

Constellation Oil Services Holding S.A.

Consolidated Financial Statements for the Year
Ended December 31, 2025 and Independent
Auditor's Report

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Consolidated Management Report

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Consolidated Management Report

1. Overview

With over 46 years of continuous operating experience, Constellation Oil Services Holding S.A. (“Constellation”, “Company”, “Group”), is a market leading provider of oil and gas drilling. Constellation owns and holds interests in a state-of-the-art offshore fleet, constructed by the world’s leading shipyards. Our modern fleet includes seven ultra-deepwater rigs, one midwater rig and one shallow water jackup.

We combine a high standard of operating performance and drilling efficiency with adherence to the highest quality, health, safety and environmental (QHSE) standards. All of our drilling operations are certified by ISO 9001:2015, ISO 14001:2015, ISO 45001:2018 and API Spec Q2 standards. In addition, we have adopted the ISM Code (Maritime Safety and Pollution Prevention) and the ISPS Code (Maritime Security).

We strive to act in a socially responsible manner, upholding the principles of transparency and integrity, in order to enhance the quality of our relationship with our employees, customers and all of our stakeholders. Constellation Oil Services Holding S.A. (the “Company”, or together with its subsidiaries, the “Group”) was incorporated in Luxembourg on August 30, 2011, as a “société anonyme” (i.e., public company limited by shares). The Company has its registered address at 8-10, Avenue de la Gare, L-1610 Luxembourg.

1.1 Offshore Rigs (Owned and Third Party)

Fleet summary (as of December 31, 2025)

Offshore Rig	Ownership Interest %	Type	Water Depth (ft)	Delivery Date
Ultra-deepwater				
<i>Owned Fleet</i>				
Alpha Star ⁽²⁾	100%	DP; SS	9,000	July 2011
Lone Star ⁽¹⁾	100%	DP; SS	7,900	April 2011
Gold Star ⁽¹⁾	100%	DP; SS	9,000	February 2010
Amaralina Star ⁽³⁾	100%	DP drillship	10,000	September 2012
Laguna Star ⁽⁴⁾	100%	DP drillship	10,000	November 2012
Brava Star ⁽⁵⁾	100%	DP drillship	12,000	August 2015
<i>Third Party Fleet</i>				
Tidal Action ⁽⁷⁾	0%	DP3 Kongsberg	12,000	2025
Midwater				
<i>Owned Fleet</i>				
Atlantic Star ⁽⁶⁾	100%	Moored; SS	2,000	February 2011
Shallow water				
<i>Third Party Fleet</i>				
Admarine 511 ⁽⁸⁾	0%	Jackup Rig	375	2025

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 and has the option to be extended by mutual agreement in up to 17 months. The contract has been extended through February 2026, and the rig remains in operation, with the current well in progress, considering the amendments signed in April 2025, October 2025 and January 2026 that extended the contract by additional 94, 77 and 29 days, respectively. Lone Star contract with Petrobras matured in January 2026, considering the extension signed in April 2025. On November 25, 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, of which 50 days have already been exercised in November, 2025 bringing the firm contract to a total of 450 days. The operations commenced in direct continuation to the end of Petrobras contract, on January 26, 2026.
2. 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 commenced on February 18, 2025.
3. On December 06, 2021, the Company announced a new contract for the Amaralina Star drillship with Petrobras. The job had 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, and ended in January 25, 2026. On December 16, 2024, the Company announced that the Amaralina Star was awarded a new contract with Petrobras for a firm period of three years, with an option for contract extension up to an additional 315 days, subject to mutual agreement. Operations under this new contract with Petrobras began on March 06, 2026.
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 ended on July 25, 2025. On September 23, 2024, the company announced the award of a new contract 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 have commenced in October 1, 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 19, 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. On December 23, 2024, the Company announced a contract extension with Petrobras for an additional period of up to 301 days. The contract was concluded on March 01, 2026, after the full demobization and hull cleaning of the rig. Operations under this new contract with Karoon are expected to start on April 01, 2026.
7. On September 23, 2024, the company announced the award of a new management contract with Petrobras to operate with Tidal Action on the Roncador Field, Campos Basin. Tidal Action is a 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 commenced in September 17, 2025.
8. On March 31, 2025, the company announced the award of a new management contract with Petrobras for the deployment of the Admarine 511 - a jackup drilling rig owned by its commercial partner, ADES Holding Company, which will be used for a campaign of Plug and Abandonment (P&A) of wells at shallow waters in the Sergipe, Alagoas, Ceará and Potiguar basins, in Brazil. The Admarine 511 will be run and operated by Constellation, which will have up to 210 days for mobilizing the rig from its current location in Bahrain, to Brazil, where it will remain under contract for a firm execution period of 1,143 days, with an extension option of up to 472 days, upon mutual agreement between the parties. The operations have commenced in November 8, 2025.

2. Commentary on 2025 Results

2025 was a year in which Constellation delivered solid operational and financial performances amid several contract transitions and the beginning of operations of our managed fleet.

The contract extensions for Gold Star and Atlantic Star emerged as the main driver for the exceptional results delivered in 2025, directly contributing to EBITDA figures that reached \$63 million (+37%) above the original guidance. Both rigs secured operated beyond initial expectations. Furthermore, fleet's robust performance and the continued trust placed in Constellation by Petrobras. The ability to secure and efficiently manage these extensions is intrinsically linked to our disciplined cost control initiatives, which stem from substantial investments in fleet modernization, targeted capital expenditures, and a more efficient Operations & Maintenance (O&M) management model. By streamlining processes, optimizing resource allocation, and leveraging advanced maintenance planning tools, we have reduced unplanned downtime and driven greater cost efficiency, ensuring consistent uptime and reinforcing our competitive market position.

We closed 2025 with a solid backlog of US\$1.7 billion, equivalent to 17 rig-years, providing contract coverage visibility for almost the whole fleet in 2026. Nevertheless, the company remains focused on increasing this backlog in order to increase fleet contract coverage especially for 2027 and beyond.

Another milestone in 2025 was the successful listing of Constellation's shares on Euronext Growth. This achievement marks a significant step forward in our growth trajectory and reinforces our long-standing commitment to strong governance, transparency, and sustainable value creation. The listing enhances liquidity and broadens trading opportunities for all shareholders. It also increases our market visibility, enabling access to a wider investor base and strengthening our corporate profile. Oslo remains a global hub for the offshore and energy sectors, supported by a sophisticated investor community with deep experience in capital allocation across our industry, making it a natural home for Constellation's next phase of development.

On the operational front, the performance of the fleet and our disciplined cost control initiatives were the main drivers behind the solid US\$233 million Adjusted EBITDA delivered.

Overall fleet uptime came in at 95% (absolute uptime without downtime allowances), reflecting consistent operational performance.

During the year, Constellation generated US\$277 million in operating cash flow, supported by disciplined capital allocation and continued focus on operational excellence. Capital expenditures totaled US\$175 million, primarily directed toward the already concluded contract transitions of *Alpha Star* and *Laguna Star*, the upcoming contract transitions of *Amaralina Star* and *Lone Star*, the acceptance of *Tidal Action* and *Admarine*, and scheduled maintenance activities, including Overhauls and Special Periodic Surveys across the remainder of the fleet. These investments reflect the Company's ongoing commitment to asset integrity, reliability, and readiness for long-term contractual opportunities.

In parallel, the Company's cost-reduction initiatives and efficiency-driven mindset were key contributors to 2025's financial performance, reinforcing our focus on margin resilience. These efforts supported the delivery of a solid 39% Adjusted EBITDA margin, highlighting the effectiveness of our operational discipline and our ability to extract sustainable value from the fleet.

As of December 31, 2025, our Net Debt / Adjusted EBITDA ratio came in at 1.8x. We also ended the period with US\$228 million of liquidity, a 25% year-over-year increase, providing the necessary flexibility for the remaining contract transitions planned for 2026.

Regarding the status of our own fleet, the contract transition of Alpha Star was seamlessly concluded in February, Laguna Star started its new Roncador contract with Petrobras in early October. The timely execution of the contract transitions planned for 2025 were key for our financial performance and the ability to deliver strong results this year.

Moving to our third-party managed fleet operations, we have reached two important milestones in 2025 with the rapid acceptance of the Tidal Action drillship in September and the Admarine 511 jack-up in November. Despite the inherent complexity, both units operating in Brazil and for Petrobras for the first time the processes were completed in just 75 and 78 days, less than half of the market's recent average of over 180 days. This performance underscores the Company's technical capabilities and the effectiveness of our asset-light model in operating third-party rigs, strengthening our competitive position and contributing to business expansion and EBITDA growth.

We are immensely proud of our 2025 financial performance, which reaffirms Constellation's commitment to overdelivering even in a technically complex and demanding year. With a strong balance sheet, a healthy backlog, and a track record of operational excellence, we are well-positioned to build on this momentum into a fruitful 2026.

Backed by a stronger balance sheet, robust backlog, and proven operational expertise, we are confident we have a solid foundation to deliver another strong year in 2026.

2.1 Financial and Operating Highlights

(In millions of \$)

Statement of Operations Data:	For the year ended December 31,	
	2025	2024
Net operating revenue	597,2	563,5
Operating Costs	(555,7)	(521,0)
Gross profit	41,5	42,5
General and administrative expenses	(42,2)	(35,0)
Other operating income (expenses). net	(88,4)	(18,3)
Operating Loss	(89,1)	(10,8)
Financial expenses. net	(46,1)	(36,2)
Loss before taxes	(135,1)	(46,9)
Taxes	(2,3)	5,0
Loss for the period	(137,5)	(42,0)

Other Financial Information:	For the year ended December 31,	
	2025	2024
Loss for the period	(137,5)	(42,0)
(+) Financial expenses. net	46,1	36,2
(+) Taxes	2,3	(5,0)
(+) Depreciation	224,2	201,5
EBITDA ⁽¹⁾	135,2	190,8
EBITDA margin (%) ⁽²⁾	22,6%	33,8%
Impairment	(127,2)	(48,0)
Onerous contract provision. net	31,1	4,4
Management Incentive Plan	(0,6)	(0,2)
Other Extraordinary Expenses ⁽³⁾	(1,0)	(1,1)
Adjusted EBITDA ⁽¹⁾	232,8	235,6
Adjusted EBITDA margin (%) ⁽²⁾	39,0%	41,8%

(1) EBITDA is a non-GAAP measure prepared by us and consists of net income, plus, net financial expenses taxes and depreciation. EBITDA is not a measure defined under IFRS. should not be considered in isolation, does not represent cash flow for the periods indicated and should not be regarded as an alternative to cash flow or net income, or as an indicator of operational performance or liquidity. EBITDA does not have a standardized meaning, and different companies may use different EBITDA definitions. Therefore, Our definition of EBITDA may not be comparable to the definitions used by other companies. We use EBITDA to analyze our operational and financial performance, as well as a basis for administrative decisions. The use of EBITDA as an indicator of our profitability has limitations because it does not account for certain costs in connection with our business, such as net financial expenses, taxes, depreciation, capital expenses and other related expenses. Adjusted EBITDA is also a non-GAAP measure prepared by us and consists of net income, plus, net financial expenses taxes, depreciation and some specified non-cash adjustments.

(2) EBITDA margin is a non-GAAP measure prepared by us. EBITDA margin is calculated by dividing EBITDA by net operating revenue for the applicable period. Adjusted EBITDA margin is calculated by dividing Adjusted EBITDA by net operating revenue for the applicable period.

(3) Costs related to restructuring of charter legal entities, extraordinary one-off costs, and other strategic initiatives, including the expenses to list the company in Euronext Growth Oslo.

(In millions of \$)

Consolidated Statement of Financial Position:	As of December 31, 2025	As of December 31, 2024
Cash and cash equivalents	217,8	165,4
Restricted Cash	8,8	-
Short-term investments	9,9	17,1
Total assets	2.739,2	2.630,0
Total loans and financings	645,8	642,3
Total liabilities	1.030,0	792,2
Shareholders' equity	1.709,2	1.837,8
Net Debt	418,1	459,8

(1) Net Debt is a non-GAAP measure prepared by us and consists of: Total Loans and Financings, net of Cash, Cash and equivalents and Short-term investments

(In millions of \$)

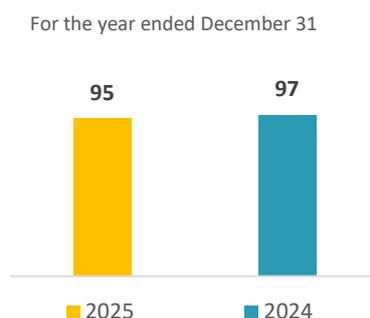
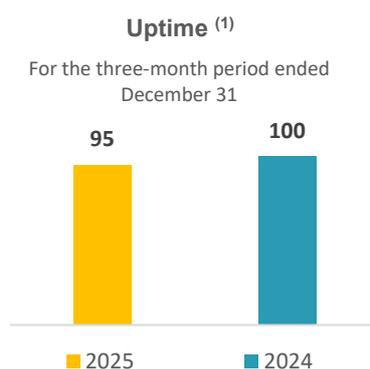
Consolidated Statement of Cash Flows:	For the year ended December 31,	
	2025	2024
Profit/(Loss) for the period	(137,5)	(42,0)
Adjustments to reconcile net income to net cash used in operating activities	363,8	244,6
Net income after adjustments to reconcile net income to net cash generated in operating activities	226,4	202,6
Increase (decrease) in working capital related to operating activities	50,8	21,6
Cash flows generated by operating activities	277,1	224,1
Short-term investments	7,2	(17,1)
Restricted Cash	-	1,7
Acquisition of property, plant and equipment	(176,2)	(130,6)
Proceeds from disposal of property, plant and equipment	-	8,1
Derivative financial assets	6,9	-
Cash flows after investing activities	116,1	86,4
Cash flows used in financing activities	(60,9)	(3,2)
Increase (decrease) in cash and cash equivalents	55,1	83,2
Effects of exchange rate changes on the balance of cash held in foreign currencies	(2,8)	(5,7)
Cash and cash equivalents at the beginning of the period	165,4	87,9
Cash and cash equivalents at the end of the period	217,8	165,4

2.2 Utilization and Uptime of Our Drilling Rigs

The most significant variables affecting the net operating revenue from our drilling rigs in operation are utilization days, dayrate, and uptime. Payments under our charter and service agreements are calculated by multiplying the applicable dayrate for each drilling rig by the uptime for the period for which such payment is being calculated.

The following tables set forth the utilization days and uptime for our drilling fleet for the periods presented:

Operating Statistics



Utilization days ⁽²⁾

	For the three-month period ended December 31,			For the year ended December 31,		
	2025	2024	Δ Change	2025	2024	Δ Change
Ultra-deepwater	540	511	28	2055	2161	(106)
Deepwater	0	0	0	0	14	(14)
Midwater	91	91	0	365	366	(1)
Total Own Fleet	631	602	28	2420	2541	(121)
Ultra-deepwater	91	0	91	99	0	99
Shallow water	47	0	47	47	0	47
Total Managed Fleet	138	0	138	147	0	147

(1) Uptime is derived by dividing (i) the number of days the rigs effectively earned a contractual day rate by (ii) utilization days. Uptime adjusts for planned downtime, such as rig upgrades and surveys.

(2) Utilization days consider the impact of scheduled maintenance, reflecting the days without revenue related to planned upgrades and surveys.

3. Recent Developments

Transocean claim

On February 13, 2026, the Company paid the settlement agreement approved by the Court on January 27, 2026 to Transocean. The matter is further discussed in Note 12.c.1 i - Contingencies and provisions for lawsuits.

4. Financial Instruments and Financial Risk Management

4.1. General considerations

Details on the Group's debt restructuring plan and capital management are described in Note 1.

The Group's main financial instruments are as follows:

	Category	December 31, 2025		December 31, 2024	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
<u>Financial assets</u>					
Cash and cash equivalents	Fair value	217,788	217,788	165,437	165,437
Short-term investments	Fair value	9,917	9,917	17,107	17,107
Restricted cash	Fair value	8,803	8,803	-	-
Trade and other receivables	Amortized cost	115,926	115,926	92,628	92,628
<u>Financial liabilities</u>					
Loans and Financings	Amortized cost	645,761	685,989	642,334	656,335
Trade and other payables	Amortized cost	69,654	69,654	51,901	51,901

The carrying amounts of the remaining financial instruments do not significantly differ from their fair value.

Fair value hierarchy

IFRS 13 – *Fair Value Measurement* defines fair value as the value or price that would be received to sell an asset or paid to transfer a liability in a transaction between participants in an ordinary market on the measurement date.

The fair value hierarchy gives greater weight to available market information (i.e., observable data) and less weight to information related to data without transparency (i.e., unobservable data). Additionally, it requires the entity to consider all aspects of non-performance risk, including the entity's own credit to measure the fair value of a liability.

IFRS 13 also establishes a 3-levels hierarchy to be used in order to measure and disclose the fair value. A categorization tool in the fair value hierarchy is based on the lowest level of "inputs" significant for its measurement. A description of the 3 hierarchical levels is as follows:

Level 1 - The "inputs" are determined based on prices in an active market for identical assets or liabilities at the measurement date. Additionally, the entity must be able to trade in an active market and the price cannot be adjusted by the entity.

Level 2 - The “inputs” are other than prices as determined by Level 1 that are observable for the asset or liability, directly or indirectly. The “inputs” level includes two prices in an active market for similar assets or liabilities, prices in an inactive market for identical assets or liabilities, or “inputs” that are observable or can corroborate the observation of market data by correlation or other means for substantially every part of the asset or liability.

Level 3 - The “inputs” are those unobservable from minor or no market activity. These “inputs” represent Management’s best estimates as market participants could assign value or price for these assets or liabilities. Generally, the assets and liabilities are measured using Level 3 pricing models, discounted cash flow or similar methods that require significant judgments or estimates, such as the inputs considered in the impairment test of long-lived assets.

The Group measures its short-term investments and restricted cash at fair value through profit or loss. Short-term investments and restricted cash are classified as Level 1, due to the fact that they are measured using market prices for identical instruments. Loans and financing are classified as Level 2, due to the fact that they are measured using similar financial instruments. Derivatives are classified as Level 3, as the fair value is based on a pricing model.

4.2. Financial risk management

The Group is exposed to liquidity, credit and market risks. Management believes that the Group’s main market risk refers to its exposure to interest rate risk, as discussed below.

Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built a liquidity risk management framework for managing the Group’s short and long-term funding and liquidity management requirements. The Group manages the liquidity risk by combining and maintaining adequate banking and capital markets facilities (Note 11) and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The Group maintains relationships with specific lenders and constantly monitors its funding needs together with such lenders. The Group manages the majority of its long-term financing on a project-by-project basis. Such financing are arranged as required to support the Group’s operations and growth plans. The Group’s liquidity position has been enhanced further through the restructuring and recapitalization of December 2024. The Group kept its improved liquidity position during 2025, as shown on note 20 c).

The following table details the Group's liquidity analysis for its financial liabilities. The table has been prepared using on the undiscounted contractual cash inflows and outflows for the financial instruments.

December 31, 2025

Period	Trade and other payables	Loans and financing	Total
2026	69,654	132,511	202,165
2027	-	125,479	125,479
2028	-	118,439	118,439
After 2029	-	461,924	461,924
Total	69,654	838,353	908,007

December 31, 2024

Period	Trade and other payables	Loans and financing	Total
2025	51,901	60,937	112,838
2026	-	135,938	135,938
2027	-	128,906	128,906
After 2028	-	586,719	586,719
Total	51,901	912,500	964,401

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations, thus resulting in financial losses to the Group. Financial instruments that potentially subject the Group to concentrations of credit risk are primarily cash and cash equivalents, short-term investments, restricted cash and trade and other receivables. The maximum exposure amounts of such financial instruments are those disclosed in Notes 6, 7 and 8, respectively. Petrobras is the main client, and no significant credit risk was identified.

It is the Group's practice to place its cash and cash equivalents in time deposits at financial institutions with high credit ratings or at mutual funds, which invest exclusively in high quality money market instruments. The Group limits the exposure amount to each financial institution individually aiming at minimizing its credit risk exposure.

Currency exchange rate risk

Customer contracts are structured to provide payments both in US Dollars and in local currency (mostly BRL). Revenue received in local currency is substantially used to pay for costs, goods or employees in local currency. On May 7, 2025, the Group executed a foreign exchange hedge transaction through a series of Non Deliverable Forward (NDF) contracts, covering its BRL

denominated cash flow exposure for the period from June to December 2025. The hedge was implemented to manage the Group’s exposure to foreign exchange volatility between the Brazilian Real (BRL) and the U.S. Dollar (USD), given that the Group’s functional currency is USD as disclosed in Note 18. Additionally, on December 23, 2025, the Company executed a new foreign exchange hedge transaction through a series of Non-Deliverable Forward (NDF) contracts, covering its BRL-denominated cash flow exposure for twelve installments for the period from January to October 2026. The hedge was implemented to manage the Group’s exposure to foreign exchange volatility between the Brazilian Real (BRL) and the U.S. Dollar (USD), given that the Group’s functional currency is USD as disclosed in Note 18. The Group does not apply hedge accounting based on IFRS 9 requirements.

Interest rate sensitivity analysis

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Currently, the Group’s financial instruments consist of loans and financings at fixed interest rates, as disclosed in Note 11. Therefore, there is no exposure to interest rate fluctuations.

4.3. Capital management

The Group manages its capital structure, consisting of the relation between equity/debt mix in accordance with best market practices, as follows:

	December 31, 2025	December 31, 2024
Loans and financing ^(a)	645,761	642,334
Cash transactions ^(b)	(236,508)	(182,544)
Net debt ^(c)	409,253	459,790
Shareholders' equity ^(d)	1,709,154	1,837,827
Net debt on shareholders’ equity plus net debt ^{[(c)] ÷ [(c) + (d)]}	19%	20%

(a) Consider all loans and financing balances.

(b) Includes cash and cash equivalents, short-term investments and restricted cash balances.

(c) Loans and financing net of cash transactions.

(d) Includes all shareholders’ equity accounts.

5. Cautionary Statement Regarding Forward-Looking Statements

Matters discussed in this Management Report may constitute forward-looking statements. Forward-looking statements relate to Constellation’s expectations, beliefs, intentions or strategies regarding the future. These statements may be identified by the use of words like “anticipate,” “believe,” “estimate,” “expect,” “intend,” “may,” “plan,” “project,” “should,” “seek,” and similar expressions. Forward-looking statements reflect Constellation’s current views and assumptions with respect to future events and are subject to risks and uncertainties.

The forward-looking statements in this Management Report are based upon various assumptions, many of which are based, in turn, upon further assumptions, including without limitation, management's examination of historical operating trends, data contained in Constellation's records and other data available from third parties. Although Constellation believes that these assumptions were reasonable when made, because these assumptions are inherently subject to significant uncertainties and contingencies which are difficult or impossible to predict and are beyond Constellation's control, Constellation cannot assure you that it will achieve or accomplish these expectations, beliefs or projections described in the forward-looking statements contained herein. Actual and future results and trends could differ materially from those set forth in such statements.

Important factors that could cause actual results to differ materially from those discussed in the forward-looking statements include:

- (i) factors related to the offshore drilling market, including supply and demand, utilization and day rates;
- (ii) hazards inherent in the drilling industry causing personal injury or loss of life, severe damage to or destruction of property and equipment, pollution or environmental damage, claims by third parties or customers and suspension of operations;
- (iii) changes in laws and governmental regulations, particularly with respect to environmental or tax matters;
- (iv) the availability of competing offshore drilling rigs;
- (v) the performance of our rigs;
- (vi) our ability to procure or have access to financing and comply with our loan covenants;
- (vii) our ability to successfully employ our drilling rigs;
- (viii) our capital expenditures, including the timing and cost of completion of capital projects; and
- (ix) our revenues and expenses.

**To the Shareholders of
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REPORT OF THE REVISEUR D'ENTREPRISES AGREE**Report on the Audit of the consolidated financial statements****Opinion**

We have audited the consolidated financial statements of Constellation Oil Services Holding and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in shareholders' equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Company as at 31 December 2025, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (the "Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" (the "CSSF"). Our responsibilities under the Law of 23 July 2016 and the ISAs as adopted for Luxembourg by the CSSF are further described in the "Responsibilities of the "Réviseur d'Entreprises Agréé" for the Audit of the consolidated financial statements" section of our report. We are also independent of the Group in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the consolidated financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Chartered Accountants & Réviseurs d'Entreprises Agréés

Grant Thornton Audit & Assurance

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one another's acts or omissions.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the consolidated management report but does not include the consolidated financial statements and our report of the "*Réviseur d'Entreprises Agréé*" thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors for the consolidated financial statements

The Board of Directors is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with IFRSs as adopted by the European Union, and for such internal control as the Board of Directors determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the "*Réviseur d'Entreprises Agréé*" 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 a report of the "*Réviseur d'Entreprises Agréé*" that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF 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 the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, 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 Company's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors;

- Conclude on the appropriateness of Board of Directors' 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 the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "Réviseur d'Entreprises Agréé" 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 report of the "Réviseur d'Entreprises Agréé". 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 and 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.

Report on Other Legal and Regulatory Requirements

The consolidated management report is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

Luxembourg, 23 March 2026



Monika TASI
Réviseur d'Entreprises Agréé
Grant Thornton Audit & Assurance

CONSTELLATION OIL SERVICES HOLDING S.A.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31, 2025 AND 2024
(Amounts expressed in thousands of U.S. dollars - US\$'000)

<u>ASSETS</u>	<u>Note</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
CURRENT ASSETS			
Cash and cash equivalents	6/20	217,788	165,437
Short-term investments		9,917	17,107
Restricted cash	7/20	8,803	-
Trade and other receivables	8/20	115,926	92,628
Recoverable taxes	19	21,345	19,985
Deferred mobilization costs		6,394	3,634
Derivative financial assets	20	2,263	-
Lease receivables	23	88,744	-
Other current assets		13,629	9,269
CURRENT ASSETS		<u>484,809</u>	<u>308,060</u>
NON-CURRENT ASSETS			
Recoverable taxes	19	20	-
Deferred tax assets	19.c	22,095	19,015
Deferred mobilization costs		7,953	3,041
Other non-current assets		11,452	5,587
Lease receivables	23	94,078	-
Property, plant and equipment, net	10	<u>2,118,819</u>	<u>2,294,337</u>
NON CURRENT ASSETS		<u>2,254,417</u>	<u>2,321,980</u>
ASSETS		<u><u>2,739,226</u></u>	<u><u>2,630,040</u></u>

The accompanying notes are an integral part of these consolidated financial statements.

CONSTELLATION OIL SERVICES HOLDING S.A.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31, 2025 AND 2024
(Amounts expressed in thousands of U.S. dollars - US\$'000)

<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>	<u>Note</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
CURRENT LIABILITIES			
Loans and Financings	11	80,544	5,544
Payroll and related charges		35,301	28,865
Trade and other payables	20	69,654	51,901
Taxes payables	19	3,009	1,494
Deferred revenues		30,809	9,415
Provisions	12	7,650	35,013
Lease liabilities	23	95,697	-
Other current liabilities		7,758	6,712
CURRENT LIABILITIES		<u>330,422</u>	<u>138,944</u>
NON-CURRENT LIABILITIES			
Loans and financings	11	565,217	636,790
Deferred revenues		27,995	8,245
Lease liabilities	23	94,078	-
Provisions	12	12,360	8,234
NON-CURRENT LIABILITES		<u>699,650</u>	<u>653,269</u>
TOTAL LIABILITIES		<u>1,030,072</u>	<u>792,213</u>
SHAREHOLDERS' EQUITY			
Share capital	13	15,199	15,199
Share premium		1,915,007	1,915,006
Reserves		(148,331)	(157,143)
Accumulated (deficit) / earnings		(72,721)	64,765
TOTAL SHAREHOLDERS' EQUITY		<u>1,709,154</u>	<u>1,837,827</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>2,739,226</u>	<u>2,630,040</u>

The accompanying notes are an integral part of these consolidated financial statements.

CONSTELLATION OIL SERVICES HOLDING S.A.

CONSOLIDATED STATEMENT OF INCOME FOR THE YEARS ENDED DECEMBER 31, 2025
AND 2024

(Amounts expressed in thousands of U.S. dollars - US\$'000, except per share amounts)

	Note	Year-ended December 31,	
		2025	2024
NET OPERATING REVENUE	14	597,176	563,524
COST OF SERVICES	16	(555,706)	(520,992)
GROSS PROFIT		41,470	42,532
General and administrative expenses	16	(42,163)	(35,016)
Total other income	17	40,461	36,665
Total other expenses	17	(128,820)	(54,963)
OPERATING LOSS		(89,052)	(10,782)
Financial income	18	20,359	8,360
Financial expenses	18	(65,394)	(44,075)
Foreign exchange expenses, net	18	(1,056)	(439)
FINANCIAL EXPENSES, NET		(46,091)	(36,154)
LOSS BEFORE TAXES		(135,143)	(46,936)
Taxes	19	(2,343)	4,953
LOSS FOR THE YEAR		(137,486)	(41,983)
Loss per share (in U.S. dollars - US\$)			
Basic	13	(1.6282)	(1.0653)
Diluted	13	(1.6272)	(1.0653)

The accompanying notes are an integral part of these consolidated financial statements.

CONSTELLATION OIL SERVICES HOLDING S.A.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME / (LOSS)

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

(Amounts expressed in thousands of U.S. dollars - US\$'000)

		Year-ended December 31,	
	Note	2025	2024
		<hr/>	<hr/>
LOSS FOR THE YEAR		(137,486)	(41,983)
OTHER COMPREHENSIVE INCOME			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation adjustment	13	7,946	(20,143)
		<hr/>	<hr/>
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(129,540)	(62,126)
		<hr/> <hr/>	<hr/> <hr/>
Comprehensive loss attributable to:			
Controlling interests		(129,540)	(62,126)

The accompanying notes are an integral part of these consolidated financial statements.

CONSTELLATION OIL SERVICES HOLDING S.A.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

(Amounts expressed in thousands of U.S. dollars - US\$'000)

	Note	Reserves										
		Share capital	Warrant	Share premium	Legal	Share of investments' other comprehensive income / (loss)	Acquisition of non-controlling interest in subsidiaries	Foreign currency translation adjustment	Other reserves	Total reserves	Accumulated (deficit) / earnings	Total shareholders' equity
BALANCE AS OF DECEMBER 31, 2023		4,933	1,733	1,567,897	5,683	(2,436)	(85,555)	(54,692)	-	(137,000)	106,748	1,544,311
Loss for the year		-	-	-	-	-	-	-	-	-	(41,983)	(41,983)
Other comprehensive loss for the year	13.d	-	-	-	-	-	-	(20,143)	-	(20,143)	-	(20,143)
Total comprehensive loss for the year		-	-	-	-	-	-	(20,143)	-	(20,143)	(41,983)	(62,126)
Restructuring events:												
Warrant write-off		-	(1,733)	-	-	-	-	-	-	-	-	(1,733)
Capital increase		8,423	-	(8,423)	-	-	-	-	-	-	-	-
Capital contribution		1,843	-	73,157	-	-	-	-	-	-	-	75,000
Share premium arising from debt restructuring		-	-	293,535	-	-	-	-	-	-	-	293,535
Transaction costs		-	-	(11,160)	-	-	-	-	-	-	-	(11,160)
BALANCE AS OF DECEMBER 31, 2024		15,199	-	1,915,006	5,683	(2,436)	(85,555)	(74,835)	-	(157,143)	64,765	1,837,827
Loss for the year		-	-	-	-	-	-	-	-	-	(137,486)	(137,486)
Other comprehensive income for the year	13.d	-	-	-	-	-	-	7,946	-	7,946	-	7,946
Total comprehensive income / (loss) for the year		-	-	-	-	-	-	7,946	-	7,946	(137,486)	(129,540)
Other movements:												
Share premium arising from reverse split		-	-	1	-	-	-	-	-	-	-	1
Long-term incentive		-	-	-	-	-	-	-	866	866	-	866
BALANCE AS OF DECEMBER 31, 2025		15,199	-	1,915,007	5,683	(2,436)	(85,555)	(66,889)	866	(148,331)	(72,721)	1,709,154

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOW FOR YEARS ENDED DECEMBER 31, 2025 AND 2024
(Amounts expressed in thousands of U.S. dollars - US\$'000)

		December 31,	
	Notes	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss for the year		(137,486)	(41,983)
Adjustments to reconcile profit/(loss) for the year to net cash provided by operating activities:			
Depreciation of property, plant and equipment	10/16	224,226	201,530
Loss on disposal of property, plant and equipment, net	10	51	1,331
Provision/(reversal) of impairment recognised on property, plant and equipment		127,156	47,998
Recognition of deferred mobilization costs		6,525	10,240
Recognition of deferred revenues, net of taxes levied		(19,333)	(19,767)
Financial expenses on loans and financings	11.a/18	64,365	67,677
Gain on restructuring		-	(30,721)
Provision of onerous contract, net	12	(31,089)	3,013
Other financial income, net		(9,145)	(5,171)
Reversal of provisions		1,206	118
Recognition / (reversal) of provisions for lawsuits, net		6,672	(386)
Net gain on derivative financial instruments	18.a	(9,130)	(26,352)
Taxes	19.d	2,343	(4,953)
Decrease/(increase) in assets:			
Trade and other receivables		(23,298)	32,388
Recoverable taxes		(1,380)	1,556
Deferred taxes		(3,080)	1,297
Deferred mobilization cost		(14,198)	(4,463)
Restricted cash		(8,803)	-
Lease receivables	23	6,953	-
Other assets		(1,876)	2,647
Increase/(decrease) in liabilities:			
Payroll and related charges		6,436	210
Trade and other payables		17,754	(5,277)
Taxes payables	19	(4,703)	2,306
Deferred revenues		60,476	2,419
Other liabilities		12,613	(10,882)
Cash used in operating activities		<u>273,255</u>	<u>224,775</u>
Income tax and social contribution refunded/(paid)		3,875	(643)
Adjusted cash provided by operating activities		<u>277,130</u>	<u>224,132</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Short-term investments		7,190	(17,062)
Restricted cash		-	1,733
Derivative financial assets		6,867	-
Acquisition of property, plant and equipment		(175,120)	(130,564)
Proceeds from disposal of property, plant and equipment		-	8,146
Net cash used in investing activities		<u>(161,063)</u>	<u>(137,747)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest paid on loans and financings	11.a	(60,938)	(57,070)
Proceeds from loans and financings		-	633,186
Capital increase		-	75,000
Transaction costs		-	(11,160)
Repayment of loans and financings	11.a	-	(620,239)
Repurchase of shares		-	(22,912)
Net cash used in financing activities		<u>(60,938)</u>	<u>(3,195)</u>
Increase in cash and cash equivalents		55,129	83,190
Cash and cash equivalents at the beginning of the year	6	165,437	87,943
Effects of exchange rate changes on the balance of cash held		(2,778)	(5,696)
Cash and cash equivalents at the end of the year	6	<u>217,788</u>	<u>165,437</u>

The accompanying notes are an integral part of these consolidated financial statements.

CONSTELLATION OIL SERVICES HOLDING S.A.NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31,
2025 AND FOR THE YEAR THEN ENDED

(Amounts expressed in thousands of U.S. dollars - US\$'000, unless otherwise stated)

1. GENERAL INFORMATION

Constellation Oil Services Holding S.A. (the “Company”, or together with its subsidiaries, the “Group”) was incorporated in Luxembourg on August 30, 2011, as a “*société anonyme*” (i.e., public company limited by shares). The Company has its registered address at 8-10, Avenue de la Gare, L-1610 Luxembourg.

The Company’s objectives are: (i) to hold investments in Luxembourg or foreign countries; (ii) to acquire any securities and rights through participation, contribution, underwriting firm purchase or option, negotiation or in any other way and namely to acquire patents and licenses, and other property, rights and interest in property as deemed necessary, and generally to hold, manage, develop, sell or dispose of the same, in whole or in part, for such consideration as deemed necessary, and in particular for shares or securities of any entity purchasing the same; (iii) to enter into, assist or participate in financial, commercial and other transactions, and to grant to any holding entity, subsidiary, or fellow subsidiary, or any other entity associated in any way with the Company, or the said holding entity, subsidiary or fellow subsidiary, in which the Company has a direct or indirect financial interest, any assistance, loans, advances or guarantees; (iv) to borrow and raise funds in any manner and to secure the repayment of any funds borrowed; and (v) to perform any operation that is directly or indirectly related to its purpose. The Company’s financial year is from January 1 to December 31.

The Company holds investments in subsidiaries that own, charter and operate offshore drilling rigs for exploration and production companies, most of them operating in Brazil. The Group currently has multiple contracts signed with *Petróleo Brasileiro S.A. (“Petrobras”)*, *Brava Energia* and *Karoon*.

a) Fleet of offshore drilling rigs
Offshore drilling units

<u>Drilling units</u>	<u>Type</u>	<u>Start of operations</u>	<u>Contract expected expiration date (current or future)</u>	<u>Customer (current or future)</u>	<u>Ownership</u>
Atlantic Star	Semi-submersible	1997	June 2026 (Note 1.h)	Petrobras/Karoon	Owned
Gold Star	Semi-submersible	2010	March 2026 (Note 1.f)	Petrobras	Owned
Lone Star	Semi-submersible	2011	April 2027 (Note 1.g)	Petrobras/Brava Energia	Owned
Alpha Star	Semi-submersible	2011	February 2028 (Note 1.e)	Petrobras	Owned
Amaralina Star	Drillship	2012	March 2029 (Note 1.b)	Petrobras	Owned
Laguna Star	Drillship	2012	July 2028 (Note 1.d)	Petrobras	Owned
Brava Star	Drillship	2015	December 2026 (Note 1.c)	Petrobras	Owned
Tidal Action	Drillship	2025	July 2028 (Note 1.j)	Petrobras	Leased
Admarine 511	Jackup	2025	December 2028 (Note 1.k)	Petrobras	Leased

b) Amaralina Star offshore drilling rig charter and service-rendering agreements

On December 06, 2021, the Company announced a new contract for the Amaralina Star drillship with Petrobras. The job had 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, and ended in January 25, 2026. On December 16, 2024, the Company announced that the Amaralina Star was awarded a new contract with Petrobras for a firm period of three years, with an option for contract extension up to an additional 315 days, subject to mutual agreement. Operations under this new contract with Petrobras began on March 06, 2026.

c) Brava Star drillship charter and service-rendering agreements

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 19, 2023.

d) Laguna Star offshore drilling rig charter and service-rendering agreements

On September 23, 2024, the company announced the award of a new contract 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 have commenced in October 1, 2025.

e) Alpha Star offshore drilling rig charter and service-rendering agreements

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 commenced on February 18, 2025.

f) Gold Star offshore drilling rig charter and service-rendering agreements

On January 03, 2022, the Company announced that Gold Star rig has been awarded a contract with Petrobras S.A. ("Petrobras"). The operations of Gold Star contract started on August 09, 2022. The contract has a duration of 1095 days and has the option to be extended by mutual agreement in up to 17 months. Gold Star contract was amended and matured in February 2026, considering the amendments signed in April 2025, October 2025 and January 2026 that extended the contract by additional 94, 77 and 29 days, respectively. Gold Star's contract has been extended through February 2026, and the rig remains in operation, with the current well in progress.

g) Lone Star offshore drilling rig charter and service-rendering agreements

On January 03, 2022, the Company announced that the Lone Star rig has been awarded a contract with Petrobras S.A. ("Petrobras"). The operations of Lone Star commenced on September 14, 2022. The contract has a duration of 1095 days and has the option to be extended by mutual agreement in up to 17 months. Lone Star contract with Petrobras matured in January 2026, considering the extension signed in April 2025. On November 25, 2024, we announced that Lone Star has been awarded a new contract with Brava Energia, for a firm term of 400 days plus a 60-days priced option, of which 50 days have already been exercised in November 2025 bringing the firm contract to a total of 450 days. The operations commenced in direct continuation to the end of Petrobras contract, on January 26, 2026.

h) Atlantic Star drilling rig charter and service-rendering agreements

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. On December 23. 2024, the Company announced a contract extension with Petrobras for an additional period of up to 301 days. The contract was concluded on March 01, 2026, after the full demobization and hull cleaning of the rig. Operations under this new contract with Karoon are expected to start on April 01, 2026.

i) Olinda Star drilling rig charter and service-rendering agreements

On January 7, 2022, the Group announced that the Olinda Star was awarded a new contract with ONGC, in India, with a duration of 502 days. The Company started its operations on May 4, 2022 and ended its operations on January 14, 2024.

On May 2, 2024, a memorandum of agreement was signed between Olinda Star Limited and Super Shining Shipping Corporation for the sale of the drilling unit Olinda Star. The agreed selling price was USD\$ 8,130 to green recycle. The transaction was completed in 2024.

j) Tidal Action third-party owned UDW unit service-rendering agreement

On September 23. 2024. the company announced the award of a new management contract with Petrobras to operate with Tidal Action on the Roncador Field, Campos Basin. Tidal Action is a 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 commenced in September 17. 2025.

k) Third party owned Jackup services agreement – Admarine 511

On March 31. 2025. the company announced the award of a new management contract with Petrobras for the deployment of the Admarine 511 - a jackup drilling rig owned by its commercial partner, ADES Holding Company, which will be used for a campaign of Plug and Abandonment (P&A) of wells at shallow waters in the Sergipe, Alagoas, Ceará and Potiguar basins, in Brazil. The Admarine 511 will be run and operated by Constellation, which will have up to 210 days for mobilizing the rig from its current location in Bahrain, to Brazil, where it will remain under contract for a firm execution period of 1.143 days, with an extension option of up to 472 days, upon mutual agreement between the parties. The operations have commenced in November 8. 2025.

l) Onshore drilling rigs charter and service-rendering agreements

With the strategic objective of enhancing the Group's global competitiveness, the Company opted for a divestment process in its onshore operations, resulting in the sale of its onshore drilling rigs on January 19, 2024.

m) Going concern considerations

The oil market environment remains a critical factor in assessing future operational resilience. At the beginning of 2025, Brent averaged approximately USD 75/bbl, before declining to around USD 63/bbl in the fourth quarter, reflecting increased OPEC+ supply, moderate demand growth, and easing of some geopolitical tensions. These dynamics have reinforced expectations of a more conservative price outlook for 2026, with consensus forecasts pointing to Brent stabilizing in the USD 60s range. In response, major operators have maintained disciplined capital allocation and shareholder return strategies, as evidenced by Q4 2025 results from ExxonMobil, Chevron, Shell, BP, and Equinor, which largely reaffirmed capex guidance while prioritizing cost control and liquidity. In Brazil, Petrobras released its new five-year business plan in the last week of November, which provided indications of a more conservative Brent outlook for 2026, as of USD 63/bbl, and increasing to USD 70/bbl in 2027, while for 2026, a USD 59/bbl represents a threshold where the company remains financially sound. The operator's latest five-year plan reflects a strategy of flat E&P spending combined with greater operational efficiency, allowing the company to deliver its development program with a smaller offshore rig fleet. As a result, drilling contractors may face lower asset demand over time, although the impact on revenues is expected to be limited in the near term due to contractual backlog and improving contract economics. Overall, these factors underscore a sector-wide emphasis on efficiency and contractual resilience under a subdued price environment.

On the Commercial side, we continued to develop our contract backlog, which was at US\$1.7 billion as of December 31, 2025, from US\$2.0 billion as of December 31, 2024. Note 1 discloses several events related to charter contracts and operating services for offshore drilling rigs that corroborate the above information.

n) Liquidity and financial restructuring aspects

Refinancing and recapitalization

On December 12, 2024, Constellation concluded a comprehensive recapitalization involving all of its current shareholders and debt holders (the "Recapitalization"). The Recapitalization consisted of the following key components: issuance of Senior Secured Notes in an amount of \$650 million by Newco Holding USD 20 S.À R.L. ("NewCo", merged with and into the Company on December 12, 2024), and the issuance of equity in the amount of \$75 million to third party investors through a private placement comprised of common shares and exchangeable notes in Constellation Holdco S.A. ("Holdco") and common shares in Constellation.

As part of the Recapitalization, Constellation redeemed certain outstanding debt and common shares in Constellation in an amount of \$526.2 million and repaid indebtedness in a principal amount of \$67.0 million that became due upon consummation of the Recapitalization. The amount of US\$314.7 million of indebtedness as of September 30, 2024 was converted into common shares of Constellation and \$622.7 million principal amount of Constellation converted debt was redeemed at 95% of its face value (\$593.2 million).

After the conclusion of the Recapitalization, Constellation's only indebtedness for borrowed money that remains outstanding are the US\$ 650 million Senior Secured Notes due 2029 or \$642.5 million as of December 31, 2024 net of transaction costs.

The accounting impact of this refinancing and recapitalization can be summarized as follows:

On December 12, 2024	
New debt	650,000
Transaction costs	(16,637)
Paid in cash	(593,402)
Interest paid	(10,677)
Discounts	(30,721)
Converted to shares	<u>(314,714)</u>
Restructuring impact on loan and financing	<u>(316,151)</u>

On December 12, 2024	
Capital increase	75,000
Converted to shares	314,714
Transaction costs	(11,160)
Repurchase of shares	<u>(22,912)</u>
Restructuring impact on equity	<u>355,642</u>

- (1) The amount of US\$ 355,642 is: capital contribution (US\$ 75,000) plus share premium arising from debt restructuring (US\$ 293,535) minus transaction costs (US\$ 11,160) minus warrants (US\$ 1,733).
 o) Corporate restructuring

On May 29, 2024, the Group entered into amended and restated credit agreements with its financial creditors, resulting in a series of transactions collectively referred to as the "Corporate Reorganization". The primary objective of the Corporate Reorganization was to simplify the Group's corporate structure. Key transactions included the sale of each of the Drilling Units to purchasing entities that are also under the control of Constellation Oil Services.

Drilling unit	Seller	Purchaser
Atlantic Star	Star International Drilling Ltd.	Alaskan & Atlantic Rigs B.V.
Gold Star	Gold Star Equities Ltd.	London Tower Management B.V.
Lone Star	Lone Star Offshore Ltd.	London Tower Management B.V.
Alpha Star	Alpha Star Equities Ltd.	London Tower Management B.V.
Amaralina Star	Amaralina Star Ltd.	Palase Management B.V.
Laguna Star	Laguna Star Ltd.	Positive Management B.V.
Brava Star	Brava Star Ltd.	Brava Drilling B.V.

Furthermore, as part of the Corporate Reorganization, the following entities were merged into Constellation Overseas Ltd.:

- Amaralina Star Ltd.,
- Laguna Star Ltd.,
- Brava Star Ltd.,
- Star International Drilling Limited,
- Alpha Star Equities Ltd.,
- Lone Star Offshore Ltd.,
- Gold Star Equities Ltd., and
- Olinda Star Ltd.

This merger followed the aforementioned sale of the Drilling Units.

On November 20, 2024, the entity Constellation Overseas Ltd. was merged into Constellation Services Ltd. Also, during the year the following entities were liquidated: Alaskan & Atlantic Cooperatief U.A., Angra Participações B.V. (“Angra”) and QGOG Star GmbH and the entities have ceased to exist. The Corporate Restructuring has not cause any impact on these consolidated financial statements.

p) Commitments

As of December 31, 2025, the Group had the following commitments which it is contractually obligated to fulfill:

- The Group, in its service contracts, has commercial, operational, safety and environmental commitments. Non-compliance with these commitments may result in fines levied at the total estimated value of each contract. Non-compliance or irregular compliance with part of the contractual object may result in a compensatory fine of 20% of the daily rate.

As of December 31, 2025 and until the date of the issuance of these Consolidated Financial Statements the Group complies with the aforementioned covenants.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

2.1. New and amended IFRS that are mandatorily effective for the current year

During the year, the Group has adopted a number of new and amended IFRS Standards issued by the International Accounting Standards Board – as adopted by the European Union (EU), which are mandatorily effective for an accounting period that begins on or after January 1, 2025. The following amendments have been applied by the Group, but had no significant impact on its consolidated financial statements:

Standard or interpretation	Description	Effective date
Amendments to IAS 21 - <i>The effects of Changes in Foreign Exchange rates titled lack of Exchangeability</i>	The amendments have been introduced to address situations where a currency cannot be exchanged into another currency.	January 1, 2025

2.2. New and revised IFRS standards issued but not yet effective

At the date of authorization of these consolidated financial statements, the Group has not early adopted any new or amended IFRS Standards issued by the IASB that are not yet mandatorily effective. Management is evaluating the potential impact of these standards and, based on preliminary assessment, does not expect any material effect on recognition or measurement. The Group will apply these standards from their effective dates. Adoption of IFRS 18 is expected to result in changes to the presentation of the statement of profit or loss and the statement of cash flows.

New or revised standards and interpretations

<u>Standard or interpretation</u>	<u>Description</u>	<u>Effective date</u>
Amendments to IFRS 9 and IFRS 7 – <i>Amendments to the Classification and Measurement of Financial Instruments</i>	Clarifies derecognition of financial liabilities settled via electronic transfers; guidance on contractual cash flows including ESG-linked features; enhancements to “non-recourse” and contractually linked instruments analysis; additional IFRS 7 disclosures on terms affecting timing/amount of cash flows	January 1, 2026
Annual Improvements to IFRS Accounting Standards	Narrow-scope amendments to IFRS 1, IFRS 7 (including IG), IFRS 9, IFRS 10 and IAS 7, improving consistency and removing obsolete references.	January 1, 2026
Amendments to IFRS 9 and IFRS 7 – <i>Contracts Referencing Nature-dependent Electricity</i>	Amends the “own-use” exemption for nature-dependent renewable-energy contracts; permits designation of variable volumes in hedge accounting; adds new disclosures.	January 1, 2026
IFRS 18 – <i>Presentation and Disclosure in Financial Statements</i>	The objective of IFRS 18 is to set out requirements for the presentation and disclosure of information in financial statements to help ensure they provide relevant information that faithfully represents an entity’s assets, liabilities, equity, income and expenses. IFRS 18 will replace IAS 1 and aims to improve financial reporting by: requiring additional defined subtotals in the statement of profit or loss; requiring disclosures about management-defined performance measures; and adding new principles for grouping (aggregation and disaggregation) of information.	January 1, 2027
Amendments to IFRS 10 <i>Consolidated Financial Statements</i> and IAS 28 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Clarifies gain/loss recognition in transactions involving assets that are not a business between an investor and an associate/joint venture.	The effective date of the amendments has yet to be set by the IASB

2.3. Brazilian Tax Reform

In December 2023, Brazil adopted a comprehensive restructuring of its consumption tax system with the approval of Constitutional Amendment No. 132, followed by its regulatory framework established through Complementary Law No. 214/2025 and Complementary Law No. 227/2026. Together, these measures modernize the country's tax architecture, simplify compliance and better align Brazilian practices with international standards.

The main objective is to simplify the current tax system. The text establishes a ceiling to maintain a consistent tax burden on consumption, with the main effect being the unification of five taxes (ICMS, ISS, IPI, PIS and COFINS) into two taxes that will be divided between three levels: i) federal (CBS: Contribution on Goods and Services and IS: Selective Tax) and ii) state and municipal (IBS: Tax on Goods and Services).

The complete transition to the new tax model will occur gradually and in multiple phases until 2033, progressively replacing current taxes on consumption.

Throughout 2025, the Company made the systemic adjustments necessary to implement the new tax regime, to meet the official testing phase that will take place during 2026. In this testing phase, the CBS and IBS values must be presented, but not yet collected.

The Company continues to monitor the publication of regulations necessary to implement the new system, evaluating potential effects on its operations as regulatory definitions evolve.

2.4. Luxembourg Tax Reform

On December 20, 2023, the Luxembourg Parliament approved the bill implementing the European Union's Directive on global minimum taxation ("Pillar Two"), aligned with OECD recommendations. The regulation applies to fiscal years beginning after December 31, 2023. The Group did not identify any impact for 2024 or 2025 and continues to monitor developments during 2026, including potential clarifications and administrative guidance related to the implementation of Pillar Two in Luxembourg.

The Group currently remains outside the scope of Pillar Two, as its consolidated revenues are below the EUR 750 million threshold.

3. MATERIAL ACCOUNTING POLICIES FINANCIAL INSTRUMENTS

The material accounting policies applied in the preparation of the consolidated financial statements are described below. These policies have been applied consistently for all reporting periods.

3.1. Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

3.2. Basis of preparation and consolidation

Preparation

The consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments that are remeasured at fair value.

Consolidation

The consolidated financial statements incorporate the Company and its subsidiaries (Note 5). All intra-group transactions, balances, income and expenses are eliminated for consolidation purposes.

Continuity as a going concern

The Group's consolidated financial statements were prepared on the going concern basis of accounting. Management assessed the Group's ability to continue as a going concern in light of the assumptions and matters disclosed in Note 1m. The significant accounting policies are set out below:

3.3. Functional currency and foreign currencies

The financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the respective entity operates (i.e., the "functional currency"). The Company's functional currency and most part of its subsidiaries is the U.S. dollar, since majority of revenues and costs, debt and capital expenditures are denominated in this currency. The consolidated financial statements are presented in thousands of U.S. dollars, which is also the reporting/functional currency of the Group.

Additionally, the Group has determined that the Brazilian real is the functional currency of Serviços de Petróleo Constellation S.A. ("Serviços de Petróleo") and Serviços de Petróleo Constellation Participações S.A. ("Serviços de Petróleo Participações"), since the majority of their revenues and costs are denominated in Brazilian reais. Consequently, in preparing these consolidated financial statements, Management has translated the financial statements of these subsidiaries into U.S. dollars as follows:

- The assets and liabilities for each balance sheet presented are translated at the closing rate on the respective balance sheet date;
- Income and expenses for each statement of operations are translated at exchange rates at the dates of the transactions; for this purpose, average monthly exchange rates are used as they approximate to the exchange rates in force on the transaction dates; and
- Shareholders' equity accounts are translated using historical exchange rates.

All resulting exchange differences on currency translation adjustments are recognized as a separate component of other comprehensive income.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit and loss.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognized in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets measure at fair value, such as equities classified as available for sale, are included in other comprehensive income.

3.4. Cash and cash equivalents

Cash and cash equivalents are held to meet short-term cash commitments, and not for investment or any other purposes. The Group considers as cash and cash equivalents (i) cash on hand; (ii) bank deposits; and (iii) short-term investments promptly convertible into a known amount of cash and subject to a low risk of change in value.

3.5. Trade and other receivables

Trade accounts receivables are initially measured at their fair value, which generally represents the billed amounts, and subsequently at amortized cost and adjusted for allowances for expected and incurred credit losses and impairment, when due necessary.

The allowance for doubtful accounts is recognized considering the individual assessment of receivables, the economic environment analysis and the history of losses recorded in prior years by maturity range, in an amount considered sufficient by Management to cover probable losses on future collections. The carrying amounts represent mainly their fair values at the end of the reporting period.

3.6. Prepaid expenses

Refers to financial resources applied in prepaid expenses, such as insurance premiums, whose rights of benefits or services will occur in future periods.

3.7. Leases and Subleases

The Group as Lessor

The Group enters into lease agreements as a lessor with respect to its drilling units.

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the lease terms transfer substantially all the risks and ownership benefits to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

When a contract includes both lease and non-lease components, the Group applies IFRS 15 - Revenue from Contracts with Customers to allocate the consideration under the contract to each component.

Sublease

The Group enters into lease arrangements as a lessee for the use of drilling units obtained from third-party lessors. Subsequently, the Group subleases these drilling units to customers, thereby acting as an intermediate lessor.

Where the Group is both the original lessee and an intermediate lessor, each sublease arrangement is assessed at inception to determine its classification.

Subleases are classified as either finance subleases or operating subleases based on the extent to which the risks and rewards incidental to ownership of the underlying asset are transferred to the sublessee.

For subleases classified as finance subleases, the Group derecognizes the right-of-use asset related to the head lease (to the extent of the sublease) and recognizes a net investment in the sublease, presented as a lease receivable, together with the corresponding lease liability arising from the head lease. At the commencement date of the sublease, the lease receivable and lease liability are measured at the present value of future lease payments. The discount rate applied is the Group's incremental borrowing rate at the date of initial recognition, reflecting the rate of interest that the Group would have to pay to borrow over a similar term and with similar security. Interest income arising from the sublease is recognized over the lease term using the effective interest method and is presented within financial income. Correspondingly, interest expense on the lease liability related to the original lease is recognized over the lease term using the effective interest method and is presented within financial expenses. This results in a net impact on the Group's financial result that reflects its position as an intermediary between the head lessor and the sublessee.

3.8. Property, plant and equipment ("PP&E")

All PP&E is carried at cost less accumulated depreciation and impairment, when due necessary. PP&E consists primarily of offshore drilling rigs, drillships and its related equipment. Costs related to equipment under construction are recognized as PP&E cost, in accordance with the actual construction costs. A provision for corresponding unbilled costs from suppliers is recorded as an accrued liability.

Borrowing costs (including interest and fair value adjustments) are capitalized on equipment under construction, when applicable.

Repair and maintenance costs related to periodic overhauls of the drilling rigs and drillships are capitalized, when the economic benefits associated with the item inflows to the Group and the costs can be reliably measured. These costs are depreciated over the period extending to the next periodic overhaul. Related costs are mainly comprised by shipyard costs and the costs of employees directly involved in the related project. All other repair and maintenance costs are charged to profit or loss in the period in which they are incurred.

The carrying amounts of these assets are based on estimates, assumptions and judgments relating to capitalized costs, useful lives and residual values of the drilling rigs and drillships. These estimates, assumptions and judgments reflect both historical experience and expectations regarding future oil and gas industry conditions and operations. The Group computes depreciation using the straight-line method, considering the respective residual value of the related assets. When significant components of a PP&E item have different useful lives, those components are accounted for as separate PP&E items. Estimated useful lives of PP&E range from 1 to 35 years. At the end of each year, the Group reviews the estimated useful lives and residual values of PP&E.

3.9. Impairment of long-lived assets

Assets that are subject to depreciation and amortization are tested for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows (i.e., cash generating units). Non-financial assets that have been impaired are reviewed for possible impairment reversal at each balance sheet date.

A reversal of an impairment loss is recognized immediately in profit or loss to the extent that it eliminates the impairment loss that has been recognized for the asset in prior years.

Recoverable amounts are substantially determined based on discounted future cash flows calculations and asset price evaluation, both requiring the use of estimates (Note 4.2).

3.10. Trade and other payables

Trade and other payables are stated at known or estimated amounts, plus corresponding charges and monetary and/or foreign exchange rate variations incurred, when applicable, and represent obligations to pay for goods or services acquired in the normal course of the Group's business activities.

3.11. Loans and financing

Loans and financing are carried at amortized cost subject to monetary and/or foreign exchange rate variations incurred, when applicable, plus interest incurred through the end of the reporting period.

When applicable, borrowing costs incurred are measured at amortized cost and recognized in liabilities as a reduction of loans and financing and allocated to profit or loss over the agreement term.

Interest paid is presented as financing activities in the consolidated statement of cash flows.

3.12. Provisions

Provisions are recognized when (i) the Group has a present obligation (legal or constructive) as a result of a past event; (ii) it is probable that the Group will be required to settle the obligation; and (iii) a reliable estimate of the obligation amount can be made. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, considering the risks and uncertainties surrounding the obligation. Contingent risks assessed as "possible losses" are disclosed in the consolidated financial statements, but not recorded in a specific liability account.

Whenever the Group enters into a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it, an onerous provision is recognized based on the estimated loss of the contract.

The short-term incentive paid to employees, including key management personnel, is based on the achievement of qualitative and financial performance metrics, as well as the individual objectives of employees, which are determined annually. This provision is set on a monthly basis and is remeasured at the year-end based on the best estimate of the achieved objectives as set forth in the annual budget process.

3.13. Revenue recognition

Charter and service-rendering revenues are recognized when the respective services are rendered based on the contracted day rates and the number of operating days during the period. Some of the charter and service-rendering agreements may include uptime bonus payments, depending on performance criteria set forth in the respective agreements. The Group recognizes bonus revenues in the same period that it meets the contractual criteria, renders the related services for which the specific performance criteria is met, and is preapproved by the client. The Group may also earn revenues for the preparation and equipment mobilization (drilling units) and personnel.

Revenue from services rendered is recognized when all of the following conditions are met (performance obligation satisfied over time):

- The client simultaneously receives and uses the benefits provided by the Group's performance as the Group performs.
- The Group's performance creates or enhances an asset (e.g., work in progress) that the client controls as the asset is created or enhanced.
- The Group's performance does not create an asset with an alternative use for the Group and the Group has an enforceable right to payment for performance completed to date.

Mobilization revenues and costs are deferred and recognized on a straight-line basis over the period that the related charter and drilling services are rendered, which is consistent with the general pace of activity, level of services being provided and day rates being earned over the term of the related agreement.

Reimbursables revenues are the total revenue recognized from the customers contracts related to the operation on drilling units owned by third parties. For management of rigs owned by third parties, the Group receives fixed component based on daily rate and variable component fee based on the gross margin associated with the service provided and charter agreement with customers.

Revenues are presented net of sales taxes levied on the provision of services, after eliminating intercompany sales, when applicable (Note 14).

3.14. Costs and expenses recognition

Costs and expenses are recognized on an accrual basis, based on corresponding revenues earned. Prepaid expenses related to future periods are deferred according to their respective terms (Note 16).

Reimbursables expenses are the total costs recognized from the customers contracts related to the operation on drilling units owned by third parties.

3.15. Financial income and expenses

Financial income and expenses are mainly represented by interest on cash and cash equivalents and short-term investments and interest on loans and financing, respectively, and are recorded on an accrual basis of accounting (Note 18).

3.16. Current and deferred income tax

The provision for income tax is based on taxable profit for the year. The taxable profit differs from profit before taxes presented in the consolidated statement of operations because it excludes revenues or expenses taxable or deductible in subsequent periods and excludes non-taxable or non-deductible items. The provision for income tax is calculated for each individual entity of the Group, based on the rates prevailing at year-end according to the respective tax regulation in each jurisdiction.

Deferred taxes are recognized for temporary differences and tax loss carryforwards, when applicable. Deferred taxes are recognized only to the extent that their recoverability is considered probable, taking into account Management's assessment regarding the Group's ability to continue as a going concern (Note 1.m).

3.17. Financial instruments

Financial assets and financial liabilities are recognized in the Group's consolidated statement of financial position when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognized financial assets are measured subsequently in their entirety at either amortized cost, depending on their classification.

Impairment of financial assets

The Group recognizes a loss allowance for trade receivables and contract assets. The amount of expected credit losses is remeasured at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Company applies the simplified approach for measuring impairment of accounts receivable.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognized at the contribution received, net of direct issuance costs.

Classification of financial liabilities

All financial liabilities are measured subsequently at amortized cost using the effective interest method or at FVTPL.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected term of the financial liability, or a shorter period (where appropriate), to the amortized cost of a financial liability.

Derecognition of financial liabilities

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

When the Group exchanges with the existing lender one debt instrument into another one with substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

3.18. Cash flow statement

The cash flow statement is prepared using the indirect method, which separates cash flows from operating activities, investing activities and financing activities and reconciles profit/ (loss) for the year to net cash flows to the change in cash and cash equivalents. Investing and financing transactions that do not require the use of cash or cash and cash equivalents are excluded from the cash flow statement and, when applicable, are disclosed in the consolidated financial statements as "non-cash transactions".

4. CRITICAL ACCOUNTING ESTIMATES

In applying the significant accounting policies described in Note 3, Management must use judgement and develop estimates for the carrying amounts of assets and liabilities, which are not easily obtainable from other sources. The estimates and associated assumptions are based on historical experience and other relevant factors. Therefore, future results could differ from those estimates.

The estimates and underlying assumptions are reviewed continuously, and the effects of such reviews are recognized prospectively.

Management has concluded that the most significant judgments and estimates considered during the preparation of these consolidated financial statements are the following:

4.1. Useful lives of PP&E

The carrying amounts of PP&E assets are based on estimates, assumptions and judgments related to capitalized costs and useful lives of the drilling units and its related equipment. These estimates, assumptions and judgments reflect both historical experience and expectations regarding future oil and gas industry conditions and operations. The Group calculates depreciation using the straight-line method.

As described in Note 3.8, at the end of each fiscal year, the Group reviews the estimated useful lives of PP&E.

4.2. Impairment of long-lived assets

The Group evaluates PP&E for impairment whenever changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The Group also evaluates PP&E for impairment reversal if there has been a change in estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. The Group substantially uses either discounted future cash flow projections (value in use) or fair value less costs to sell (market approach) techniques for determining the recoverable amount of an asset for the purpose of potential impairment loss provision or reversal.

For the value in use calculation, the Group's assumptions and estimates underlying this analysis includes the following, by drilling unit (i.e., cash generating unit): day rate, occupation rate, efficiency rate, daily operating costs (Opex), residual useful life of the drilling units and estimated proceeds that may be received on disposition.

The underlying assumptions are developed based on historical data for each drilling unit, which considers rated water depth and other attributes and the assessment of its future marketability according to the current and forecasted market environment at the time of assessment. Other assumptions, such as operating costs (Opex), are estimated using historical data adjusted for known developments and future events.

The Group prepares a probable scenario for each drilling unit, which results in a discounted cash flow projection for each drilling unit based on expected operational and macroeconomic assumptions (e.g., inflation indexes, foreign exchange rates, among others) and compare such amount to its carrying amount. Discount rates are derived from the Group's internal Weighted Average Cost of Capital ("WACC").

Management's assumptions are necessarily subjective and are an inherent part of the Group's asset impairment evaluation, and the use of different assumptions could produce results that differ from those being disclosed. The Group's methodology generally involves the use of significant unobservable inputs, representative of a "Level 3" fair value measurement (Note 20.a), which may include assumptions related to future dayrate revenues, costs and drilling units utilization, the long-term future performance of the Group's drilling units and future oil and gas industry conditions. Management's assumptions involves uncertainties regarding future demand for the Group's services, dayrates, expenses and other future events, and Management's expectations may not be indicative of future outcomes. Significant unanticipated changes to these assumptions could materially modify the Group's analysis in testing an asset for potential impairment loss provision or reversal.

"Other events or circumstances that could affect the Group's assumptions may include, but are not limited to, a further sustained decline in oil and gas prices, cancellations of the Group's charter and service-rendering contracts or contracts of the Group's competitors, contract modifications, costs to comply with new governmental regulations, growth in the global oversupply of oil and geopolitical events, such as lifting sanctions on oil-producing nations and from the Russian invasion of Ukraine and the recent escalation of tensions involving Iran. Should actual market conditions in the future differ significantly from those considered in the Group's projections, the Group's impairment assessment would likely be different.

" During the years ended December 31, 2025 and 2024, the Group recognized net impairment provision and net reversal of impairment, respectively, on its drilling units (Notes 10 and 17).

4.3. Provisions for claims and other obligations

Claims against the Group, including unasserted claims or assessments are recognized as a liability and/or are disclosed in these consolidated financial statements, unless the loss probability is considered to be remote. A provision for claim and other obligation is recorded when the loss is probable and the amount can be reliably estimated. Claims and other similar obligations will be settled when one or more future events occur. Normally, the occurrence of such events is not within the Group's control and, therefore, the assessment of these liabilities is subject to varying degrees of legal uncertainty and interpretation and requires significant estimates and judgments to be made by Management.

Certain conditions may exist as of the date of the consolidated financial statements are issued, which may result in a loss to the Group, but which will only be settled when one or more future events occur or fail to occur. The Group's Management and its legal counsel assess such contingent liabilities, and such assessment inherently involves an exercise of judgment. In assessing loss contingencies related to legal proceedings that are pending against the Group or unasserted claims that may result in such proceedings, the Group's legal counsel evaluate the perceived merits of any legal proceedings or unasserted claims as well as the perceived merits of the amount of relief sought or expected to be sought therein.

If the assessment of a contingency indicates that it is probable that a material loss will be incurred and the liability amount can be reliably estimated, then the estimated liability is accrued in the Group's consolidated financial statements. If the assessment indicates that a potentially material loss contingency is not probable, but is reasonably possible, then the nature of the contingent liability is disclosed in the consolidated financial statements.

4.4. Provision for management incentive plan ("MIP")

As informed on note 22.b, MIP consists of three components: a retention pool, a performance unit pool, and a board pool. The retention pool is payable on the second and third anniversary of the restructuring and its provision is recorded on an accrual basis until payment. The performance unit pool and the board pool payments were contingent to the consummation of a qualifying liquidity event, and their value is contingent to the total enterprise value ("TEV") at the time of the liquidity event. With the liquidity event on the recapitalization occurred on December 12, 2024, MIP instrument has been amended and participants were given a choice to receive 100% of their allocated units immediately

following the or retain 100% and receive 30%. 70% of the performance pool units vested immediately, even though its payment will occur either on a future liquidity event or on December 1, 2026. Since 70% has vested immediately the entire amount has been provisioned as of December 31, 2024. The remaining 30% is contingent on a future liquidity event, which is uncertain and has not been recognized as a liability. 100% of the amount allocated to the board pool is contingent upon a future liquidity event and will only vest then. Since this is uncertain, it has not been recognized as a liability.

4.5. Deferred tax assets

The Group recognizes deferred tax assets arising from tax losses and temporary differences between accounting and taxable profits. Deferred tax assets are recognized to the extent that the Group expects to generate sufficient future taxable income based on projections and forecasts made by Management. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and, if applicable, reduced to the extent that is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

4.6. Future lease payments and net investment in sublease

The Group has assessed its role in contracts with Tidal Action LLC and Ades Saudi Limited and under its charter agreements and concluded that it acts as a principal in these arrangements. This conclusion is based on the Group's responsibility for fulfilling the performance obligations specified in the contracts, including the provision of drilling services.

In accordance with IFRS 15 Revenue from Contracts with Customers, the Group is considered a principal when it controls the specified services before they are transferred to the customer. In making this assessment, the Group considers factors such as its primary responsibility for delivering the services, its discretion in directing the use of assets and engaging third-party service providers, and its exposure to performance risk.

Where the Group acts as a principal, revenue is recognised on a gross basis, representing the consideration to which the Group expects to be entitled in exchange for transferring the services to the customer. Related costs incurred in providing these services are recognised separately within operating expenses.

5. CONSOLIDATED ENTITIES AND INVESTMENTS

<u>Consolidated Entities</u>	<u>Country of incorporation</u>	<u>December 31, 2025</u>		<u>December 31, 2024</u>	
		<u>Direct(%)</u>	<u>Indirect(%)</u>	<u>Direct(%)</u>	<u>Indirect(%)</u>
Constellation Oil Services Holding, S.A.	Luxembourg	Parent Company		Parent Company	
Alaskan Atlantic Cooperatief U.A. ⁽⁴⁾	Netherlands	-	-	-	-
Alaskan Atlantic Rigs B.V.	Netherlands	-	100.00	-	100.00
Alpha Star Equities Ltd. ("Alpha") ⁽¹⁾	British Virgin Islands	-	-	-	-
Amaralina Star Ltd. ("Amaralina") ⁽¹⁾	British Virgin Islands	-	-	-	-
Angra Participações B.V. ("Angra") ⁽⁴⁾	Netherlands	-	-	-	-
Brava Drilling B.V. ("Brava Drilling")	Netherlands	-	100.00	-	100.00
Brava Star Ltd. ("Brava") ⁽¹⁾	British Virgin Islands	-	-	-	-
CBW B.V.	Netherlands	-	100.00	-	100.00
Constellation Netherlands B.V.	Netherlands	100.00	-	100.00	-
Constellation Panamá Corp.	Panamá	-	100.00	-	100.00
Constellation Overseas Ltd. ("Constellation Overseas") ⁽³⁾	British Virgin Islands	-	-	-	-
Constellation Services Ltd. ("Constellation Services")	British Virgin Islands	-	100.00	-	100.00
Gold Star Equities Ltd. ("Gold") ⁽¹⁾	British Virgin Islands	-	-	-	-
Laguna Star Ltd. ("Laguna") ⁽¹⁾	British Virgin Islands	-	-	-	-
Lone Star Offshore Ltd. ("Lone") ⁽¹⁾	British Virgin Islands	-	-	-	-
Olinda Star Ltd. ("Olinda") ⁽¹⁾	British Virgin Islands	-	-	-	-
London Tower Management B.V.	Netherlands	-	100.00	-	100.00
NB Constellation B.V.	Netherlands	-	100.00	-	-
Palase Management B.V.	Netherlands	-	100.00	-	100.00
Positive Investments Management B.V.	Netherlands	-	100.00	-	100.00
QGOG Constellation US LLC.	United States of America	-	100.00	-	100.00
QGOG Star GmbH ⁽⁵⁾	Switzerland	-	-	-	-
Serviços de Petróleo Constellation S.A.	Brazil	-	100.00	-	100.00
Serviços de Petróleo Constellation S.A. ("SPC India")	India	-	100.00	-	100.00
Serviços de Petróleo Constellation Participações S.A. ⁽²⁾	Brazil	-	-	-	-

(1) On May 29, 2024, through the Corporate Reorganization the companies Amaralina Star Ltd., Laguna Star Ltd., Brava Star Ltd., Star International Drilling Limited, Alpha Star Equities Ltd., Lone Star Offshore Ltd., Gold Star Equities Ltd., and Olinda Star Ltd. were merged into Constellation Overseas Ltd. (Note 1.o)

(2) On August 30, 2024, the incorporation of the company Serviços de Petróleo Constellation Participações S.A. in Serviços de Petróleo Constellation S.A. was concluded.

(3) On November 20, 2024, the incorporation of the company Constellation Overseas Ltd. in Constellation Services Ltd. was concluded.

(4) On November 28, 2024, the liquidation of the company Alaskan & Atlantic Cooperatief U.A. and Angra Participações B.V. ("Angra") were concluded and the company has ceased to exist.

(5) On October 29, 2024, the liquidation of the company QGOG Star GmbH was concluded and the company has ceased to exist.

6. CASH AND CASH EQUIVALENTS

	<u>December 31,</u> <u>2025</u>	<u>December 31,</u> <u>2024</u>
Cash and bank deposits	171,983	15,417
Time deposits	45,805	150,020
Cash and cash equivalents	<u>217,788</u>	<u>165,437</u>

(*) Time deposits are comprised as follows:

<u>Financial institution</u>	<u>Currency</u>	<u>Average interest rate (per annum)</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Banco do Bradesco S.A.	Brazilian Real	35% of CDI	4,732	4,515
Banco do Brasil S.A.	Brazilian Real	72% of CDI	11,248	15,145
JP Morgan	U.S. dollar	3,9%	21,637	130,359
XP Investimentos	Brazilian Real	74% of CDI	8,188	-
Others			-	1
Total			<u>45,805</u>	<u>150,020</u>

(i) Brazilian Interbank Deposit Certificate (Certificado de Depósito Interbancário - CDI), average remuneration during the years ended December 31, 2025 and December 31, 2024 was 14.30% p.a. and 10.88% p.a. respectively

7. RESTRICTED CASH

The amounts in these accounts were comprised by bank deposit related to cash received from a partner as operational reserve funds, which are contractually restricted for use in a specific Tidal project, as follows:

<u>Financial institution</u>	<u>Type</u>	<u>Average interest rate (per annum)</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
JP Morgan	Bank Account	3.9%	8,803	-
Total			<u>8,803</u>	<u>-</u>

8. TRADE AND OTHER RECEIVABLES

Trade receivables are related to receivables for charter and service-rendering agreements relating to the drilling units used in the oil and gas exploration in Brazil. Historically, there have been no defaults on receivables or delays in collections. The average collection period is approximately 70 days in 2025 (59 days on December 31, 2024). Average collection period does not include mobilization receivables from leased drillships. Details of financial risk management related to credit risk are disclosed in Note 20.b.

No provision for loss was recognized as of December 31, 2025 and December 31, 2024.

9. RELATED PARTY TRANSACTIONS

As of the years ended December 31, 2025 and December 31, 2024, there were no outstanding balances and transactions between the Company and its subsidiaries, that are part of the Group, as the transactions have been eliminated for consolidation purposes.

Key management personnel (i) remuneration for the year ended December 31, 2025 and 2024, is as follows:

	December 31,	
	2025	2024
Short-term benefits (ii)	7,434	12,874

- (i) Key management is defined as the statutory officers and directors of the Group.
- (ii) Short-term benefits mainly refer to salaries, social security contributions, annual leave, short-term incentive (payable within twelve months from the year-end date). This amount is currently recorded within the group of Payroll and related charges.

Management Incentive Plan (MIP)

Refer to Note 22(b).

Long-Term Incentive Plan (LTI)

Refer to Note 22(c).

Severance Plan

The Group's Employment Contracts (the "Contract") with some of its Executive members provides that if the contract is terminated at the Group's initiative, the member will be entitled to an Exit Fee. A minimum monthly base salary is guaranteed as an Exit Fee, which will only be applied if the Contract is terminated by the Group's initiative to 12 months from the date of an eventual change of control of the Group. The guaranteed minimum monthly base salary will not be applied following 12 months after the change of control of the Group. In this case, the member will be entitled to an upper case corresponding to a monthly base salary, multiplied for each year of employment by the Group.

10. PROPERTY, PLANT AND EQUIPMENT

	Drillships				Offshore drilling rigs			Equipment and bases	Corporate	Total
	Brava Star	Amaralina Star	Laguna Star	Atlantic Star	Alpha Star	Gold Star	Lone Star			
Balance of December 31, 2023	498,116	407,604	407,261	128,882	362,203	294,247	313,218	3,288	1,279	2,416,098
Cost as of December 31, 2023	756,072	766,359	758,852	380,673	789,183	640,110	773,507	95,465	24,108	4,984,329
Accumulated depreciation and impairment as of December 31, 2023	(257,956)	(358,755)	(351,591)	(251,791)	(426,980)	(345,863)	(460,289)	(92,177)	(22,829)	(2,568,231)
Additions	19,299	5,416	21,729	8,858	38,621	29,866	2,655	46	4,074	130,564
Disposals	(130)	(871)	(68)	-	(36)	(12)	(66)	(139)	(9)	(1,331)
Currency translation adjustments	-	-	-	-	-	-	-	(358)	(1,108)	(1,466)
Depreciation	(35,284)	(36,811)	(39,113)	(14,957)	(22,612)	(26,446)	(25,927)	(278)	(102)	(201,530)
Impairment	-	-	-	(18,254)	(35,658)	(11,831)	17,745	-	-	(47,998)
Balance as of December 31, 2024	482,001	375,338	389,809	104,529	342,518	285,824	307,625	2,559	4,134	2,294,337
Cost as of December 31, 2024	775,161	770,902	780,511	389,531	827,768	669,964	776,096	91,528	25,467	5,106,928
Accumulated depreciation and impairment as of December 31, 2024	(293,160)	(395,564)	(390,702)	(285,002)	(485,250)	(384,140)	(468,471)	(88,969)	(21,333)	(2,812,591)
Additions	7,546	42,935	53,539	1,452	38,847	10,304	17,111	788	2,598	175,120
Disposals	(20)	(2)	(4)	-	(19)	(6)	-	-	-	(51)
Transfers	-	-	-	-	(21,954)	9,705	12,249	-	-	-
Currency translation adjustments	-	-	-	-	-	-	-	(409)	1,204	795
Depreciation	(38,511)	(33,182)	(38,921)	(14,472)	(30,644)	(33,052)	(34,728)	(328)	(388)	(224,226)
Impairment	-	-	-	(52,013)	(30,728)	(25,367)	(19,048)	-	-	(127,156)
Balance as of December 31, 2025	451,016	385,089	404,423	39,496	298,020	247,408	283,209	2,610	7,548	2,118,819
Cost as of December 31, 2025	782,676	813,181	826,071	389,023	844,312	689,953	804,048	94,511	30,101	5,273,876
Accumulated depreciation and impairment as of December 31, 2025	(331,660)	(428,092)	(421,648)	(349,527)	(546,292)	(442,545)	(520,839)	(91,901)	(22,553)	(3,155,057)
Property, plant and equipment, net ^(a)										
December 31, 2024	482,001	375,338	389,809	104,529	342,518	285,824	307,625	2,559	4,134	2,294,337
December 31, 2025	451,016	385,089	404,423	39,496	298,020	247,408	283,209	2,610	7,548	2,118,819
Useful life range (years)	1 - 35	1 - 35	1 - 35	1 - 35	1 - 35	1 - 35	1 - 35	1 - 25	1 - 25	
Average remaining useful life (years)	16	13	13	9	14	12	11	-	-	

- (a) The Group's assets that are pledged as security for financing agreements are disclosed in Note 11.
- (b) On May 2, 2024, a memorandum of agreement was signed between Olinda Star Limited and Super Shining Shipping Corporation for the sale of the drilling unit Olinda Star. The agreed selling price was USD\$ 8,130 to green recycle. The transaction was completed in 2024.

Impairment

During the years ended December 31, 2025 and December 31, 2024, the Group identified indicators that the carrying amounts of its offshore asset groups could not be fully recoverable. Such indicators included declines in commodity prices and a reduction of projected day rates.

(a) Offshore drilling rigs and drillships

The Group estimated the recoverable amount of each one of its offshore drilling rigs and drillships based on a value in use calculation, which uses a discounted projected net cash flow analysis over the remaining economic useful life of each drilling unit, considering a 11.64% discount rate for all rigs except Atlantic that considers 11.18% (11.35% for all rigs except Atlantic Star that considers 10.55% in 2024). The rates reflect 10 and 20 years T.Bonds respectively according to the rig's lifespan. Our estimates required us to use significant unobservable inputs including assumptions related to the future performance of our contract drilling services, such as projected demand for our services, rig efficiency and day rates.

As of December 31, 2025, the Group recorded an impairment provision for Lone in the amount of US\$ 19,048, Atlantic US\$ 52,013, Gold US\$ 25,367 and Alpha US\$ 30,728 with a total impact provision of US\$ 127,156 (net impairment provision of US\$ 47,998 for December 31, 2024) in all offshore drilling rigs and drillships.

11. LOANS AND FINANCING

<u>Financial institution/ Creditor</u>	<u>Funding Type</u>	<u>Description</u>	<u>Objective</u>	<u>Beginning period</u>	<u>Maturity</u>	<u>Contractual interest rate (per annum)</u>	<u>Effective interest rate (per annum)</u>	<u>Currency</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Bondholders	Senior Secured (1)	Corporate Bond	Debt	Nov/2024	Nov/2029	9,375%	9,375%	U.S. Dolar	645,761	642,334
								Total	645,761	642,334
								Current	80,544	5,544
								Non-current	565,217	636,790

(1) Net of transactions costs; outstanding amount of the Senior Secured Notes is USD\$658,971 as of December 31, 2025 (USD\$658,971 as of Dec 31, 2024).

a) Changes in loans and financing

	December 31,	
	2025	2024
Balance as of January 1,	642,334	964,216
Additions	-	650,000
Transactions costs	-	(16,814)
Net proceeds from loans and financings	-	633,186
Principal repayment	-	(620,239)
Interest payment	(60,938)	(57,070)
Total payments	(60,938)	(677,309)
Debt restructuring - Converted to equity	-	(314,714)
Debt restructuring - Discounts	-	(30,721)
Total debt restructuring	-	(345,435)
Interest charged through profit and loss	60,938	67,499
Transaction costs charged through profit and loss	3,427	177
Financial expenses on loans and financing (Note 18)	64,365	67,676
Balance as of December 31,	<u>645,761</u>	<u>642,334</u>

Until the recapitalization, which occurred on December 12, 2024, the loans of the Group were comprised of the following:

Working capital

On June 10, 2022, the Group: amended and restated its working capital loan agreements with Bradesco to reflect the terms agreed to in the debt restructuring plan, with a final maturity date on December 31, 2026, fully paid on December 12, 2024.

Notes

Priority Lien Notes – The Company issued new Senior Secured Notes bearing interest at 13.50% p.a. (the “Priority Lien Notes”), in an aggregate principal amount of payable quarterly in cash, aggregate principal amount of US\$62,400. Interest on the Priority Lien Notes is payable in cash on a quarterly basis. The Priority Lien Notes mature on June 30, 2025. The New Priority Lien Notes Indenture (2022) includes a prepayment option at premium as well as a mandatory redemption at the liquidity event with the same conditions of the optional prepayment, exercised and fully paid on December 12, 2024.

First Lien Notes – The Company issued Senior Secured Notes bearing interest at either 3.00% p.a. (if the Company elects to pay the interest in cash) or 4.00% p.a. (if the Company elects to capitalize the interest), in an aggregate principal amount of US\$278,300. The First Lien Notes matured on December 31, 2026, fully paid on December 12, 2024. Total amount of discounts on redemption was US\$ 2,069 for the First Lien Notes.

Second Lien Notes – The Company issued Senior Secured Notes bearing interest at 0.25% p.a. (the “Second Lien Notes”), payable quarterly as capitalized interest, in an aggregate principal amount of US\$1,889. The Second Lien Notes matured on December 31, 2050, fully paid on December 12, 2024. Total amount of discounts on redemption was US\$ 1,180 for the Second Lien Notes.

2050 Notes – The Company issued Senior Unsecured Notes bearing interest at 0.25% p.a. (the “2050 Notes”), payable quarterly as capitalized interest, in an aggregate principal amount of US\$3,112. The 2050 Notes matured on December 31, 2050, fully paid on December 12, 2024. Total amount of discounts on redemption was US\$ 1,949 for the 2050 Notes.

After the recapitalization, the loans of the Group were comprised of the following:

Senior Secured Notes – On November 07, 2024, the Company issued new Senior Secured Notes bearing interest at a rate of 9.375% p.a., in an aggregate principal amount of US\$650,000. Interest on the Senior Secured Notes is payable in cash on a semi-annual basis and mandatory annual amortizations by \$75 million commencing on the second anniversary of the issue date and remainder on maturity date. Senior Secured Notes mature on November 07, 2029. Such notes are listed in the Singapore Exchange (SGX).

b) Loans and financing long term amortization schedule

For the ending December 31,	Loans and financing (i)	Annual interest (ii)	Net amount
2027	71,573	53,906	125,479
2028	71,564	46,875	118,439
2029	422,080	39,844	461,924
Total	565,217	140,625	705,842

- (i) Net of transactions costs; long term outstanding amount of the Senior Secured Notes is USD\$575,000.
(ii) Interest payable in cash on a semi-annual basis.

c) Covenants

The terms of the Senior Secured Notes restrict the ability of the Company and its subsidiaries to pay dividends, incur additional debt, grant additional liens, sell or dispose of assets and enter into certain acquisitions, mergers and consolidations, subject to certain exceptions and carve-outs set forth therein.

As disclosed in Note 25 Subsequent Events, in March 2026, the Company obtain approval from Bondholders and modified certain provisions allowing the Company to anticipate the payment of distribution to shareholders. Subject to specified leverage and indebtedness conditions, the Company is permitted to make pro-rata equity payments to shareholders of up to USD 25 million per quarter for a period from April 2026 through the first quarter of 2027.

d) Guarantees and Collateral

The Senior Secured Notes benefit from note guarantees provided by our significant subsidiaries and are also subject to a customary security package that includes, among others, mortgages in respect of certain drilling rigs, an assignment of rights in respect of any offshore agreements relating to drilling rigs comprising collateral, an assignment of rights in respect of insurance proceeds relating to drilling rigs and drillships, pledges over the shares of subsidiaries of the Company that own drilling rigs and drillships and pledges in respect of certain bank accounts.

12. PROVISIONS

	December 31, 2025		December 31, 2024	
	Current	Non-current	Current	Non-current
Provisions for onerous contract ^(a)	1,554	-	32,643	-
Contractual penalties ^(b)	383	-	973	-
Contingencies and provisions for lawsuits ^(c)	-	9,433	-	2,455
MIP (Note 22 .b)	5,713	-	1,397	5,251
Others	-	2,927	-	528
Total	<u>7,650</u>	<u>12,360</u>	<u>35,013</u>	<u>8,234</u>

(a) Provision for Onerous Contract

As of December 31, 2025, the expected costs of meeting the obligations of the current contracts of the following rigs exceeded their expected revenue, and a provision for onerous contract has been recorded: Gold Star US\$ 1,554 (US\$ 8,612 as of December 31, 2024), Laguna Star US\$ 0 (US\$ 10,922 as of December 31, 2024), Lone Star US\$ 0 (US\$ 7,405 as of December 31, 2024), and Amaralina Star US\$ 0 (US\$ 5,704 as of December 31, 2024).

(b) Contractual Penalties

In the normal course of its business activities, the Group engages in agreements with third parties that convey contractual obligations. The Group recognizes provisions for contractual fines (delay in beginning of operations) that are more likely than not to be payable with respect to certain of its agreements, for which the Group’s Management does not expect the payable amount to materially differ from the estimated amount.

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Balance as of January 1,	973	1,548
Contractual penalties reversal	(607)	(535)
Foreign exchange rate variations	17	(40)
Balance as of December 31	<u>383</u>	<u>973</u>

(c) Contingencies and provisions for lawsuits

1. Liabilities assessed as probable losses

During the normal course of its business activities, the Group is exposed to labor, civil and tax claims. Regarding each claim or exposure, Management has assessed the probability that the matter resolution would ultimately result in a financial loss for the Group. As of December 31, 2025, provisions to cover probable losses included in “other non-current liabilities” are mainly related to labor (hardship and retirement) and civil claims.

Changes in loss provision for labor and civil claims are as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Balance as of January 1,	2,455	3,570
Additions	8,718	2,305
Reversals	(2,046)	(2,691)
Foreign exchange rate variations	306	(729)
Total	<u>9,433</u>	<u>2,455</u>

- i. In November 2018, Transocean Offshore Deepwater Drilling Inc. and Transocean Brasil Ltda. (together as “Transocean”) filed a claim against Serviços de Petróleo and Brava Star, accusing both entities of infringing its dual-activity drilling technology patent. In January 2020, Transocean filed a compensation claim against Serviços de Petróleo and Brava Star regarding the patent infringement alleged in its 2018 claim. Both proceedings were subsequently resolved by settlement on December 31, 2025. The settlement agreement was approved by the Court on January 27, 2026, with the approval order published on February 3, 2026. Pursuant to the agreement, the parties expressly withdrew all pending appeals and motions, and such withdrawals have been already duly acknowledged and granted by the competent courts. As of the date of these financial statements, all obligations set forth in the Settlement Agreement have been fully and finally satisfied by the parties
2. Contingent liabilities assessed as possible losses

Based on the Group's in-house legal counsel and external legal advisors' opinions, these claims are not accrued in the consolidated financial statement and consist of labor lawsuits (mainly comprised by compensation due to work related accidents, overtime and occupational diseases) in the amount of US\$11,607 as of December 31, 2025 (US\$14,286 as of December 31, 2024), tax lawsuits in the amount of US\$46,691 as of December 31, 2025 (US\$25,158 as of December 31, 2024) and civil lawsuits in the amount of US\$560 as of December 31, 2025 (US\$499 as of December 31, 2024).

The main tax lawsuits assessed as possible losses are as follows:

In September 2010, Serviços de Petróleo Constellation S.A. ("Serviços de Petróleo"), one of our subsidiaries, received a notice of violation issued by the tax authorities for the nonpayment of services tax (Imposto sobre Serviços de Qualquer Natureza – ISS) in the city of Rio de Janeiro. Serviços de Petróleo argues that the operations were carried out in other municipalities and that the taxes were collected under their respective tax jurisdictions. As of December 31, 2025, the estimated amount involved is US\$9,617 (US\$7,926 as of December 31, 2024).

In 2015, Serviços de Petróleo received three notices of violation from the Brazilian Revenue Service concerning PIS and COFINS collected in 2010 and 2011. Additionally, in 2020 and 2021 the Brazilian Revenue Service issued two other notices of violation, concerning PIS and COFINS collected in 2016 and 2017. In January 2025, another notice of violation was issued, relating to PIS and COFINS collected in 2020. The Brazilian Revenue Service initiated tax administrative proceedings, demanding that Serviços de Petróleo makes tax payments due to alleged use of improper tax credits to reduce its PIS and COFINS obligations. In each of the administrative proceedings, Serviços de Petróleo filed an appeal to contest the Brazilian Revenue Service's tax assessment. On October 17, 2024, the Brazilian Revenue Service partially recognized our claims related to the 2015 notices and reduced the value of the tax assessment by approximately 70% of the original value imposed. This decision is still subject to appeal and to review. As of December 31, 2025, the estimated value involved for the 2015, 2020, 2021 and 2025 notices of violation were US\$21,804 (US\$4,314 as of December 31, 2024), US\$3,400 (US\$3,010 as of December 31, 2024), US\$4,379 (US\$3,546 as of December 31, 2024) and US\$739 (US\$657 as of December 31, 2024), respectively.

3. Tax, labor and social security matters

The Group enters into transactions and operations that may be interpreted by third parties subjectively and/or contrary to its position. Nevertheless, the Group's actions are supported by its in-house legal counsel and external legal advisors' opinion.

4. Sete Brasil Claims

On January 6, 2025, Serviços de Petróleo Constellation S.A. ("SPC") received debit notices from Petrobras for penalties related to alleged delays in the start of charter agreements for the Sete Brasil project, specifically the Urca, Mangaratiba, and Bracuhy rigs. These rigs would be operated by SPC but were never delivered by Sete Brasil. The total amount of penalties claimed by Petrobras is USD 269.1 million, with an original payment due date of January 21, 2025. The claims are part of a broader context related to the Sete Brasil situation. Immediately after submitting the claims to SPC, Petrobras indicated its willingness to work collaboratively toward a resolution that is acceptable to all parties. On February 14, 2025, Petrobras extended the due date for the debit notices to April 30, 2025. On February 25, 2025, Petrobras formally invited the SPC and its parent company (the "Company") to enter into an out-of-court mediation process, with the goal of reaching a mutually acceptable resolution and avoiding litigation. Petrobras also committed to continue suspending the due

dates and any collection efforts while the mediation is ongoing. The Company accepted the invitation to mediation on March 12, 2025. Based on the advice of external legal counsel and management's own assessment of the claims, SPC and the Company believe the likelihood of loss from these claims is remote. Therefore, the Company does not consider them to represent a material risk to the Company. The mediation process is ongoing, the Company is actively taking all necessary steps to pursue a favorable resolution of the commercial dispute regarding the Sete Brasil situation.

13. SHAREHOLDERS' EQUITY

On June 10, 2022, the Group entered into Amended and Restated Credit Agreements with ALBs Creditors and Bradesco, as well as New 2026 First Lien Notes, New 2050 Second Lien Notes, New Unsecured Notes and New Priority Lien Notes, pursuant to new indentures, and held General Shareholders Meeting to approve the conversion of part of the debt held by such creditors into the share capital of the Company, with the dilution of original shareholders (the "Restructuring Documents"). Under the Restructuring Documents, the creditors agreed to a haircut on the US\$1,990,128 outstanding debt, resulting in to \$826,000 of convertible debt, with an additional \$92,600 comprised of \$62,400 in new funds raised through the restructuring and \$30,200 in non-convertible debt, for a total debt of 918,600.

The debt-to-equity conversion resulted in a new shareholder composition, as indicated in the table above. The ALB lenders' group consists of international banks that participated in the second amended and restated senior syndicated credit facility agreements dated December 18, 2019 (as amended, restated, supplemented or otherwise modified from time to time), by and among Amaralina Star and Laguna Star as borrowers and by and among Brava Star as borrower. Part of the ALB Lenders' 26% equity stake was issued through warrants, which, prior to their exercise, will not represent Company's shares. Therefore, until such warrants are exercised, the Company's shareholders are limited to the Incumbent Shareholders and holders of former 2024 Participating Notes. The new shareholding composition resulted in a new Board of Directors, effective on the restructuring Closing Date. The Restructuring Documents also contemplated a future liquidity event, consisting of a sale of a majority of the Company's equity interest (or other similar transactions described in the restructuring documents). In this event, the Convertible Debt would be converted into equity, and the proceeds from this liquidity event would be distributed according to the new equity payment waterfall.

On December 12, 2024, the Group closed the final stage of its comprehensive recapitalization involving all of its current shareholders and debt holders comprising, among others, (i) an offering of US\$650,000,000 in aggregate principal amount of Senior Secured Notes due 2029 by NewCo Holding USD 20 S.à r.l. (the "NewCo") and (ii) Constellation entering into a Framework and Subscription Agreement with certain equity investors, whereby such equity investors agreed to (x) subscribe for and purchase common shares in Constellation Holdco S.A. ("HoldCo") and to purchase from HoldCo certain subordinated notes exchangeable into ordinary shares of Constellation, for an aggregate purchase price of US\$75.0 million and (y) cause NewCo to merge with and into Constellation, with Constellation surviving that merger, such merger constituting a Liquidity Event in accordance with the terms of Constellation's existing financings. The Liquidity Event was approved by extraordinary shareholders' meeting.

As part of the Recapitalization, Constellation redeemed certain outstanding debt and common shares in Constellation in an amount of \$526,200 and repaid indebtedness in a principal amount of \$67,000 that became due upon consummation of the Recapitalization. \$ 314,700 of indebtedness as of September 30, 2024 was converted into common shares of Constellation and \$622,700 principal amount of Constellation converted debt was redeemed at 95% of its face value (\$593,200). Considering all the transactions of the Recapitalization, the total number of shares in Constellation is 1,519,918,308.

Out of the US\$285.2 million total outstanding amount of Senior Secured Notes due 2026, US\$243.8 million either directly or indirectly hold equity of Constellation following the Recapitalization. The total number of shares of Constellation allocated to such rolling holders of the Senior Secured Notes due 2026, directly or indirectly, is approximately 614,428,946 shares.

a) Share capital

On December 12, 2024 there has been a capital increase and capital contribution of US\$ 10,266 as a result of the liquidity event. As of December 31, 2024, following the liquidity event, the Company's share capital amounts to US\$15,199, comprised by 1,519,918,308 ordinary shares, of USD 0.01 per share and with no par value.

On June 19, 2025, the Company's Extraordinary General Meeting approved a share consolidation by means of a 1-for-18 reverse stock split effective July 7, 2025. Fractional shares resulting from the split were aggregated, transferred to the Depositary Agent, who issued proportional NDRs. These NDRs were combined with the remaining fractional Depositary Receipts from the holders of NDRs who fail to appropriately adjust their positions. The resulting aggregated fractions were rounded down and sold on the market with net proceeds donated to charity. Following the reverse split, the Company's share capital remained at USD 15,199,183.08, now represented by 84,439,906 ordinary shares with no par value, replacing the previous 1,519,918,308 shares, with no impact on total equity other than an increase in the book value per share.

b) Share Premium

Share premium represents the difference between the nominal value of the Company's share versus the total amount that was received for the issued share. As of December 31, 2025 and December 31, 2024 the Share Premium is US\$ 1,915,007 and US\$ 1,915,006, respectively.

On July 07, 2025, there was a share premium increase in the Company by the amount of US\$ 1, arising from reverse split.

c) Legal reserve

In accordance with Luxembourg Corporate Law, the Company must allocate at least 5% of its annual profit of its stand-alone financial information, after deducting of any losses brought forward from previous years, to the minimum legal reserve.

The aforementioned requirement will only cease when the legal reserve reaches an amount equivalent to 10% of the Company's issued share capital. Additionally, this reserve may not be distributed.

d) Other Comprehensive Items (OCI)

Foreign currency translation adjustments reserve

The foreign currency translation adjustments reserve is used to record exchange adjustments arising from the translation of foreign subsidiaries' financial information.

e) Earnings per share

Basic and diluted loss per share amounts are calculated by dividing the profit (loss) for the year, all from continuing operations, attributable to ordinary equity holders of the parent by the Company's weighted average number of ordinary shares outstanding during the year.

	December 31,		
	2025	2024	
Loss attributable to controlling interests	(137,486)	(41,983)	
	01/01/2025 to 12/31/2025	01/01/2024 to 12/12/2024	12/13/2024 to 12/31/2024
Weighted average number of ordinary shares for calculation purposes	84,439,906	27,407,407	84,439,906
Weighted average number of ordinary shares for calculation purposes	-	9,629,630	-
Adjusted share weighted average	<u>84,439,906</u>	<u>39,407,180</u>	
Basic (*) profit/(loss) per share (in U.S. dollars – US\$)(***)	<u>(1.6282)</u>	<u>(1.0653)</u>	
Effect of PSUs (**)	53,537	-	
Weighted average number of ordinary shares for diluted calculation purposes	<u>84,493,443</u>	<u>39,407,180</u>	
Diluted profit/(loss) per share (in U.S. dollars – US\$)(***)	<u>(1.6272)</u>	<u>(1.0653)</u>	

(*) Convertible debt, which was converted into C-1, C-2, C-3, and C-4 shares in the Liquidity event, which occurred on December 12, 2024, shall not be treated as dilutive, since it was limited to the outstanding balance of the debt at that date. As of December 31, 2024, there is no remaining convertible debt or other dilutive features.

(**) Effects of potential pro rate Performance Share Units to key employees, see note 22.c.

(***) As a result of the 1-for-18 reverse stock split disclosed in note 13.a), and in accordance with IAS 33 – Earnings per Share, the number of shares used in the calculation of earnings per share was retrospectively adjusted for all periods presented, as if the reverse split had occurred at the beginning of the earliest period presented

14. NET OPERATING REVENUE

The Group's operating revenue is mainly derived from charter and service-rendering agreements.

Net operating revenue is presented after the following items:

	December 31,	
	2025	2024
Gross operating revenue	592,948	588,660
Reimbursable revenue (iii)	20,124	-
Management fee income (iv)	8,961	-
Taxes levied on revenue:		
Social integration program (PIS) (i)	(3,619)	(3,473)
Social investment program (COFINS) (i)	(16,669)	(15,995)
Services tax (ISS)	(4,568)	(5,300)
Good and service tax (GST) (ii)	-	(316)
Other net operating	(1)	(52)
NET OPERATING REVENUE	597,176	563,524

- (i) Taxes levied on revenues are applicable only to the revenues generated by Serviços de Petróleo.
- (ii) GST refers to the indirect tax in India.
- (iii) Reimbursable revenues related to services and the operation of rigs owned by third parties through bareboat charters.
- (iv) Management, operational and technical support services related to rigs owned by third parties through management agreement.

15. REPORTABLE SEGMENTS

As of December 31, 2025 and 2024 the Group has only one reportable segment, which is offshore drilling rigs. Management understands all offshore drilling units have similar economic characteristics (nature of services, nature of processes, type of customer, and regulatory environment).

Geographical information

During the period ended on December 31, 2025 and 2024 the group's net operating revenue from external customers by geographical location is detailed below:

	December 31,	
	2025	2024
Brazil	597,176	561,071
India	-	2,453
Total	597,176	563,524

Information about major customers

As of December 31, 2025 and 2024, Petrobras represented 100% and 82% of total revenues, respectively

16. COST OF SERVICES AND OPERATING EXPENSES

Costs and expenses by nature	December 31,					
	2025			2024		
	Cost of services	General and administrative expenses	Total	Cost of services	General and administrative expenses	Total
Payroll, related charges and benefits	(142,240)	(22,760)	(165,000)	(148,016)	(27,115)	(175,131)
Depreciation	(223,791)	(435)	(224,226)	(201,441)	(89)	(201,530)
Materials	(46,423)	-	(46,423)	(56,074)	-	(56,074)
Maintenance	(92,819)	(529)	(93,348)	(83,667)	-	(83,667)
Insurance	(5,128)	671	(4,457)	(5,644)	(559)	(6,203)
Reimbursable expenses ⁽¹⁾	(20,124)	-	(20,124)	-	-	-
External labor and third party services	(10,649)	(10,731)	(21,380)	(11,491)	(3,366)	(14,857)
Other ⁽²⁾⁽³⁾⁽⁴⁾	(14,532)	(8,379)	(22,911)	(14,659)	(3,887)	(18,546)
Total	(555,706)	(42,163)	(597,869)	(520,992)	(35,016)	(556,008)

(1) Reimbursable expenses related to services and the operation of rigs owned by third parties through bareboat charters.

(2) Other cost of services: mainly comprised by rig boarding transportation, lodging and meals, data transmission, among others.

(3) Other general and administrative expenses: mainly comprised by transportation, information technology services, external legal advisors fees, independent auditor fees, advisory services fees, among others.

(4) As of December 31, 2025, the total amount of US\$ 8,379 recorded as Other general and administrative expenses mainly related to the provision for contingencies for the period.

17. OTHER OPERATING INCOME (EXPENSES)

	December 31,	
	2025	2024
Revenue from sales of PP&E (1)	-	8,146
Reversal of provision for onerous contract	31,089	2,470
Gain in restructuring (2)	-	23,817
Reversal of contractual penalties	-	2,031
Insurance Reimbursement	8,474	-
Other income	898	201
Total other income	40,461	36,665
Contractual penalties	(1,593)	(977)
Provisions for onerous contract	-	(5,483)
Cost of PP&E disposed	(51)	(505)
Provision for impairment	(127,156)	(47,998)
Other expense	(20)	-
Total other expenses	(128,820)	(54,963)
Total other expenses, net	(88,359)	(18,298)

(1) As of December 31, 2024, the amount of US\$ 8,146 mainly refers to the sale of the drilling unit Olinda Star (Note 1i).

(2) Gain on restructuring is composed of discounts (US\$30,721) minus transaction costs recognized in the P&L (US\$6,904).

18. FINANCIAL EXPENSES, NET

	December 31,	
	2025	2024
Interest on short-term investments	9,950	5,297
Net gain on derivative financial instruments (a)	9,130	-
Other financial income	1,279	3,063
Financial income	<u>20,359</u>	<u>8,360</u>
Financial expenses on loans and financing (Note 11.a)	(64,365)	(67,677)
Reversal of derivatives	-	26,352
Other financial expenses	(1,029)	(2,750)
Financial expenses	<u>(65,394)</u>	<u>(44,075)</u>
Foreign exchange expenses, net	<u>(1,056)</u>	<u>(439)</u>
Financial expenses, net	<u>(46,091)</u>	<u>(36,154)</u>

a) Derivatives financial instruments

On May 7, 2025, the Company executed a foreign exchange hedge transaction through a series of Non-Deliverable Forward (NDF) contracts, covering its BRL-denominated cash flow exposure for the period from June to December 2025. The hedge was implemented to manage the Company's exposure to foreign exchange volatility between the Brazilian Real (BRL) and the U.S. Dollar (USD), given that the Company's functional currency is USD. The contracts hedge a total notional exposure of BRL 532 million (approximately USD 91 million) from June through December 2025 and has realized and recorded a net gain on derivative financial instrument of US\$ 6,867. Additionally, on December 23, 2025 the Company executed a new foreign exchange hedge transaction through a series of Non-Deliverable Forward (NDF) contracts, covering its BRL-denominated cash flow exposure for twelve installments for the period from January to October 2026, and has recorded an unrealized derivative financial asset of US\$ 2,263. As of December 31, 2025 the Company has recorded a net gain on derivative financial instruments of US\$ 9,130.

19. TAXES

The Group has entities operating in Brazil, India, the United States and Panama that are subject to corporate income tax in their respective jurisdictions, including Serviços de Petróleo and its subsidiary Serviços de Petróleo India and QGOG Constellation US. Additionally, certain of the Group entities operate in the Netherlands and Luxembourg, but none of these entities reported taxable income for the periods presented.

The related taxes and contributions are as follows:

a) Recoverable taxes

	December 31, 2025	December 31, 2024
Taxes on revenue (PIS/COFINS)	13,985	12,893
Recoverable Taxes in India - GST and WHT (i)	437	1,235
Income tax (IRPJ) and social contribution on net income (CSLL) (ii)	6,661	5,575
Other	282	282
Total	21,365	19,985
Current	21,345	19,985
Non-current	20	-

(i) GST - Goods and Services Tax: Refers to taxes on supply of goods and services in India. The recoverable GST amounts refer to credits on the acquisition of goods and services.

(ii) Mainly refers to withholding taxes on revenues that are compensated with other federal taxes. Social Contribution on net income is a part of the Brazilian Income Tax.

b) Taxes payables

	December 31, 2025	December 31, 2024
Income tax (IRPJ) and social contribution (CSLL)	25	134
Service Tax (ISS)	1,875	1,190
State VAT (ICMS)	549	169
Others Taxes	560	1
Total	3,009	1,494

c) Deferred tax assets

i) Brazil

	December 31, 2025	December 31, 2024
Income tax (IRPJ) and social contribution (CSLL) (*)	22,095	19,015

(*) Mainly refers to deferred income arising from taxes losses carryforward and provision for contingencies which are derived from Serviços de Petróleo operations aiming future compensation based on reliable taxable profit estimates. The expectation of compensation of these credits is until 2027. Tax losses do not expire and the compensation is limited to 30% of taxable income for each year.

ii) Luxembourg

Based on the December 31, 2025 statutory stand-alone balance sheet and on 2024 CIT return, the Company avails of approximately US\$ 3,332,284 (US\$ 3,401,745 on 2024) of carry-forward losses for Luxembourg CIT purposes. Such carry-forward losses represent tax credits of US\$ 831,072 (US\$ 848,395 on 2024) that have not been recognized in the balance sheet as they are not expected to be used in the future.

d) Effect of income tax results

The tax rate used for the year ended December 31, 2025 and 2024 reconciliations below refers to the combined corporate nominal tax rate of 34% in accordance with Brazilian tax legislation, jurisdiction in which Serviços de Petróleo Constellation (Brazilian subsidiary) operates, an withholding tax rate of 4.326% on revenues for Serviços de Petróleo Índia, in accordance with Indian tax legislation, jurisdiction in which Serviços de Petróleo Índia PO operates.

The amounts reported as income tax expense in the consolidated statement of income/(loss) are reconciled from the nominal rate to the effective rate as follows:

	December 31,	
	2025	2024
Loss before taxes	(135,143)	(46,936)
Income tax and social contribution at nominal rate (*)	(759)	8,409
Adjustments to derive effective tax rate:		
Non-deductible expenses	(139)	(93)
Other	(1,445)	(3,363)
Income tax recognized in profit and loss	(2,343)	4,953
Current taxes	(3,149)	660
Deferred taxes	806	4,293

(*) Nominal tax rate applied on (profits)/ losses before taxes related to Serviços de Petróleo (Loss before taxes 2024: US\$ 19,717) and on revenues related to Serviços de Petróleo Índia.

20. FINANCIAL INSTRUMENTS

a) General considerations

The Group's main financial instruments are as follows:

	Category	December 31, 2025		December 31, 2024	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
<u>Financial assets</u>					
Cash and cash equivalents	Fair value	217,788	217,788	165,437	165,437
Short-term investments	Fair value	9,917	9,917	17,107	17,107
Restricted cash	Fair value	8,803	8,803	-	-
Trade and other receivables	Amortized cost	115,926	115,926	92,628	92,628
Derivative financial assets	Fair value	2,263	2,263	-	-
<u>Financial liabilities</u>					
Loans and Financings	Amortized cost	645,761	685,989	642,334	656,335
Trade and other payables	Amortized cost	69,654	69,654	51,901	51,901

The carrying amounts of the remaining financial instruments do not significantly differ from their fair value.

Fair value hierarchy

IFRS 13 – *Fair Value Measurement* defines fair value as the value or price that would be received to sell an asset or paid to transfer a liability in a transaction between participants in an ordinary market on the measurement date.

The fair value hierarchy gives greater weight to available market information (i.e., observable data) and less weight to information related to data without transparency (i.e., unobservable data). Additionally, it requires the entity to consider all aspects of non-performance risk, including the entity's own credit to measure the fair value of a liability.

IFRS 13 also establishes a 3-levels hierarchy to be used in order to measure and disclose the fair value. A categorization tool in the fair value hierarchy is based on the lowest level of "inputs" significant for its measurement. A description of the 3 hierarchical levels is as follows:

Level 1 - The "inputs" are determined based on prices in an active market for identical assets or liabilities at the measurement date. Additionally, the entity must be able to trade in an active market and the price cannot be adjusted by the entity.

Level 2 - The "inputs" are other than prices as determined by Level 1 that are observable for the asset or liability, directly or indirectly. The "inputs" level includes two prices in an active market for similar assets or liabilities, prices in an inactive

market for identical assets or liabilities, or “inputs” that are observable or can corroborate the observation of market data by correlation or other means for substantially every part of the asset or liability.

Level 3 - The “inputs” are those unobservable from minor or no market activity. These “inputs” represent Management’s best estimates as market participants could assign value or price for these assets or liabilities. Generally, the assets and liabilities are measured using Level 3 pricing models, discounted cash flow or similar methods that require significant judgments or estimates, such as the inputs considered in the impairment test of long-lived assets.

The Group measures its short-term investments and restricted cash at fair value through profit or loss. Short-term investments and restricted cash are classified as Level 1, due to the fact that they are measured using market prices for identical instruments. Loans and financing are classified as Level 2, due to the fact that they are measured using similar financial instruments. Derivatives are classified as Level 3, as the fair value is based on a pricing model.

b) Financial risk management

The Group is exposed to liquidity, credit and market risks. Management believes that the Group’s main market risk refers to its exposure to interest rate risk, as discussed below.

Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built a liquidity risk management framework for managing the Group’s short and long-term funding and liquidity management requirements. The Group manages the liquidity risk by combining and maintaining adequate banking and capital markets facilities (Note 11) and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The Group maintains relationships with specific lenders and constantly monitors its funding needs together with such lenders. The Group manages its long-term financing on a project-by-project basis. Such financing are arranged as required to support the Group’s operations and growth plans. The Group’s liquidity position has been enhanced further through the restructuring and recapitalization of December 2024. The Group kept its improved liquidity position during 2025, as shown on note 20 c).

The following table details the Group’s liquidity analysis for its financial liabilities. The table has been prepared using on the undiscounted contractual cash inflows and outflows for the financial instruments.

December 31, 2025

Period	Trade and other payables	Loans and financing	Total
2026	69,654	132,511	202,165
2027	-	125,479	125,479
2028	-	118,439	118,439
After 2029	-	461,924	461,924
Total	69,654	838,353	908,007

December 31, 2024

Period	Trade and other payables	Loans and financing	Total
2025	51,901	60,937	112,838
2026	-	135,938	135,938
2027	-	128,906	128,906
After 2028	-	586,719	586,719
Total	51,901	912,500	964,401

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations, thus resulting in financial losses to the Group. Financial instruments that potentially subject the Group to concentrations of credit risk are primarily cash and cash equivalents, short-term investments, restricted cash and trade and other receivables. The maximum exposure amounts of such financial instruments are those disclosed in Notes 6, 7 and 8, respectively. Petrobras is the main client, and no significant credit risk was identified.

It is the Group's practice to place its cash and cash equivalents in time deposits at financial institutions with high credit ratings or at mutual funds, which invest exclusively in high quality money market instruments. The Group limits the exposure amount to each financial institution individually aiming at minimizing its credit risk exposure.

Currency exchange rate risk

Customer contracts are structured to provide payments both in US Dollars and in local currency (mostly BRL). Revenue received in local currency is substantially used to pay for costs, goods or employees in local currency. On May 7, 2025, the Group executed a foreign exchange hedge transaction through a series of Non Deliverable Forward (NDF) contracts, covering its BRL denominated cash flow exposure for the period from June to December 2025. Additionally, on December 23, 2025, the Company executed a new foreign exchange hedge transaction through a series of Non-

Deliverable Forward (NDF) contracts, covering its BRL-denominated cash flow exposure for twelve installments for the period from January to October 2026. The hedge was implemented to manage the Group's exposure to foreign exchange volatility between the Brazilian Real (BRL) and the U.S. Dollar (USD), given that the Group's functional currency is USD as disclosed in Note 18. The Group does not apply hedge accounting based on IFRS 9 requirements.

Interest rate sensitivity analysis

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Currently, the Group's financial instruments consist of loans and financings at fixed interest rates, as disclosed in Note 11. Therefore, there is no exposure to interest rate fluctuations.

c) Capital management

The Group manages its capital structure, consisting of the relation between equity/debt mix in accordance with best market practices, as follows:

	December 31, 2025	December 31, 2024
Loans and financing ^(a)	645,761	642,334
Cash transactions ^(b)	(236,508)	(182,544)
Net debt ^(c)	409,253	459,790
Shareholders' equity ^(d)	1,709,154	1,837,827
Net debt on shareholders' equity plus net debt ^{[(c)] ÷ [(c) + (d)]}	19%	20%

(a) Consider all loans and financing balances.

(b) Includes cash and cash equivalents, short-term investments and restricted cash balances.

(c) Loans and financing net of cash transactions.

(d) Includes all shareholders' equity accounts.

21. INSURANCE (Unaudited)

As of December 31, 2025 and December 31, 2024, major assets or interests covered by insurance policies and their respective coverage amounts are summarized below:

	December 31, 2025	December 31, 2024
Civil liabilities	3,267,579	1,752,000
Operating risks	1,913,738	1,285,040
Loss of hire	407,061	302,877
Operational headquarters and others	21,059	14,318
Total	5,609,437	3,354,235

The Group's practice in relation to its insurance policies is to hire solid insurance companies in the insurance market.

22. BOARD MEMBER COMPENSATION, PENSION AND MANAGEMENT INCENTIVE PLAN

The total amount paid by Constellation Oil Services Holding S.A to the Board of Directors as of December 31, 2025 was US\$ 398 (US\$ 493 as of December 31, 2024) and no payments were made such as advances and loans to the Board of Directors.

a) Pension Plan

The subsidiary Serviços de Petróleo, offers a private defined contribution pension plan to all employees, including key management personnel. On the Pension plan, employees can elect to contribute from 1% to 12% of the monthly gross salary and Serviços de Petróleo matches the contribution up to 4% of the monthly gross salary to employees and up to 6,5% to executives. Serviços de Petróleo's only obligation to the Pension Plan is to make its specified contributions.

For the year ended in December 31, 2025, contributions payable by Serviços de Petróleo at the rates specified by the plan rules amounts to US\$ 1,523 (US\$ 1,178 as of December 31, 2024).

b) Management Incentive Plan (MIP)

The Company implemented a Management Incentive Plan (MIP) in May 2023 to reward and retain key personnel while supporting long-term performance goals. The MIP comprised three components aimed at incentivizing offshore employees, key personnel, management, Board of Directors and the Board Advisor to remain engaged with the company and contribute to its long-term objectives.

The first component consists of a Retention Pool for offshore employees and key positions. For offshore employees, USD 1.7 million was paid in June 2024, while employees in key positions received USD 2.1 million in July 2025.

The second component is a Performance Unit Pool available to management and certain key positions ("eligible employees"). The distribution was contingent upon the realization of the Total Enterprise Value ("TEV") and will be paid out in cash upon the consummation of a Qualifying Liquidity Event. The payout value to the eligible employees varied depending on the TEV, ranging from zero to USD 29 million.

The third component, the Board Pool, was specifically allocated to members of the Board of Directors and Board Advisor. Similar to the Performance Unit Pool, the allocation is contingent upon the realization of the TEV and will be paid out in cash upon the consummation of a Qualifying Liquidity Event. The payout value varies depending on the TEV, ranging from zero to USD 12.5 million.

In connection with the liquidity event on the recapitalization occurred on December 12, 2024, participants of the Performance Unit Pool and the Board Pool were given the option to amend their original plan and either receive cash for 100% of their allocated units/amounts based on the liquidity event of the recapitalization or retain 100% of their allocated units/amounts and receive an immediate cash payment equivalent to 30% of the value of their allocated units/amounts. On the Performance Unit Pool, 70% of the allocated units vested immediately on the recapitalization, and the remaining 30% will vest upon the

consummation of another future liquidity event. If the liquidity event does not occur on or prior to December 1, 2026, each Participant shall have the right to elect to receive cash on December 31, 2026 as consideration for its vested units in an amount equal to the value of their then-vested units based on a predetermined TEV or retain such Participant’s units and receive cash upon the consummation of a Liquidity Event based on the TEV of such future Liquidity Event. For the Board Pool, 100% of the amount allocated to each Participant will vest upon the consummation of a future Liquidity Event.

For the year ended in December 31, 2025 the Group has a provision of US\$ 5,251 (US\$ 6,648 as of December 31, 2024) related to the MIP Performance Unit Pool.

c) Long-Term Incentive (LTI)

The Company implemented a new Long-Term Incentive Plan (“LTI”), with grants made during the third quarter of 2025 and effective retroactively from January 1, 2025. The plan aims to align key employees with the Group’s long-term strategic objectives and consists of Performance Share Units (“PSUs”) and Time-Based Cash Awards, representing approximately 60% and 40% of the total grant value, respectively.

- PSUs vest over three years based on the achievement of specific performance targets and are settled in the Company’s shares.
- Time-Based Cash Awards vest after three years of continuous service and are settled entirely in cash.

PSUs are accounted for as equity-settled share-based payments under IFRS 2, measured at grant-date fair value and expensed over the vesting period. The cash component is treated as a long-term employee benefit under IAS 19, with a liability recognized and remeasured at each reporting date.

23. LEASE

a) Operating lease receivables

Below the undiscounted amounts to be received on an annual basis for the period of the current contracts of the Group’s fleet (contract rates).

	December 31, 2025	December 31, 2024
Amounts receivable under operating leases		
2025	-	645,557
2026	817,252	699,782
2027	534,835	431,612
2028	315,038	254,973
After 2029	29,809	17,784
Total	<u>1,696,934</u>	<u>2,049,708</u>

b) Sublease

The Group leases drilling units from third parties and subsequently subleases those units to customers together with services related to operating the units, consistent with the treatment of the Group's own units. When the Group acts simultaneously as the original lessee and as an intermediate lessor, the sublease is assessed under IFRS 16 from the perspective of the sublessor.

The sublease agreements entered into with Petrobras were classified as finance sublease. As a result, the Group recognizes a lease receivable representing the net investment in the sublease, while continuing to recognize the lease liability related to the original lease. Both the lease receivable and the lease liability are initially measured at the present value of future lease payments. Interest income arising from the sublease and interest expense associated with the original lease are recognized in profit or loss.

In the case of the Tidal Action Drillship, operations began in September 2025. In November 2025, the Admarine 511 Jackup commenced operations.

As of December 31, 2025, the Group recognized US\$ 145,519 as a lease receivable and US\$ 152,471 as a lease liability relating to the Tidal Action bareboat arrangement and US\$ 37,304 as a lease receivable and US\$ 37,304 as a lease liability relating to the Admarine 511 charter arrangement.

(i) Group as lessee - original lease liability:

Balance on January 1, 2025	-
Additions	187,115
Interest	273
Changes in expected payments	2,387
Principal payments	-
Interest paid	-
Balance on December 31, 2025	189,775
Current	95,697
Non-current	94,078

Future lease payments:

	December 31,	
	2025	2024
2026	101,340	-
2027	81,169	-
2028	31,629	-
2029	-	-
Total undiscounted lease liabilities	214,138	-
Imputed interest	(24,363)	-
Present value of lease liabilities	189,775	-

(ii) Group as sublessor

Future receivables under subleases:

	December 31,	
	2025	2024
2026	88,744	-
2027	68,981	-
2028	25,097	-
2029	-	-
Total undiscounted lease receivable	182,822	-
Unearned finance income	24,363	-
Net investment in the lease	207,185	-
<hr/>		
Balance on January 1, 2025	-	
Additions	187,115	
Interest	273	
Changes in expected receivables	2,387	
Principal received	(6,905)	
Interest received	(48)	
Balance on December 31, 2025	182,822	
<hr/>		
Current	88,744	
Non-current	94,078	

(iii) Amounts recognised in profit and loss:

	December 31,	
	2025	2024
Finance expense recognised associated with lease liabilities	(273)	-
Finance income on the net investment in finance leases	273	-

24. ADDITIONAL INFORMATION ON CASH FLOWS

	December 31, 2025	December 31, 2024
a) Non-cash transactions:		
Share premium arising from debt restructuring (Note 11.a)	-	314,714
Lease receivables (Note 23)	167,348	-
Lease liabilities (Note 23)	(208,417)	-
Total non-cash transactions	<u>(41,069)</u>	<u>314,714</u>

25. EMPLOYEE INFORMATION

The average number of staff employed by the Group during the years ended December 31, 2025 and 2024 is as follows:

	December 31, 2025	December 31, 2024
Operational (rigs and operational bases)	1,763	1,652
Administrative (headquarter)	171	171
Total	<u>1,934</u>	<u>1,823</u>

26. REMUNERATION OF AUDITORS

Fees billed by the Luxembourg approved audit firm during the years as follows:

	December 31, 2025	December 31, 2024
Audit fees	<u>133</u>	<u>104</u>

27. SUBSEQUENT EVENTS

Amendment to notes indenture

In March 2026, the Company executed a second supplemental indenture to its existing indenture governing the 9.375% Senior Secured Notes due 2029, following a successful consent solicitation. The amendment modified certain provisions allowing the Company to anticipate the payment of distribution to shareholders. Subject to specified leverage and indebtedness conditions, the Company is permitted to make pro-rata equity payments to shareholders of up to USD 25 million per quarter for a period from April 2026 through the first quarter of 2027.

The amendment does not affect key terms of the Notes or create any obligation to distribute to shareholders. Accordingly, it has no impact on the amounts recognized in the consolidated financial statements as of December 31, 2025.

Offshore drilling rigs charter and service rendering agreements

Note 1 – General Information discloses several subsequent events related to charter and services contracts for Amaralina, Lone and Atlantic.

New contractual extension

After December 31, 2025 and prior to the authorization for issuance of these financial statements, the Company entered into a new contractual amendment commitment to operate in Brazil, with an estimated duration of 1,042 days and an expected increase in backlog of approximately USD 266 million.

As this represents a non-adjusting subsequent event, there was no impact on the financial statements for the year ended December 31, 2025.

Accordingly, the aforementioned contractual amendment commitment is not included in the contractual backlog report presented as of December 31, 2025.

28. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated financial statements were approved by the Company's Board of Directors and authorized for issuance on March 23, 2026.
