



Constellation Oil Services

3Q 2024 EARNINGS RELEASE

NOVEMBER 2024

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3Q 2024 Company's Highlights

1

Two new contracts awarded with Petrobras representing about US\$1 billion
Constellation will operate Tidal Action under a 3rd party management agreement

2

New contract awarded by Lone Star with Brava Energia
New commitment in direct continuation to its current contract with Petrobras

3

98% fleet uptime in the quarter
500bps increase in the comparison year over year

4




Constellation achieved 1st Position in Petrobras Offshore Driller Ranking – “Sondopolis”
Amaralina Star and Brava Star, ranked as first and second rigs, respectively

5

Recapitalization process evolved with two important milestones achieved
US\$75million private equity placement secured and US\$650 Bond Issued at 9.^{3/8}% yield

Fleet Status



Fleet Status Report Sep '24		2024				2025				2026				2027				2028			
Month		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Secured Contract Coverage²		100%				87%				71%				46%							
	ATLANTIC STAR	Petrobras ¹																			
	LONE STAR	Petrobras ¹								Brava Energia											
	GOLD STAR	Petrobras ¹																			
	ALPHA STAR	Brava Energia / Shell				Petrobras 3 Lots															
	AMARALINA STAR	Petrobras ¹								Opportunity for Next Contract ⁸				Opportunity for Next Contract ⁸							
	LAGUNA STAR	Petrobras ¹				Petrobras Roncador								Firm Contract (extension)							
	BRAVA STAR	Petrobras																			
	TIDAL ACTION					Petrobras Roncador				Management Agreement (signed)				Management Agreement (signed)							


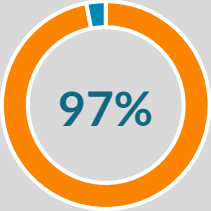





Current contract
 Firm Contract (extension)
 Next Contract (signed)
 Opportunity for Next Contract⁸
 Management Agreement (signed)

1: Considers Petrobras possible contract extensions and/or well in progress

2: Expresses the days on firm contract divided by available days



9M 2024 Financial Highlights

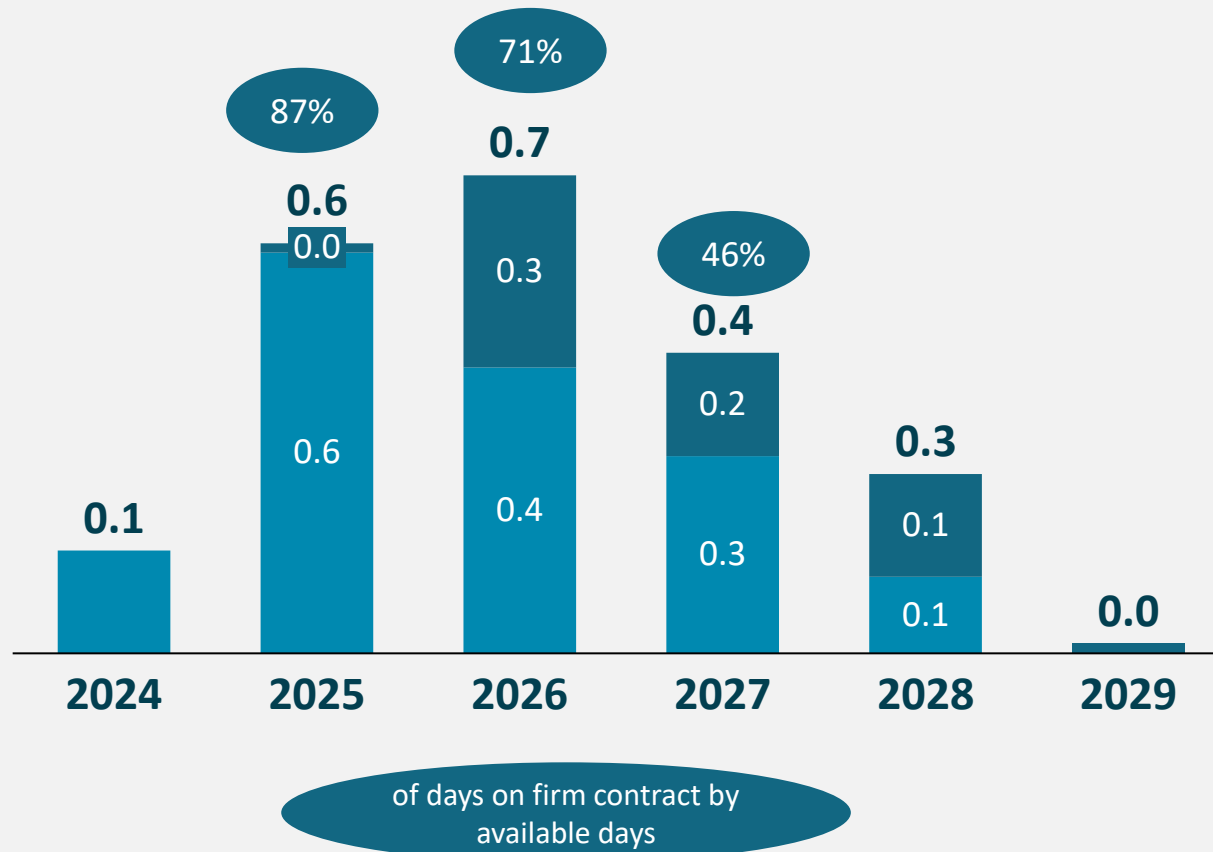
  Uptime 9M 2024 Fleet fully committed	 \$424M Revenues 9M 2024 Same level of 9M 2023 despite one less rig in the fleet	 \$171M Adjusted EBITDA 9M 2024 7% increase over 9M 2023	 \$152M Cash flows from operating activities 9M 2024 59% increase over 9M 2023	 \$(73)M Cash flows used in financing activities 9M 2024 Cash interest payment since 3Q 2023 and debt amortization	 \$(83)M Addition of PP&E 9M 2024 Laguna and Gold thruster overhaul, Alpha transition to new contract
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Current Backlog at \$1.6 billion

\$2.2 billion¹ Expected backlog after securing contracts in negotiation

Backlog (US\$B) and Contract Coverage¹



1: Considers Contracts in final stage of negotiation



FY 2024 Guidance



Fleet 100% contracted. Focus on continuous efficiency improvement.
97% uptime YTD (+400bps YoY)



High commercial activity: Significant backlog addition to Laguna Star and Lone Star and a Management Agreement executed to operate Tidal Ation. Good prospects to add additional backlog for Amaralina Star soon.



Revenue increase driven by higher day rates (Brava, Alpha, Atlantic) offset by Olinda Star decommissioning for scrap



Leverage on superior economies of scale to mitigate labor market shortage and supply chain inflationary pressures



Strategic recapitalization process in its final stage. Debt to be reduced to US\$650mm by 4Q 2024

US\$550–570mm
Revenues¹

US\$185–195mm
EBITDA^{1,2}

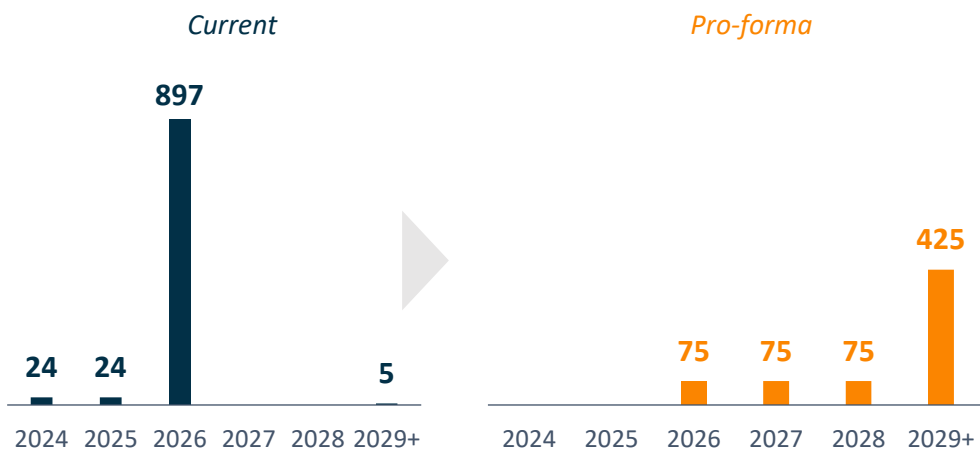


Recapitalization Process

Current and pro-forma capital structure overview

2Q24 DEBT AMORTIZATION SCHEDULE (CURRENT X PRO-FORMA)

USD mm



Capitalization Table

USD mm, otherwise stated	Current (3Q24)		Pro-forma (3Q24) ²	
	Amount	xEBITDA 3Q24 LTM	Amount	xEBITDA 3Q24 LTM
Adj. EBITDA LTM		197		197
Priority Lien Notes	36	0,2x		
First Lien Notes	285	1,5x		
Second Lien Notes	2	0,0x		
Senior Unsecured Notes	3	0,0x		
Super Priority Bradesco Loan	45	0,2x		
Restructured ALB	536	2,7x		
ALB L/C Debt	30	0,2x		
New First Lien Senior Secured Notes			650	3.3x
Total Debt	937	4,8x	650	3.3x
Cash and cash equivalents ¹	(83)	(0,4)x	(100)	(0.5x)
Net Debt	855	4,3x	550	2.8x

- The **proposed recapitalization** will constitute a **Qualified Liquidity Event** in accordance with Constellation’s Articles and terms, and consists of the following key components:
 - **\$618.5 million of junior capital issued** by Constellation Holdco S.A. (“NewCo”) and Constellation, of which **\$75 million** is already sourced from **third party investors** through a **private placement offered** by NewCo and the **remaining part** is contributed from **reinvesting debt** and **equity holders in Constellation**. The capital is intended to be raised by **issuing common shares and exchangeable notes in NewCo and common shares in Constellation**.
 - **\$650 million of new debt** in the form of **new senior secured notes**.
 - **Approximately \$657 million cash redemption** of **certain existing debt** and **Constellation common shares**.
- The **net result** of these transactions will be a **deleveraging of approximately \$300 million**



Appendix: Ebitda Reconciliation

	For the three-month period ended September 30, (unaudited)		For the nine-month period ended September 30, (unaudited)	
	2024	2023	2024	2023
Other Financial Information:				
Profit for the period/year.....	2.5	(12.0)	(1.3)	(4.8)
(+) Financial expenses, net	14.4	15.4	44.9	24.9
(+) Taxes	(2.4)	(3.5)	(9.8)	(2.3)
(+) Depreciation	50.6	48.3	150.5	139.2
EBITDA ⁽¹⁾	65.0	48.2	184.3	157.1
EBITDA margin (%) ⁽²⁾	48.0%	34.0%	43.5%	37.2%
Non-cash adjustment				
EBITDA ⁽¹⁾	65.0	48.2	184.3	157.1
Onerous contract provision, net ⁽³⁾	(4.4)	-	(16.8)	-
Management Incentive Plan	0.2	1.1	1.3	2.1
Other Extraordinary Expenses ⁽⁴⁾	1.1	0.4	1.9	0.5
Adjusted EBITDA ⁽¹⁾	61.9	49.8	170.7	159.7
Adjusted EBITDA margin (%) ⁽²⁾	45.7%	35.1%	40.3%	37.8%
Derivative	-	-	-	(24.0)
Adjusted net financial expenses ⁽⁵⁾	(14.4)	(15.4)	(44.9)	(48.9)
Adjusted net income ⁽⁶⁾	(0.6)	(10.5)	(14.9)	(26.1)



Asset Portfolio: Offshore Fleet

	Own fleet							Managed Fleet
	GOLD STAR ⁽¹⁾	LONE STAR ⁽¹⁾	ALPHA STAR ⁽²⁾	AMARALINA STAR ⁽³⁾	LAGUNA STAR ⁽⁴⁾	BRAVA STAR ⁽⁵⁾	ATLANTIC STAR ⁽⁶⁾	Tidal Action ⁽⁷⁾
								
WATER DEPTH (FEET)	9.000	7.900	9.000	10.000	10.000	12.000	2.000	12.000
SHIPYARD	Keppel FELS	SBM Atlantia / GPC	Keppel FELS	Samsung Korea	Samsung Korea	Samsung Korea	C.F.E.M	Hanwha Korea
START OF OPERATIONS/ LAST UPGRADE	February 2010	April 2011	July 2011	September 2012	November 2012	August 2015	1997/ February 2011	July 2025
CLIENT CURRENT ^A / NEW ^B	Petrobras	Petrobras	Brava Energia ^A /Shell/ Petrobras ^B	Petrobras	Petrobras ^{A/B}	Petrobras	Petrobras	Petrobras
CURRENT CONTRACT START ¹	August 2022	September 2022	September 2023	October 2022	March 2022	December 2023	January 2021	-
CURRENT CONTRACT END ¹	August 2025	September 2025	November 2024	October 2025	June 2025	December 2026	January 2025	-
NEW CONTRACT START ²	-	September 2025	February 2025	-	September 2025	-	-	July 2025
NEW CONTRACT END ²	-	October 2026	February 2028	-	July 2028	-	-	April 2028

* As of September 30th 2024.

- 1 On January 03. 2022. the Company announced that the Gold and Lone Star rigs have been awarded contracts with Petrobras S.A. ("Petrobras"). The operations of Gold Star contract started on August 09. 2022. while Lone Star's operations commenced on September 14. 2022. Each contract has a duration of 1095 days. On November 25th, 2024, we announced that the Lone Star has been awarded a new contract with Brava Energia, for a firm term of 400 days plus a 60-days priced option. The operations are expected to commence in direct continuation to its current contract.
- 2 On September 17. 2023 the company started a new contract of 464 days with Brava Energia. From August 30th. 2024 the Company operated for 28 days for Shell (sublet), at the same terms of its agreement with Brava Energia. On September 20. 2023. the group announced that the Alpha Star was awarded a new contract with Petrobras. The contract has a firm duration of 1095 days plus a mutually agreed option to extend it for the same period. The operations are expected to commence in in 1Q2025.
- 3 On December 06. 2021. the Company announced a new contract for the Amaralina Star drillship with Petrobras. The job has a total duration of 1095 days. consisting of 730 days of a firm scope plus options to extend the contract in up to 365 days at Petrobras discretion, which was exercised in November 2023. The operations commenced on October 18. 2022.
- 4 On July 6. 2021. the group announced that the Laguna Star drillship was awarded a new contract with Petrobras. The contract has a 3-year estimated duration and includes the use of the MPD system. The operations commenced on March 01. 2022, and are expected to end by June 2025, considering a priced option of additional 111 days which Petrobras has already notified us. On September 23rd. 2024. the company announced the award of a new contracts with Petrobras on the Roncador Field, Campos Basin. The contract has 931 days, with a priced option of additional 95 days, and a mutually agreed option to extend it for the same firm period (931 days). The operations are expected to commence in September 2025.
- 5 On December 08. 2022. the Company announced a contract for the Brava Star drillship with Petrobras. The job has a total duration of 1095 days. plus a mutually agreed option to extend it till the same period. The operations started on December 19th 2023.
- 6 On February 05. 2020. the Company announced that the Atlantic Star was awarded a contract with Petrobras. The contract has a firm duration of 1095 days and was extended by mutual agreement by 389 days. The operations commenced on January 06. 2021. In the agreement the parties added another extension option by mutual agreement of additional 11 months.
- 7 On September 23rd. 2024. the company announced the award of a new contract with Petrobras to operate with Tidal Action on the Roncador Field, Campos Basin. Tidal Action is a third-party rig owned by the Hanwha Ocean, which will be managed and operated by us under a management fee agreement in connection with charter and service agreements with Petrobras. The contract has 931 days, with a priced option of additional 95 days, and a mutually agreed option to extend it for the same firm period (931 days). The operations are expected to commence in July 2025.



Constellation.