

Constellation closes comprehensive recapitalization and Liquidity Event

Luxembourg, December 16th, 2024 - Constellation Oil Services Holding S.A. (“Constellation” or the “Company”), a leader in the offshore drilling market in Brazil, closed last Thursday, December 12, 2024, the final stage of its comprehensive recapitalization involving all of its current shareholders and debt holders (the “Recapitalization”) 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 “Escrow Issuer”) 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. (“NewCo”) and to purchase from NewCo certain subordinated notes exchangeable into ordinary shares of Constellation, for an aggregate purchase price of US\$75.0 million and (y) cause Escrow Issuer 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 on Thursday in Constellation’s extraordinary shareholders’ meeting.

The Recapitalization further consists of: (i) US\$558.6 million cash redemption of certain existing convertible debt, including accrued interest, and Constellation common shares and the repayment of US\$68.4 million of indebtedness that became due upon consummation of the Recapitalization (represented by Constellation’s 13.5% Senior Secured Notes due 2025 and ALB L/C Facility in the amounts of US\$37.7 million and US\$30.7 million, respectively); (ii) approximately US\$866.6 million of indebtedness as of September 30, 2024 being converted into common shares of Constellation; and (iii) the repurchase of US\$551.9 million of such converted debt at 95% of face value for US\$524.3 million in cash.

Pro-forma for all the transactions of the Recapitalization, the total number of shares in Constellation will be 1,519,918,308. Out of the US\$285.2 million total outstanding amount of Senior Secured Notes due 2026, US\$243.8 million will, following the Recapitalization, either directly or indirectly hold equity of Constellation. The total number of shares of Constellation allocated to such rolling holders of the Senior Secured Notes due 2026, directly or indirectly, will be approximately 614,428,946 shares.

"I am very pleased with the strong support we have received from our stakeholders. This transaction reflects their trust in Constellation’s future and their recognition of the work we have been doing to build a stronger, more resilient company. With this milestone, we are on track to close the year with a net debt-to-EBITDA ratio below 3x and a solid liquidity position. This will give us the financial stability to confidently navigate 2025 with the several contract transitions planned for the year. I want to thank everyone involved in this process for their trust and commitment. We are excited about the opportunities ahead and remain focused on delivering value and growth for Constellation and its stakeholders." highlights Rodrigo Ribeiro, Chief Executive Officer (CEO) of Constellation.

After the conclusion of the Recapitalization, Constellation's only indebtedness for borrowed money that remains outstanding are the Senior Secured Notes due 2029, resulting in a deleveraging of \$287.4 million and Constellation's holding more than US\$140 million in cash in its balance sheet, on a pro forma basis.

The success of the two fundraisings reflects Constellation's strong recent performance, which recorded EBITDA (earnings before interest, taxes, depreciation and amortization) of US\$197 million in the last 12 months to September 30, 2024, driven by the renewal of contracts at current daily market rates. This growth is supported by recent bidding wins for four additional contracts, including one management agreement

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About Constellation

Constellation is a market leading provider of offshore oil and gas contract drilling services through its subsidiary Serviços de Petróleo Constellation S.A. ("Serviços de Petróleo Constellation"). With continuous operations since 1981, Serviços de Petróleo Constellation has built an unmatched reputation for excellence in offshore drilling services, obtaining ISO 9001, ISO 14001, ISO 45001, and API Spec Q2 certifications for its quality management, environmental and safety records and systems.

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