets** | | | |
| Cash, cash equivalents and restricted cash | | 115 | 94 |
| Accounts receivables, net | 6 | 169 | 114 |
| Amount due from related party current | 18 | 3 | 56 |
| Favorable contracts | 10 | 31 | 38 |
| Other current assets | 11 | 34 | 46 |
| **Total current assets** | | **352** | **348** |
| **Non-current assets** | | | |
| Investment in associated companies | 19 | 355 | 311 |
| Drilling units and equipment | 9 | 258 | 250 |
| Deferred tax assets | 7 | — | 5 |
| Amount due from related party non-current | 18 | — | 19 |
| Favorable contracts | 10 | 38 | 68 |
| Other non-current assets | 12 | — | 1 |
| **Total non-current assets** | | **651** | **654** |
| **Total assets** | | **1,003** | **1,002** |
| **LIABILITIES AND EQUITY** | | | |
| **Current liabilities** | | | |
| Trade accounts payable | | 19 | 10 |
| Short-term amounts due to related parties | 18 | — | 2 |
| Other current liabilities | 14 | 29 | 32 |
| **Total current liabilities** | | **48** | **44** |
| **Non-current liabilities** | | | |
| Long-term debt | 13 | 655 | 650 |
| Other non-current liabilities | 15 | 85 | 74 |
| Deferred non-current tax liability | | — | — |
| **Total non-current liabilities** | | **740** | **724** |
| **Commitments and contingencies (see Note 21)** | | | |
| **Equity** | | | |
| Common shares | 16 | — | — |
| Additional paid in capital | 16 | 1,291 | 1,278 |
| Accumulated other comprehensive loss | | (3) | 6 |
| Accumulated deficit | | (1,073) | (1,050) |
| **Total equity** | | **215** | **234** |
| **Total liabilities and equity** | | **1,003** | **1,002** |

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

**Approved on behalf of the Board of Directors by:**

Robert Jensen
Robert Jensen (Jun 3, 2024 20:20 GMT+2)

***Robert Jensen, Director***
***Date: June 3, 2024***

**Paratus Energy Services Ltd.**
**CONSOLIDATED STATEMENTS OF CASH FLOWS**
**for the year ended December 31, 2023 and December 31, 2022**

| *(In $ millions)* | Note | December 31, 2023 | December 31, 2022 |
|---|---|---|---|
| **Cash Flows from Operating Activities** | | | |
| **Net income/(loss)** | | **(23)** | **(36)** |
| *Adjustments to reconcile net income to net cash provided by* | | | |
| Depreciation | 9 | 15 | 15 |
| Amortization of deferred loan charges | | 15 | 8 |
| Amortization of favorable contracts | 10 | 37 | 58 |
| Share of results from associated companies | 19 | (66) | (47) |
| Loss/(gain) on realization of marketable securities | | 5 | 7 |
| Unrealized (gain)/loss related to derivative financial instruments | | — | 1 |
| Unrealized foreign exchange (gain) / loss | | 15 | (3) |
| Deferred and other income taxes | | 2 | — |
| Change in allowance for credit losses | 4 | 1 | (25) |
| (Gain)/loss on extinguishment of financial instruments | | (4) | 12 |
| Share-based compensation | | — | — |
| Settlement of Management Incentive Deed | 8 | 13 | — |
| *Other movements in operating activities* | | | |
| Payment-in-kind-interest and non-cash interest expense | | 69 | 62 |
| Distributions received from associated companies | | — | — |
| Payments for long term maintenance | 9 | (11) | (10) |
| *Changes in operating assets and liabilities* | | | |
| Trade accounts receivable | | (56) | 225 |
| Trade accounts payable | | 9 | 3 |
| Related party balances | | (2) | (2) |
| Other assets | | 3 | (23) |
| Other liabilities | | (3) | (14) |
| **Net cash from operating activities** | | **19** | **231** |
| **Cash Flows from Investing Activities** | | | |
| Additions to drilling units and equipment | 9 | (12) | — |
| Cash and restricted cash obtained through acquisition of subsidiary | | — | — |
| Investment in associates | | (16) | |
| Payments received from loans granted to related parties | 19 | 114 | — |
| Loans granted to related parties | | — | — |
| **Net cash provided by investing activities** | | **86** | **—** |
| **Cash Flows from Financing Activities** | | | |
| Loan costs paid | | — | (3) |
| Repayments of external debt | | (49) | (179) |
| Interest paid on external debt | | (35) | (17) |
| Repayments of debt to related party | | — | (8) |
| **Net cash used in financing activities** | | **(84)** | **(207)** |
| **Net increase in cash and cash equivalents, including restricted** | * | **21** | **24** |
| Cash and cash equivalents, including restricted cash, at beginning of | | 94 | 70 |
| **Cash and cash equivalents, including restricted cash, at the end** | * | **115** | **94** |

**Of which restricted cash as at December 31, 2023 is $23 million (December 31, 2022: $22 million).*

| | | |
|---|---|---|
| **Supplementary disclosure of cash flow information** | | |
| Interest paid | 35 | 17 |
| Net taxes paid | 16 | 22 |
| Reorganization items, net including loan costs paid | — | 6 |

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

**Paratus Energy Services Ltd.**
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**
**for the year ended December 31, 2023 and December 31, 2022**

| *(In $ millions)* | Share Capital * | Additional paid-in capital | Accumulated other comprehensive loss | Accumulated deficit | Total equity |
|---|---|---|---|---|---|
| **Balance as at January 1, 2022** | **—** | **1,192** | **3** | **(1,014)** | **181** |
| Net loss | — | — | — | (36) | **(36)** |
| Issuance of common shares in connection with debt modification | — | 86 | — | — | **86** |
| Other comprehensive income | — | — | 3 | — | **3** |
| **Balance as at December 31, 2022** | **—** | **1,278** | **6** | **(1,050)** | **234** |
| Net loss | — | — | — | (23) | **(23)** |
| Issuance of C-shares in connection with termination of MID | — | 13 | — | — | **13** |
| Other comprehensive income | — | — | (9) | — | **(9)** |
| **Balance as at December 31, 2023** | — | 1,291 | (3) | (1,072) | **215** |

*See accompanying notes that are an integral part of these Consolidated Financial Statements.*
**Refer to Note 8 – Share capital. Includes Class A and Class C shares in 2023 (2022: Class A and Class B shares).*

**Paratus Energy Services Ltd.**
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

## Note 1 – General information

### Company details

Paratus Energy Services Ltd. (previously "**Seadrill New Finance Limited**" or "**NSNCo**") is a company incorporated under the laws of Bermuda and in accordance with the Bermuda Companies Act 1981.

References to "**PES**", **the** "**Company**," "**we**," "**us**" or "**our**" in this Annual Report relate to Paratus Energy Services Ltd., together with its consolidated subsidiaries.

### Business

Paratus Energy Services Ltd. is the principal holding company of a group that holds investments in Fontis (100%), Seabras Sapura (50%), and Archer (24.2%). These investments are described below:

- **Fontis** (previously "**Seamex"**) is a drilling contractor that owns and operates five jack-up drilling units located in Mexico under primarily long-term contracts with Pemex-Exploración y Producción ("**Pemex**"). Fontis currently owns five jack-up rigs: *West Intrepid*, *West Defender*, *West Courageous*, *West Oberon*, and *West Titania.*
- **Seabras Sapura ("Seabras")** is a group of related companies that own and operate six multipurpose pipe-laying service vessels ("PLSV") which are under long-term contract in Brazil. PES has a 50% ownership stake in these companies with the remaining 50% interest being ultimately owned by Sapura Energy Berhad.
- **Archer** is a global oilfield service company that specializes in drilling and well services. PES owns 24.2% of the outstanding common shares of Archer.

### Basis of presentation

These Consolidated Financial Statements are presented in accordance with generally accepted accounting principles in the United States of America ("**US GAAP**"). The amounts are presented in United States dollar ("**US dollar**", "**$**" or "**US$**").

### Basis of consolidation

Investments in companies that we directly or indirectly hold more than 50% of the voting control are consolidated in the Consolidated Financial Statements. Intercompany transactions and internal sales have been eliminated on consolidation.

### Chapter 11 Emergence

On July 2, 2021, Seadrill Limited ("**Seadrill**"), who at that point held a 100% equity interest in Seadrill New Finance Limited ("**NSNCo**"), now Paratus Energy Services Ltd., and holders of senior secured notes issued by the Company ("**NSNCo Noteholders")** agreed to key commercial terms for a comprehensive restructuring of the Company and entered into a restructuring support agreement ("**RSA**").

Paratus Energy Services Ltd. ("the Issuer") announced on January 12, 2022 that it had successfully received approval from the U.S. Bankruptcy Court for the Southern District of Texas (the "Court") for its "one-day" Chapter 11 restructuring under the plan, which it emerged from on January 20, 2022.

In accordance with the plan, post emergence the board of directors of the Issuer consisted of between three and five members, up to four of which shall be appointed by the Issuer's noteholders, with the remaining director to be appointed by Seadrill Limited.

The plan provided the Issuer with financial and strategic flexibility and stability. Benefiting from both the new ownership structure and the continuity provided by the Seadrill group, the Issuer's post emergence and current activities are to

focus on maximizing value for all stakeholders from its portfolio of investments including the Seabras JV and the Fontis group.

The key terms of the plan, which are included for historical context, included:

1. the release by the holders of the Issuer's pre-existing 12.0% Senior Secured Notes due 2025 (the "Noteholders" and the "Notes", respectively) of all existing guarantees and security and claims (if any) with respect to Seadrill and its subsidiaries (excluding the Issuer and certain of its subsidiaries);
2. the Noteholders, receiving 65% of pro forma equity in the Issuer, with Seadrill Investment Holding Company (a subsidiary of Seadrill) retaining the remaining 35% of pro forma equity in the Issuer, effecting a separation of the Issuer and its subsidiaries (including the Seabras assets and the Fontis group) from the consolidated Seadrill group;
3. the issuance of new notes pro rata to Noteholders on amended terms including:
    a. total amount of reinstated new notes: $620,148,899;
    b. maturity date: July 15, 2026;
    c. interest: either (a) 9.0% per annum, consisting of (i) 3.00% cash interest plus (ii) 6.00% payment in kind ("PIK") interest, or (b) 10.0% PIK per annum, in each case payable quarterly;
    d. call protection: redemption price:
        i. prior to July 15, 2022: 105%;
        ii. on or after July 15, 2022: 102%; and
        iii. on July 15, 2023 and thereafter: 100%;
4. the Noteholders will have a first priority right to fund any additional liquidity needs of the Issuer or its affiliates; and
5. Seadrill or its subsidiaries will continue to provide certain management services to the Issuer's group.

The Notes were the only liabilities modified as part of the plan. The Company determined that the modification was not a troubled debt restructuring or an extinguishment of the Notes. Accordingly, the fair value of the equity issued to Noteholders and the fees related to modifying the Notes are treated as a discount from their notional amounts and recognized as an adjustment to interest expense using the effective interest rate through maturity.

On February 24, 2023, Seadrill sold its entire remaining 35% shareholding in PES and its management incentive fee, documented under the management incentive deed ("MID"), whereby Seadrill would be entitled to receive a 5% fee on any proceeds arising out of a liquidity event above certain level. In connection with the sale of PES shares, on March 14, 2023, Seadrill issued each of the Company and Fontis with a termination notice in respect of the master service agreements under which Seadrill provides management services. The terminations were effective late 2023.

**Note 2 – Significant Accounting Policies**

The accounting policies set out below have been applied consistently to all periods in these Consolidated Financial Statements, unless otherwise noted**.**

**Critical Accounting Estimates**

The preparation of the Consolidated Financial Statements in accordance with US GAAP requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and related disclosures about contingent assets and liabilities. We base these estimates and assumptions on historical experience and on various other information and assumptions that we believe to be reasonable. Critical accounting estimates are important to the portrayal of both our financial position and results of operations and require us to make subjective or complex assumptions or estimates about matters that are uncertain. Actual results could differ from those estimates.

Critical accounting estimates that are significant for the year ended December 31, 2023 and 2022 are as follows:

***Carrying value of rig assets***

Generally, the carrying amount of our drilling units including rigs, vessels and related equipment are recorded at historical cost less accumulated depreciation. However, drilling units acquired through a business combination would be measured at fair value as of the date of acquisition. Our drilling units are subject to various estimates, assumptions, and judgments related to capitalized costs, useful lives and residual values, and impairments.

Our estimates, assumptions and judgments reflect both historical experience and expectations regarding future operations, utilization and performance.

***Useful lives and residual value***

The cost of our drilling units less estimated residual value is depreciated on a straight-line basis over their estimated remaining useful lives. The estimated useful life of our jackup rigs, when new, is 30 years.

The useful lives of rigs and related equipment are difficult to estimate due to a variety of factors, including technological advances that impact the methods or cost of oil and gas exploration and development, changes in market or economic conditions, changes in laws or regulations affecting the drilling industry and possible climate change impacts. We re-evaluate the remaining useful lives of our drilling units annually and as and when events occur which may directly impact our assessment of their remaining useful lives. This includes changes in the operating condition or functional capability of our rigs as well as market and economic factors.

No residual value is assumed when depreciating drilling unit assets. Our current position is that though there is the potential that we may recover scrap value at the end of the life of a drilling unit, we are not able to form a reliable estimate of the amount, which may also be reduced by any potential decommissioning costs. Therefore, we have made a prudent estimate that the residual value at retirement is $nil. We re-evaluate residual value annually and as and when events occur which may directly impact our assessment of residual value.

The use of different estimates, assumptions and judgments in establishing estimated useful lives and residual values could result in significantly different carrying values for our drilling units which could materially affect our results of operations.

***Impairment considerations (Drilling units)***

The carrying values of our long-lived assets are reviewed for impairment when certain triggering events or changes in circumstances indicate that the carrying amount of an asset may no longer be recoverable. Asset impairment evaluations are, by nature, highly subjective. They involve expectations about future cash flows generated by our assets and reflect management's assumptions and judgments regarding future industry conditions and their effect on future utilization levels, dayrates and costs. The use of different estimates and assumptions could result in significantly different carrying values of our assets and could materially affect our results of operations. An impairment loss is recorded in the period in which it is determined that the aggregate carrying amount is not recoverable.

For the year ended December 31, 2023 and 2022, no indicators of impairment were identified against our drilling units.

***Current expected credit losses***

We are required to record allowances for the expected future credit losses to be incurred on in-scope receivable balances. We have used a probability-of-default model to estimate expected credit losses for all classes of in-scope

receivable balances. Under this methodology we use data such as customer credit ratings, maturity of receivable, security of receivable, and incorporate historical data, to estimate the chance of default and loss given default. We then multiply the balance outstanding by the estimated chance of default and loss given default to calculate the allowance required for the expected credit loss. We monitor the credit quality of receivables by re-assessing credit ratings, assumed maturities and probability-of-default on a quarterly basis.

***Uncertain tax positions***

We provide for income taxes based on the tax laws and rates in effect in the countries in which our operations are conducted and income is earned. The income tax rates and methods of computing taxable income vary substantially between jurisdictions. Our income tax expense is expected to fluctuate from year to year because our operations are conducted in different tax jurisdictions and the amount of pre-tax income fluctuations.

The determination and evaluation of our annual group income tax provision involves the interpretation of tax laws in the various jurisdictions in which we operate and requires significant judgment and the use of estimates and assumptions regarding significant future events, such as amounts, timing and the character of income, deductions and tax credits. There are certain transactions for which the ultimate tax determination is unclear due to uncertainty in the ordinary course of business. We recognize tax liabilities based on our assessment of whether our tax positions are more likely than not sustainable, based solely on the technical merits and considerations of the relevant taxing authorities widely understood administrative practices and precedence. Changes in tax laws, regulations, agreements, treaties, foreign currency exchange restrictions or our levels of operations or profitability in each jurisdiction may impact our tax liability in any given year.

While our annual income tax provision is based on the information available to us at the time, a number of years may elapse before the ultimate tax liabilities in certain tax jurisdictions are determined. Current income tax expense reflects an estimate of our income tax liability for the current year, withholding taxes, changes in prior year tax estimates as tax returns are filed or from tax audit adjustments. Our deferred tax expense or benefit represents the change in the balance of deferred tax assets or liabilities as reflected on the balance sheet. To determine the amount of deferred tax assets and liabilities, as well as valuation allowances, we must make estimates and certain assumptions regarding future taxable income, including where our drilling units are expected to be deployed. A change in such estimates and assumptions, along with any changes in tax laws, could require us to adjust the amount of deferred taxes. In addition, our uncertain tax positions are estimated and presented within other current liabilities, other liabilities, and as reductions to our deferred tax assets within our Consolidated Balance Sheets. Refer to Note 7 - "Taxation" to our Consolidated Financial Statements included herein for further information.

***Class C shares***

From time to time, we issue equity securities in connection with transactions which require us to estimate the fair value of our equity securities as they are not traded actively in a public market. When we estimate fair value of equity securities we consider all available information and primarily use a discounted cash flow model which requires us to determine key assumptions, such as the discount rates and the underlying cash flows of our investments which is subject to uncertainty. In order to determine fair value of Class C shares issued in 2023 we prepared valuation of the company using the free discounted cash flow (“DCF”). The most sensitive judgements are described in Note 8.

**Foreign currencies**

The majority of our revenues and expenses are denominated in U.S. dollars and therefore the majority of our subsidiaries use U.S. dollars as their functional currency. Our reporting currency is also U.S. dollars. Transactions in foreign currencies are translated into U.S. dollars at the rates of exchange in effect at the date of the transaction. Foreign currency denominated monetary assets and liabilities are remeasured using rates of exchange at the balance sheet date. Gains and losses on foreign currency transactions are included in the Consolidated Statements of Operations.

**Related parties**

Parties are related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also related if they are subject to common control or common significant influence. Refer to Note 18 - "Related Party Transactions".

**Revenue from contracts with customers**

The activities that primarily drive the revenue earned from our drilling contracts include (i) providing a drilling rig and the crew and supplies necessary to operate the rig, (ii) mobilizing and demobilizing the rig to and from the drill site and (iii) performing rig preparation activities and/or modifications required for the contract. Consideration received for performing these activities may consist of dayrate drilling revenue, mobilization and demobilization revenue, contract preparation revenue and reimbursement revenue. We account for these integrated services as a single performance obligation that is (i) satisfied over time and (ii) comprised of a series of distinct time increments.

We recognize consideration for activities that correspond to a distinct time increment within the contract term in the period when the services are performed. We recognize consideration for activities that are (i) not distinct within the context of our contracts and (ii) do not correspond to a distinct time increment, ratably over the estimated contract term. The Company's current contracts with its customer includes a termination option exercisable at the discretion of the client up to 12 months in advance of the contract end date.

We determine the total transaction price for each individual contract by estimating both fixed and variable consideration expected to be earned over the term of the contract. The amount estimated for variable consideration may be constrained and is only included in the transaction price to the extent that it is probable that a significant reversal of previously recognized revenue will not occur throughout the term of the contract. When determining if variable consideration should be constrained, we consider whether there are factors outside of our control that could result in a significant reversal of revenue as well as the likelihood and magnitude of a potential reversal of revenue. We re-assess these estimates each reporting period as required. Our contracts provide for escalations in the dayrate to be included to reflect market conditions. Such escalations are only recognized as revenue when we receive written approval from the customer. Refer to Note 6 – “Revenue from Contracts with Customers”.

*Dayrate Drilling Revenue* – Our drilling contracts generally provide for payment on a dayrate basis, with higher rates for periods when the drilling unit is operating and lower rates or zero rates for periods when drilling operations are interrupted or restricted. The dayrate invoices billed to the customer are typically determined based on the varying rates applicable to the specific activities performed on an hourly basis. Such dayrate consideration is allocated to the distinct hourly increment it relates to within the contract term, and therefore, recognized in line with the contractual rate billed for the services provided for any given hour. The amortization of favorable revenue contract assets is recognized as an adjustment to revenues over the contract term.

*Contract Balances* – Accounts receivable are recognized when the right to consideration becomes unconditional based upon contractual billing schedules. Contract asset balances consist primarily of demobilization revenues which have been recognized during the period but are contingent on future demobilization activities. Contract liabilities include payments received for mobilization as well as rig preparation and upgrade activities which are allocated to the overall performance obligation and recognized ratably over the initial term of the contract.

*Local Taxes* – Taxing authorities may assess taxes on our revenues. Such taxes may include sales taxes, use taxes, value-added taxes, gross receipts taxes and excise taxes. We generally record tax-assessed revenue transactions on a net basis.

**Rig Operating Expenses**

Rig operating expenses are costs associated with operating a drilling unit and include the remuneration of offshore crews and related costs, supplies, insurance costs, expenses for repairs and maintenance as well as costs related to onshore personnel and are expensed as incurred.

**Mobilization and demobilization expenses**

We incur costs to prepare a drilling unit for a new customer contract and to move the rig to the contract location. We recognize the expense for such mobilization costs over the expected contract term.

We incur costs to transfer a drilling unit to a safe harbor or different geographic area at the end or during the contract. We expense such demobilization costs as incurred. We also expense any costs incurred to relocate drilling units that are not under contract.

**Repairs, maintenance and periodic surveys**

Costs related to periodic overhauls of drilling units are capitalized under drilling units and amortized over the anticipated period between overhauls, which is generally five years. Related costs are primarily yard costs and the cost of employees directly involved in the work. Amortization costs for periodic overhauls are included in depreciation and amortization expense. Costs for other repair and maintenance activities are included in vessel and rig operating expenses and are expensed as incurred.

**Income taxes**

PES is a Bermudan company that has a number of subsidiaries and affiliates in various jurisdictions. Currently, the Company and its Bermudan subsidiary are not required to pay taxes in Bermuda on ordinary income or capital gains as they qualify as exempt companies. The Company has received written assurance from the Minister of Finance in Bermuda that it will be exempt from taxation until March 2035. Certain subsidiaries operate in other jurisdictions where taxes are imposed. Consequently, income taxes have been recorded in these jurisdictions when appropriate. Our income tax expense is based on our income and statutory tax rates in the various jurisdictions in which we operate. We provide for income taxes based on the tax laws and rates in effect in the countries in which operations are conducted and income is earned.

The determination and evaluation of our annual group income tax provision involves interpretation of tax laws in various jurisdictions in which we operate and requires significant judgment and use of estimates and assumptions regarding significant future events, such as amounts, timing and character of income, deductions and tax credits. There are certain transactions for which the ultimate tax determination is unclear due to uncertainty in the ordinary course of business. We recognize tax liabilities based on our assessment of whether our tax positions are more likely than not sustainable, based solely on the technical merits and considerations of the relevant taxing authority’s widely understood administrative practices and precedence.

Changes in tax laws, regulations, agreements, treaties, foreign currency exchange restrictions or our levels of operations or profitability in each jurisdiction may impact our tax liability in any given year. While our annual tax provision is based on the information available to us at the time, a number of years may elapse before the ultimate tax liabilities in certain tax jurisdictions are determined. Current income tax expense reflects an estimate of our income tax liability for the current year, withholding taxes, changes in prior year tax estimates as tax returns are filed, or from tax audit adjustments.

Income tax expense consists of taxes currently payable and changes in deferred tax assets and liabilities calculated according to local tax rules.

We recognize liabilities for uncertain tax positions based on a two-step process. The first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates that it is more likely than not that the position will be sustained on audit by relevant tax authorities, including resolution of related appeals or litigation processes, if any. The second step is to measure the tax benefit/cost as the largest amount that is more than 50% likely of being realized upon settlement. While we believe we have appropriate support for the positions taken on our tax returns, we regularly assess the potential outcomes of examinations by tax authorities in determining the adequacy of our provision for income taxes.

Deferred tax assets and liabilities are based on temporary differences that arise between carrying values used for financial reporting purposes and amounts used for taxation purposes of assets and liabilities and the future tax benefits of tax loss carry forwards.

Our deferred tax expense or benefit represents the change in the balance of deferred tax assets or liabilities as reflected on the Consolidated Balance Sheets. Valuation allowances are determined to reduce deferred tax assets when it is more likely than not that some portion or all of the deferred tax assets will not be realized. To determine the amount of deferred tax assets and liabilities, as well as at the valuation allowances, we must make estimates and certain assumptions regarding future taxable income, including where our drilling units are expected to be deployed, as well as other assumptions related to our future tax position. A change in such estimates and assumptions, along with any changes in tax laws, could require us to adjust the deferred tax assets, liabilities, or valuation allowances. The amount of deferred tax provided is based upon the expected manner of settlement of the carrying amount of assets and liabilities, using tax rates enacted at the balance sheet date. The impact of tax law changes is recognized in periods when the change is enacted.

**Current and non-current classification**

Generally, assets and liabilities (excluding deferred taxes and liabilities subject to compromise) are classified as current assets and liabilities respectively, if their maturity is within one year of the balance sheet date. In addition, we classify any derivatives financial instruments as current.

Generally, assets and liabilities are classified as non-current assets and liabilities respectively if their maturity is beyond one year of the balance sheet date. In addition, we classify loan fees based on the classification of the associated debt principal.

**Cash, cash equivalents and restricted cash**

Cash and cash equivalents consist of cash bank deposits and highly liquid financial instruments with original maturities of three months or less.

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

**Receivables**

Receivables, including accounts receivable, are recorded in the balance sheet at their nominal amount net of expected credit losses and write-offs. Interest income on receivables is recognized as earned. Refer to Note 6 – “Revenue from contracts with customers”.

**Allowance for credit losses**

The CECL model requires recognition of expected credit losses over the life of a financial asset upon its initial recognition. We determined doubtful accounts on a case-by-case basis and considered the financial condition of the customer as well as specific circumstances related to the receivable such as customer disputes.

The CECL model contemplates a broader range of information to estimate expected credit losses over the contractual lifetime of an asset. It also requires to consider the risk of loss even if it is remote. We estimate expected credit losses based on relevant information about past events, including historical experience, current conditions, and reasonable and supportable forecasts of events which may affect the collectability. We estimate the CECL allowance using a “probability-of-default” model, calculated by multiplying the exposure at default by the probability of default by the loss given default by a risk overlay multiplier over the life of the financial instrument (as defined by ASU 326).

**Equity investments**

Equity investments are accounted for using the equity method if we have the ability to significantly influence, but not control, the investee. Significant influence is presumed to exist if our ownership interest in the voting stock of the investee is between 20% and 50%. We also consider other factors such as representation on the investee's board of directors and the nature of commercial arrangements. We classify our equity investees as "Investments in Associated Companies". We recognize our share of earnings or losses from our equity method investments in the Consolidated Statements of Operations as "Share in results from associated companies". Refer to Note 19 – "Investment in associated companies".

We assess our equity method investments for impairment at each reporting period when events or circumstances suggest that the carrying amount of the investments may be impaired. We record an impairment charge for other-than-temporary declines in value when the value is not anticipated to recover above the cost within a reasonable period after the measurement date. We consider: (1) the length of time and extent to which fair value is below carrying value, (2) the financial condition and near-term prospects of the investee, and (3) our intent and ability to hold the investment until any anticipated recovery. If an impairment loss is recognized, subsequent recoveries in value are not reflected in earnings until sale of the equity method investee occurs.

All other equity investments including investments that do not give us the ability to exercise significant influence and investments in equity instruments other than common stock, are accounted for at fair value, if readily determinable. We classify our other equity investments as "marketable securities" with gains or losses on remeasurement to fair value recognized as "loss on marketable securities". If we cannot readily ascertain the fair value, we record the investment at cost less impairment. We perform a qualitative impairment analysis for our equity investments recorded at cost at each reporting period to evaluate whether an event or change in circumstances has occurred that indicates that the investment is impaired. We record an impairment loss to the extent that the carrying amount of the investment exceeds its estimated fair value.

**Drilling units**

Rigs, vessels, and related equipment are recorded at historical cost less accumulated depreciation. The cost of these assets, less estimated residual value (currently assumed to be $nil) is depreciated on a straight-line basis over their estimated remaining economic useful lives. The estimated economic useful life of our jack-up rigs, when new, is 30 years. The direct and incremental costs of significant capital projects, such as rig upgrades and reactivation projects, are capitalized, and depreciated over the remaining life of the asset.

Drilling units acquired in a business combination are measured at fair value at the date of acquisition. Cost of property and equipment sold or retired, with the related accumulated depreciation and impairment is removed from the Consolidated Balance Sheet, and resulting gains or losses are included in the Consolidated Statement of Operations.

We re-assess the remaining useful lives of our drilling units when events occur which may impact our assessment of their remaining useful lives. These include changes in the operating condition or functional capability of our rigs, technological advances, changes in market and economic conditions as well as changes in laws or regulations affecting the drilling industry.

**Lease as a lessee**

When we enter into a new contract, or modify an existing contract, we identify whether that contract has a finance or operating lease component. We do not have, nor expect to have any leases classified as finance leases. We determine the lease commencement date by reference to the date the leased asset is available for use and transfer of control has occurred to the lessee. At the lease commencement date, we measure and recognize a lease liability and a right of use ("**ROU**") asset in the financial statements. The lease liability is measured at the present value of the lease payments not yet paid, discounted using the estimated incremental borrowing rate at lease commencement. The ROU asset is measured at the initial measurement of the lease liability, plus any lease payments made to the lessor at or before the commencement date, minus any lease incentives received, plus any initial direct costs incurred by us.

After the commencement date, we adjust the carrying amount of the lease liability by the amount of payments made in the period as well as the unwinding of the discount over the lease term using the effective interest method. After commencement date, we amortize the ROU asset by the amount required to keep total lease expense including interest constant (straight-line over the lease term).

Absent of an impairment of the ROU asset, the single lease cost is calculated so that the remaining cost of the lease is allocated over the remaining lease term on straight-line basis. PES assesses a ROU asset for impairment and recognizes any impairment loss in accordance with the accounting policy on impairment of long-lived assets.

We applied the following significant assumptions and judgments in accounting for our leases.

- We apply judgment in determining whether a contract contains a lease, or a lease component as defined by Topic 842.
- We have elected to combine leases and non-lease components. As a result, we do not allocate our consideration between leases and non-lease components.
- The discount rate applied to our operating leases is our incremental borrowing rate. We estimated our incremental borrowing rate based on the rate for our traded debt.

**Impairment of long-lived assets**

We review the carrying value of our long-lived assets for impairment whenever certain triggering events or changes in circumstances indicate that the carrying amount of an asset may no longer be appropriate. We assess recoverability of the carrying value of the asset by estimating the undiscounted future net cash flows expected to result from the asset, including eventual disposition. If the undiscounted future net cash flows are less than the carrying value of the asset, an impairment loss is recorded equal to the difference between the asset's carrying value and fair value.

**Derivative Financial Instruments and Hedging Activities**

We record derivative financial instruments at fair value. None of our derivative financial instruments have been designated as hedging instruments. Therefore, changes in their fair value are recognized in the Consolidated Statement of Operations each period.

We classify the gain or loss on derivative financial instruments as a separate line item within financial items in the Consolidated Statement of Operations. We classify the asset or liability for derivative financial instruments as an "other current asset" or "other current liability" in our Consolidated Balance Sheets. We offset assets and liabilities for derivatives that are subject to legally enforceable master netting agreements.

**Deferred charges**

Loan related costs, including debt issuance, arrangement fees and legal expenses, are capitalized and presented in the Consolidated Balance Sheets as a direct deduction from the carrying amount of the related debt liability, and amortized over the term of the related loan using the effective interest method, the amortization is included in "interest expense" within the Consolidated Statement of Operations.

**Stock options and other share-based compensation**

The company issues stock options and other share-based compensation to certain employees. For equity awards, such as stock options and warrants, total compensation cost is based on the grant date fair value. The fair value of stock option awards is estimated using a Black-Scholes-Merton option-pricing model. The company recognizes stock-based compensation expense for stock-options over the service period required to earn the award, which is the time period from the grant date to the vesting date of the award, at which point employee becomes eligible to maintain it. The company amortizes these awards on a straight-line basis. The Company has made a policy election to estimate the number of stock-based compensation awards that will ultimately vest to determine the amount of compensation expense recognized each reporting period.

Compensation expense for performance based awards granted is recognized as the fair value of the award in the reporting period in which certain performance criteria is achieved. Refer to Note 16.

**Note 3 – Recently Issued Accounting Standards**

Recently issued ASUs by the FASB that we have not yet adopted but which could affect our Consolidated Financial Statements and related disclosures in future periods:

**ASU 2023-06 – Disclosure Improvements: Codification Amendments in Response to the SEC's Disclosure Update and Simplification Initiative**

We do not currently expect any of these updates to affect our Consolidated Financial Statements and related disclosures. The amendments in this update should be applied prospectively and for all non-SEC registered entities will be effective in two years.

**ASU 2023-07 - Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures**

The amendments in this update are effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. The Board is issuing this update to improve the disclosures about a public entity's reportable segments and address requests from investors for additional, more detailed information about a reportable segment's expenses. As a result of this update, reporting entities will need to consider adding other measures used by the CODM to assess performance to its segment note. The amendments will not have material impact on PES Consolidated Financial Statements.

**ASU 2023-09 - Income Taxes (Topic 740): Improvements to Income Tax Disclosures**

In December 2023, the FASB issued ASU No. 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures. The standard requires disaggregated information about a reporting entity's effective tax rate reconciliation and information on income taxes paid. The new requirement is effective for annual periods beginning after December 15, 2024. The guidance will be applied on a prospective basis with the option to apply the standard retrospectively, with early adoption permitted. Upon adoption, this standard will require additional disclosures to be included in our financial statements. The impacts are not expected to be material.

**Note 4 – Current Expected Credit Losses**

We have used a probability-of-default model to estimate expected credit losses for all classes of in-scope receivable balances. Under this methodology we use data such as customer credit ratings, maturity of loan, security of loan, and incorporate historical data published by credit rating agencies, to estimate the chance of default and loss given default. We then multiply the balance outstanding by the estimated chance of default and loss given default to calculate the allowance required for the expected credit loss. We monitor the credit quality of receivables by re-assessing credit ratings, assumed maturities and probability-of-default on a quarterly basis.

The following table summarizes the balance sheet movement in the allowance for credit losses for the years ended December 31, 2023 and 2022:

| *(In $ millions)* | Allowance for credit losses – trade receivables | Allowance for credit losses – related party ST | Allowance for credit losses – related party LT | Total Allowance for credit losses |
|---|---|---|---|---|
| **As at January 1, 2022** | **60** | **—** | **6** | **66** |
| Additional credit loss for customer credit notes | 10 | — | — | **10** |
| Write-off [1] | (34) | — | — | **(34)** |
| Net credit loss reversal | (31) | — | (4) | **(35)** |
| **As at December 31, 2022** | **5** | **—** | **2** | **7** |
| Write-off | (2) | — | — | (2) |
| Net credit loss addition/(reversal) | 3 | — | (2) | 1 |
| **As at December 31, 2023** | **6** | **—** | — | 6 |

Changes in allowances for external trade receivables are included in operating expenses.

(1) The specific allowance on billed receivables related to a credit note granted to the customers as part of negotiations. This was netting off against the gross receivables in April 2022.

In accordance with the adopted accounting policy, contract escalations are only recognized when written approval from the customer is received. Unrecognized unbilled escalations from November 2021 (date of Fontis acquisition) to December 2023 amounted to $46 million (December 31, 2022: $19 million).

**Note 5 – Segment information**

*Operating segments*

Our performance is reviewed by the Board, which represents the Chief Operating Decision Maker. In the year ended December 31, 2023 and December 31, 2022, we had one customer with external contract revenues.

*Geographic segment data*

For the year ended December 31, 2023 and December 31, 2022, all of our revenues were generated in one geographic location, Mexico. During the same periods all of our operating drilling units were located in one geographic location, Mexico.

**Note 6 – Revenue from contracts with customer**

We have accounts receivables from the customer net of ECL allowance, of $169 million in the year ended December 31, 2023 (December 31, 2022: $114 million).

Accounts receivable are held at their nominal amount less an allowance for expected credit losses. In calculating the expected credit losses we assumed that the accounts receivable are forborne, mature within the next one to two years, and have a B1 credit rating. Refer to Note 4 – Current expected credit losses for further information.

**Note 7 – Taxation**

Income taxes consist of the following:

| *(In $ millions)* | December 31, 2023 | December 31, 2022 |
|---|---|---|
| Current tax expense: | | |
| Foreign | 19 | 20 |
| Deferred tax expense: | | |
| Foreign | 5 | 1 |
| **Total tax expense** | **24** | **21** |
| Effective tax rate | 2400% | 140% |

The Company, including its subsidiaries, is taxable in several jurisdictions based on its rig operations. A loss in one jurisdiction may not be offset against taxable income in another jurisdiction. Thus, the Company may pay tax within some jurisdictions even though it might have an overall loss at the consolidated level.

Income taxes for the year ended December 31, 2023 and 2022 differed from the amount computed by applying the statutory income tax rate in Bermuda of 0% as follows:

| *(In $ millions)* | **December 31, 2023** | **December 31, 2022** |
|---|---|---|
| Effect of taxable income in various countries | 24 | 21 |
| **Total** | **24** | **21** |

Effect of taxable income mainly arises from withholding taxes and uncertain tax provisions in Mexico.

**Deferred Income Taxes**

Deferred income taxes reflect the impact of temporary differences between the amount of assets and liabilities recognized for financial reporting purposes and such amounts recognized for tax purposes.

The net deferred tax asset consists of the following:

| *(In $ millions)* | **December 31, 2023** | **December 31, 2022** |
|---|---|---|
| Property, plant and equipment | (10) | (5) |
| Provisions | 9 | 8 |
| Net operating losses carried forward | 31 | 19 |
| **Gross deferred tax asset** | **30** | **22** |
| Valuation allowance related to net operating losses carried forward and other | (30) | (17) |
| **Net deferred tax asset** | **0** | **5** |

Future taxable income justifies the inclusion of tax loss carry-forwards in the calculation of net deferred taxes. As at December 31, 2023, deferred tax assets related to net operating loss (“NOL”) carry-forwards was $31 million (December 31, 2022: $19 million) which can be used to offset against future taxable income. NOL carry-forwards which were generated in various jurisdictions, include $2 million that will not expire and $29 million that will expire between 2024 and 2033 if not utilized. Valuation allowances related to net operating losses carried forward as at December 31, 2023 was $30 million (December 31, 2022: $17 million).

**Uncertain tax positions**

The uncertain tax provision is included in “Other non-current liabilities” on the Consolidated Balance Sheets. The changes to the Company’s liabilities related to uncertain tax positions were as follows:

| *(In $ millions)* | December 31, 2023 | December 31, 2022 |
|---|---|---|
| Balance at the beginning of the year | 73 | 61 |
| Increase as a result of positions taken in the current year | 5 | 6 |
| Decrease as a result of 2016 settlement | (9) | — |
| Increase as a result of positions taken in previous years* | 16 | 6 |
| **Uncertain tax position** | **85** | **73** |

**Increase includes additional interest and penalties as well as currency revaluation in the period as the provision is carried in Mexican pesos. The foreign currency translation impact is included as an increase resulting from positions taken in previous years which in 2023 is $11 million (2022: $4 million).*

The Mexican tax authorities (SAT) are conducting wide ranging audits covering several years through 2019 and have questioned the deductibility of certain costs including the sufficiency of documentation to support the deductions taken for subsidiaries of Fontis.

The issues are complex, time consuming to resolve, subject to interpretation and therefore uncertainty. As a result, the Company has engaged external advisers to assist in discussions with SAT and in developing estimates for the provisions recorded in the consolidated financial statements. In 2023 as a result of audit work completed by SAT, 2016 tax audit was resolved, for approximately $9 million. For the tax years that are currently open or have not yet been audited, the Company's estimate is based on the best of our knowledge available at the time of making the estimate, work performed by the tax advisors and upon the results from the concluded tax audit as it has been assumed similar facts and circumstances apply to all periods. Actual amounts may differ from those provided for given the uncertainty. Of the liability above, $41 million represents interest and penalties as of December 31, 2023 (December 31, 2022: $34 million).

**Note 8 – Share capital**

The Company had 1,000 common shares outstanding as of December 31, 2021, all of which were owned by Seadrill. In connection with emergence from bankruptcy on January 20, 2022, the Company's share capital was modified, and 185,700 Class A ordinary shares were issued to the holders of the Notes and 100,000 Class B ordinary shares were issued to Seadrill. The ordinary shares have similar rights and par value of $0.01. All Class B ordinary shares were terminated in 2023 and replaced with class A ordinary shares.

In 2022, as part of the agreement reached in bankruptcy the Company entered into a management incentive deed (“MID”) with Seadrill, which entitled Seadrill to receive a 5% fee on any proceeds arising out of a liquidity event above certain level. MID arrangement was put in place, to incentivize Seadrill to perform well under the management agreements. On February 24, 2023, Seadrill disposed its remaining 35% ownership in the Company to the existing shareholders.

On May 25, 2023, the Company issued 22,332 C shares to existing shareholders as consideration for the termination of the MID. C shares do not hold voting rights and have a par value of $0.01. No cash proceeds were received from the issuance of shares. On the date of issue, the fair value of C shares was estimated as $13 million using the DCF model and Level 3 inputs and amount was recognized as an expense in 2023. Significant unobservable inputs used in the valuation are presented below:

| **Unobservable input** | **May 25, 2023** |
|---|---|
| Weighted average cost of capital | 15.5% |
| Private company discount[(a)] | 35% |

(a) Represents additional discount on the share price given absence of voting rights and lack of marketability

As of December 31, 2023 the company had total of 285,700 Class A shares and 22,332 Class C shares outstanding (December 31, 2022: Class A shares – 285,700; Class C shares – nil).

**Note 9 – Drilling units and equipment**

The gross carrying value and accumulated depreciation included in drilling units in the Consolidated Balance Sheet are as follows:

| *(In $ millions)* | Gross carrying value | Accumulated depreciation | Net carrying value |
|---|---|---|---|
| **As at January 1, 2022** | **257** | **(2)** | **255** |
| Additions | 10 | — | **10** |
| Depreciation | — | (15) | **(15)** |
| **As at December 31, 2022** | **267** | **(17)** | **250** |
| Additions | 23 | — | 23 |
| Depreciation | — | (15) | (15) |
| **As at December 31, 2023** | **290** | **(32)** | **258** |

**Note 10 – Favorable contracts**

The gross carrying value and accumulated amortization included in favorable contracts in the Consolidated Balance Sheet are as follows:

| *(In $ millions)* | Gross carrying value | Accumulated amortization | Net carrying value |
|---|---|---|---|
| **As at January 1, 2022** | **171** | **(7)** | **164** |
| Amortization | — | (58) | **(58)** |
| **As at December 31, 2022** | **171** | **(65)** | **106** |
| Amortization | — | (37) | **(37)** |
| **As at December 31, 2023** | **171** | **(102)** | **69** |

This is presented on the Consolidated Balance Sheet as follows:

| *(In $ millions)* | December 31, 2023 | December 31, 2022 |
|---|---|---|
| Current assets | 31 | 38 |
| Non-current assets | 38 | 68 |
| **Total other current assets** | **69** | **106** |

The amortization is recognized in the Consolidated Statements of Operations an adjustment to revenue of favorable contracts. The average remaining amortization period for the favorable contracts is 28 months.

The table below shows the amounts relating to favorable contracts that is expected to be amortized over the following periods:

| | Period ended December 31 | | | |
|---|---|---|---|---|
| *(In $ millions)* | 2024 | 2025 | 2026 | Total |
| Amortization of favorable contracts | 31 | 29 | 9 | 69 |

**Note 11 – Other current assets**

Other current assets consist of the following:

| *(In $ millions)* | December 31, 2023 | December 31, 2022 |
|---|---|---|
| VAT | 21 | 25 |
| Taxes receivable | 11 | 11 |
| Marketable securities | — | 8 |
| Prepaid expenses | 2 | 2 |
| **Total other current assets** | **34** | **46** |

**Note 12 – Other non-current assets**

Other non-current assets consist predominantly of right of use assets.

**Note 13 – Debt**

As of December 31, 2023 and December 31, 2022 we had the following debt amounts outstanding:

| *(In $ millions)* | December 31, 2023 | December 31, 2022 |
|---|---|---|
| **Notes:** | | |
| $620m Senior Secured Notes plus PIK interest | 716 | 681 |
| $219m New Fontis Notes | — | 46 |
| **Total external credit facilities** | 716 | **727** |
| Deduct net discount and fees | (61) | (77) |
| **Carrying value** | **655** | **650** |

This was presented in our consolidated balance sheet as follows:

| *(In $ millions)* | December 31, 2023 | December 31, 2022 |
|---|---|---|
| Debt due within twelve months | — | — |
| Long-term debt | 655 | 650 |
| **Total debt principal** | **655** | **650** |

The outstanding external debt as at December 31, 2023 is repayable as follows:

| *(In $ millions)* | $620m Senior Secured Notes |
|---|---|
| 2024 | — |
| 2025 and thereafter | 655 |
| **Total debt principal** | **655** |

The key terms relating to our debt in the year ended December 31, 2023 and December 31, 2022 are explained below.

**$620m Senior Secured Notes**

Secured Notes due July 15, 2026 were issued on January 20, 2022 pursuant to Amended Secured Notes Indenture as the result of NSNCo's emergence from Chapter 11 bankruptcy and the Plan of Reorganization. Refer to Note 1 – General information for further on the terms of the notes. Secured Notes are in an aggregate principal amount of $620 million and Paid-in kind ("PIK") Notes. As at December 31, 2023, the outstanding notional balance of $716 million comprises Senior Secured Notes principal of $620 million and $96 million accrued PIK interest. The Senior Secured Notes are presented net of an amortized discount and have a carrying amount of $655 million at December 31, 2023.

The Company amended the facility with a series of supplemental indentures in 2023. A supplemental indenture signed in May 2023 waived failure to comply in full with Reporting Covenant and Compliance Covenant for the fiscal year ending December 31, 2022.The company is in compliance with Reporting and Covenant requirements as at December 31, 2023.

**$219 million New Fontis Notes**

During 2022, Fontis made voluntary debt repayments of $177 million. The payments were comprised of principal and capitalized interest payments of $152 million and $25 million in July 2022 and August 2022 respectively.

During 2023, interest payments of $3 million were made on the $219m New Fontis Notes**.** The Notes were fully repaid in July 2023. We recognized a loss as the result of the call premium paid on the early redemption of $3 million and recorded as Gain/(loss) on extinguishment of financial instruments in our Consolidated Statement of Comprehensive Income.

**Note 14 – Other current liabilities**

Other current liabilities comprised the following:

| *(In $ millions)* | **December 31, 2023** | **December 31, 2022** |
|---|---|---|
| VAT | 11 | 12 |
| Taxes payable | 8 | 7 |
| Employee withheld taxes and social security | 4 | 5 |
| Other current liabilities | 6 | 8 |
| **Total other current liabilities** | **29** | **32** |

**Note 15 – Other non-current liabilities**

Other non-current liabilities consist of the following:

| *(In $ millions)* | December 31, 2023 | December 31, 2022 |
|---|---|---|
| Uncertain tax position | 85 | 73 |
| Other non-current liabilities | — | 1 |
| **Total other non-current liabilities** | **85** | **74** |

**Note 16 – Stock Options and Other Share-Based Compensation**

In April 2023, the Company approved establishment of incentive plans to provide selected participants with a financial incentive, which recognizes long-term corporate, organization and individual performance and accomplishments. Directors and management of the Company and/or its subsidiaries can be awarded from time to time. Establishment and implementation of the incentive plan is determined by the Board of Directors for the Company. No broad incentive plan was established or implemented as at December 31, 2023.

In April 2023, the Company issued warrants and stock options to the directors of the Company as compensation for the services performed. The Warrants issued are performance-based awards and require achievement of certain performance criteria, which is predefined by the Board of Directors at the time of grant. Stock option awards expire 4 years after the grant date and vest based upon the passage of time.

The grant date fair value of stock options and warrants granted were measured using the Black-Scholes option-pricing model with the following weighted average assumptions:

| | 2023 |
|---|---|
| Expected term in years[(a)] | 4 |
| Volatility[(b)] | 50% |
| Risk-free interest rate based on zero coupon U.S. treasury note | 3.58% |
| Weighted average fair value per option/warrant granted | $127 |

(a) Expected term is based on post-vesting cancellation data.
(b) Volatility is assumed based on the general profile of the company, change in volatility does not have a material impact.

A summary of option activity during 2023 is presented below:

| | 2023 | Weighted-Average Exercise Price | Average Remaining Contractual Term (Years) |
|---|---|---|---|
| Outstanding at January 1, 2023 | — | — | — |
| Granted | 1,250 | $1,930 | 4 |
| Exercised | — | — | — |
| Outstanding at December 31, 2023 | 1,250 | $1,930 | 4 |
| Exercisable at December 31, 2023 | 150 | $1,000 | 4 |

Compensation expense recognized for stock options in 2023 of $62 thousand was recorded in the line item selling, general and administrative expenses in our consolidated statement of income. The fair value of stock options expected to vest and be released is expensed on a straight-line basis over the vesting period. No expense was recognized in the period in relation to performance-based awards.

**Note 17 – Risk management and financial instruments**

We are exposed to various market risks, including interest rate, foreign currency exchange and concentration of credit risks. We may enter into a variety of derivative instruments and contracts to maintain the desired level of exposure arising from these risks.

**Foreign exchange risk management**

The Company and all of its subsidiaries use the US dollar as their functional currency because the majority of their revenues and expenses are denominated in US dollars. Our reporting currency is US dollars. In certain circumstances we incur expenses in other currencies and there is thus a risk that currency fluctuations could have an adverse effect on the value of our cash flows.

Our foreign currency risk arises from:

- the measurement of monetary assets and liabilities denominated in foreign currencies converted to US Dollars, with the resulting loss recorded in the "Other financial items" line on the Consolidated Statements of Operations; and
- the impact of fluctuations in exchange rates on the reported amounts of our revenues and expenses which are denominated in foreign currencies.

Although we complete some transactions in the local currency of the operating entities, this does not amount to a sufficient foreign exchange exposure to warrant a foreign exchange hedging instrument. We do not use foreign currency forward contracts or other derivative instruments related to foreign currency exchange risk.

**Credit risk**

We have financial assets which expose us to credit risk arising from possible default by a counterparty. In the normal course of business, we do not demand collateral from our counterparties.

*Concentration of Credit Risk*

There is a concentration of credit risk with respect to revenue as we generate all of our revenue from one customer. Ongoing credit evaluations of this customer are performed, and it was determined that we do not require collateral in our business agreements. Reserves for potential credit risk is considered as part of our expected credit loss provision. For details on how we estimate expected credit losses, refer to Note 4 – "Current expected credit losses".

We do not have significant concentration of credit risk towards our banks, and we have policies that limit the amount of credit exposure to individual institutions.

**Fair values of financial instruments**

The carrying value and estimated fair value of the Company's financial instruments were as follows:

| | December 31, 2023 | | December 31, 2022 | |
|---|---|---|---|---|
| *(In $ millions)* | **Fair value** | **Carrying value** | **Fair value** | **Carrying value** |
| **Assets** | | | | |
| Marketable securities (Level 1) | — | — | 8 | 8 |
| Related party loans receivables – Seabras loans receivables (Level 2) | 3 | 3 | 56 | 56 |
| Related party loans receivables – Archer convertible debt (Level 3) | — | — | 19 | 19 |
| **Liabilities** | | | | |
| $620m of Senior Secured Notes (Level 1) (*) | 699 | 655 | 644 | 650 |
| $219m New Fontis Notes (Level 3) (*) | — | — | 47 | 47 |

(*) These instruments are at a fixed interest rate.

US GAAP emphasizes that fair value is a market-based measurement, not an entity-specific measurement, and should be determined based on the assumptions that market participants would use in pricing the asset or liability. As a basis for considering market participant assumptions in fair value measurements, US GAAP establishes a fair value hierarchy that distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity (observable inputs that are classified within levels 1 and 2 of the hierarchy) and the reporting entity's own assumptions about market participant assumptions (unobservable inputs classified within level 3 of the hierarchy).

The carrying value of cash and cash equivalents, restricted cash, accounts receivable (net of ECL), related party payables and accounts payable are by their nature short-term. As a result, the carrying values included in the Consolidated Balance Sheets approximate fair value.

*Level 1*

The carrying value of cash and cash equivalents and restricted cash, which are highly liquid, is a reasonable estimate of fair value and categorized at level 1 of the fair value hierarchy. Quoted market prices are used to estimate the fair value of marketable securities, which are valued at fair value on a recurring basis.

The fair value of the senior secured notes were derived using market traded value. We have categorized this at level 1 on the fair value measurement hierarchy. Refer to Note 13 – Debt for further information.

*Level 2*

We estimate the fair value of the related party loans receivable from Seabras to be equal to the carrying value after adjusting for expected credit losses. The debt is not freely tradable 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. Other trading balances with related parties are not shown in the table above and are covered in Note 18 – Related party transactions. The fair value of other trading balances with related parties are also assumed to be equal to their carrying value after adjusting for expected credit losses on the receivables.

*Level 3*

a) On August 31, 2021, we entered into a Note Purchase Agreement ("NPA") with some of the Noteholders. The NPA has a maturity of August 31, 2024 and consists of a $190 million term new loan facility and a $26.9 million upfront fee, bearing interest at a margin of 12% per annum.

   The NPA is not freely tradable and cannot be purchased by the Company at prices other than the outstanding balance plus accrued interest. The fair value of the debt facility was derived using the DCF model. A cost of debt of 10.3% was used to estimate the present value of the future cash flows. We have categorized this at level 3 on the fair value measurement hierarchy. The balance was repaid in 2023 with no amounts outstanding at December 31,2023. Refer to Note 13 – Debt for further information.

b) The Archer convertible debt instrument was bifurcated into two elements. The fair value of the embedded derivative option is calculated using a modified version of the Black-Scholes formula for a currency translated option. Assumptions include Archer's share price in NOK, NOK/USD FX volatility and dividend yield. The fair value of the debt component is derived using the discounted cash flow model including assumptions relating to cost of debt and credit risk associated with the instrument. We have categorized this at level 3 of the fair value hierarchy. The debt was converted in 2023 and there was no balance outstanding at December 31, 2023. Refer to Note 19 – Investment in associated companies for further information.

**Note 18 – Related party transactions**

We have entered into certain agreements with affiliates of Seadrill to provide certain management and administrative services, as well as technical and commercial management services.

Both Seadrill and Fintech, the former joint venture ("**JV**") Partners, have also provided financing arrangements as described within this note below.

Related party expenses include:

| *(In $ millions)* | December 31, 2023 | December 31, 2022 |
|---|---|---|
| Management and administrative fees from Seadrill Management Ltd. [(a)] | (10) | (14) |
| **Total related party expenses** | **(10)** | **(14)** |

(Payables)/receivables with related parties consist of the following:

| *(In $ millions)* | December 31, 2023 | December 31, 2022 |
|---|---|---|
| Short-term other payables [(a)] | — | (2) |
| **Short-term amounts due to related parties** | **—** | **(2)** |
| | | |
| Seabras loan receivable [(b)] | 3 | 56 |
| **Short-term amounts due from related parties** | **3** | **56** |
| | | |
| Seabras loan receivable [(b)] | — | — |
| Convertible bond [(c)] | — | 19 |
| **Long-term amounts due from related parties** | **—** | **19** |

*(a) Management and administrative service agreements and short-term other payables*- Short-term other payables are primarily comprised of payables to Seadrill Limited for related party management and crewing fees. Fontis received management, administrative, and operational support services from Seadrill Limited. The expenses incurred for these services are reported within either "Vessel and rig operating expenses" or "Selling, general and administrative expenses" on the Consolidated Statement of Operations, depending on the nature of the service provided. Amounts disclosed above relate to the twelve-month period and include the time after Seadrill stopped provision of services on termination of TSA and MSA agreements.

(b) *Seabras loan receivable* - this includes a series of loan facilities that we extended to Seabras between May 2014 and December 2016. The $3 million balance shown in the table above includes only $3 million of loan principal. Nil accrued interest and allowance for expected credit loss. The loans are repayable on demand, subject to restrictions on Seabras's external debt facilities. In 2023 PES received $56 million to settle the loan receivable from Seabras. The payment includes $38 million for loan principal and $18 million for accumulated interest.

(c) *Convertible bond* - Convertible bond is represented by the Archer Limited ("Archer") convertible loan issued in 2020. The convertible loan has a principal balance of $13 million and bears interest of 5.5%. The loan matures in April 2024 and an includes an equity conversion option. On April 20, 2023, PES received 208,000,000 new common shares of Archer in connection with the conversion of the convertible loan. On the date of conversion, the fair value of the convertible debt instrument was $22 million, of which the split between debt and embedded derivative option was $16 million and $6 million respectively. The value of shares received on conversion date was estimated as $20 million and was based on quoted market prices. We recognized gain on conversion of the loan in the amount of $7.1 million in Gain/(loss) on extinguishment of financial instruments in 2023 in our Consolidated Statement of Comprehensive Income. Prior to conversion gains and losses on the conversion option included within the convertible bond reported in our consolidated statement of operations included the following:

| *(In $ millions)* | **December 31, 2023** | **December 31, 2022** |
|---|---|---|
| Archer convertible debt instrument | 2 | 1 |
| **Gain/(loss) on derivative financial instruments** | **2** | **1** |

**Note 19 – Investment in associated companies**

Our investment in associated companies as at December 31, 2023 and December 31, 2022 was comprised of:

| *Ownership percentage* | **December 31, 2023** | **December 31, 2022** |
|---|---|---|
| Seabras | 50.0 % | 50.0% |
| Archer | 24.2% | 15.7% |

Seabras is a group of related companies that own and operate six pipe-laying service vessels in Brazil. We have a 50% ownership stake in each of these companies. The remaining 50% interest is owned by Sapura Energy Berhad ("**Sapura Energy**").

On April 20, 2023, the Company exchanged the Archer Convertible debt prior to maturity in exchange for new common shares issued. The debt and conversion option resulted in a gain of $7.1 million in our consolidated statement of income. This gain includes the difference between the fair value of the new shares received and the net carrying value of the convertible debt extinguished, including the impact of the related fair value movements in the period. The gain includes $6 million realized gain as a result of the reclassification of related changes in fair value from AOCI into income.

As the result of conversion of the convertible loan described above and additional share subscription to 161 million shares for $16 million in March 2023 PES's holding in Archer increased to 392,305,324 shares, representing 24.2% of the total number of share and voting rights in Archer. There were no additional costs associated with acquisition of additional shareholding.

Prior to the conversion date, the investment in Archer was recognized as Marketable Securities included in "Other Current Assets" in the Consolidated Balance Sheets. From April 2023, the investment in Archer is accounted for as an equity method investee. Archer is a publicly quoted global oilfield service company that specializes in drilling and well services.

Our equity method investments were measured at fair value at the time we obtained significant influence which resulted in a different basis from the underlying carrying values of the investees' net assets at the date of emergence. The basis differences comprise of (i) basis differences on vessels and equipment which are depreciated over the remaining useful life of the associated asset and (ii) contract basis differences which are amortized over the remaining term of the contract. The unwinding of the basis differences is recognized as a "Share in results from associated companies" in the Consolidated Statement of Operations.

**Share in results from associated companies**

Our share in results of our associated companies (net of tax) were as follows:

| *(In $ millions)* | December 31, 2023 | December 31, 2022 |
|---|---|---|
| Seabras | 67 | 47 |
| Archer | (1) | — |
| **Total share in results from associated companies (net of tax)** | **66** | **47** |

**Summary of Consolidated Statements of Operations for our equity method investees**

The results of the associated companies and our share in those results (net of tax) were as follows:

| | Period ended December 31, 2023 | |
|---|---|---|
| *(In $ millions)* | **Seabras** | **Archer *** |
| Operating revenues | 433 | 695 |
| Net operating income | 207 | 48 |
| Net income / (loss) | 148 | (7) |
| PES ownership percentage | 50 % | 24 % |
| **Share of net income** | **74** | **(2)** |
| Amortization of basis differences | (7) | 1 |
| **Share in results from associates (net of tax)** | **67** | **(1)** |

| | Period ended December 31, 2022 |
|---|---|
| *(In $ millions)* | **Seabras** |
| Operating revenues | 407 |
| Net operating income | 190 |
| Net income | 122 |
| PES ownership percentage | 50% |
| **Share of net income** | **61** |
| Amortization of basis differences | (14) |
| **Share in results from Seabras (net of tax)** | **47** |

*Archer results are shown for the period from April 20, 2023 to December 31, 2023.

**Book value of our investments in associated companies**

At the year end, the book values of our investments in our associated companies were as follows:

| *(In $ millions)* | December 31, 2023 | December 31, 2022 |
|---|---|---|
| Seabras Sapura | 255 | 196 |
| Seabras Sapura Holding GmbH - shareholder loans held as equity | 58 | 115 |
| Archer | 42 | — |
| **Total** | **355** | **311** |

Quoted market prices are not available for all of our investments.

**Summarized Consolidated Balance sheets for our equity method investees**

The summarized balance sheets of our equity method investees and our share of recorded equity in those companies was as follows:

| | December 31, 2023 | | December 31, 2022 | |
|---|---|---|---|---|
| *(In $ millions)* | **Seabras** | **Archer** | **Seabras** | **Archer** |
| Current assets | 192 | 355 | 175 | — |
| Non-current assets | 1,305 | 551 | 1,364 | — |
| Current liabilities | (309) | (278) | (486) | — |
| Non-current liabilities | (126) | (432) | (134) | — |
| **Net Assets** | **1,062** | **196** | **919** | — |
| PES ownership percentage | 50% | 24 % | 50 % | — |
| PES share of book equity | 531 | 47 | 460 | — |
| | | | | |
| Shareholder loans held as equity | 58 | — | 115 | — |
| Basis difference allocated to PPE | (282) | (5) | (295) | — |
| Basis difference allocated to contracts | 6 | — | 31 | — |
| **Total adjustments** | **(218)** | **(5)** | **(149)** | — |
| **Book value of PES investment** | **313** | **42** | **311** | — |

**Note 20 – Commitments and contingencies**

From time to time we are a party, as plaintiff or defendant, to lawsuits in various jurisdictions for construction damages, off-hire and other claims and commercial disputes arising from the construction or operation of our drilling units, in the ordinary course of business or in connection with our acquisition or disposal activities. We believe that the resolution of such claims will not have a material impact individually or in the aggregate on our operations or financial condition. Our best estimate of the outcome of the various disputes has been reflected in our Consolidated Financial Statements as at December 31, 2023.

**Note 21 – Subsequent Events**

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

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

Following this subdivision, Paratus had total Class A common shares of 154,015,990 at par value of US $0.00002 each.

The loss per share per share has been retroactively restated for this change in the Consolidated Statement of Operations. No other share or per share information has been restated.

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