Second quarter and half-year 2024

Prosafe

Key events

(Figures in brackets refer to the corresponding period last year)

Operations, HSSE and backlog

- Good operating and safety performance on all vessels
- Q2 utilisation of 56% (33%) and 56% for H1 (31%), four out of seven vessels operating during the quarter and in the first half of the year
- Conditional Letter of Intent (LOI) for Safe Boreas signed in May, adding backlog of USD 75 million to USD 100 million depending on options
- LOI for Safe Caledonia signed in July, adding backlog of USD 26 million to USD 37 million depending on options
- Discussing Safe Zephyrus contract extension with Petrobras
- USD 179 million firm backlog (USD 299 million), options/LOIs of USD 144 million (USD 19 million)

Q2 and first half financials

- Revenues of USD 34.2 million (USD 21.0 million) for Q2 and USD 68.2 million (USD 35.3 million) for H1
- EBITDA of USD 6.6 million (negative USD 9.8 million) for Q2 and USD 13.8 million (negative USD 16.2 million) for H1
- Cash flow from operations of USD 15.5 million (negative USD 7.5 million) in Q2 and USD 14.1 million (negative USD 1.3 million) in H1, impacted by upfront payment related to the Safe Boreas LOI
- Capex of USD 4.2 million (USD 12.4 million) for Q2, USD 5.9 million (USD 27.2 million) for H1
- Liquidity position of USD 65.9 million, compared to USD 63.4 million at end Q1 2024 and USD 74.6 million at end Q4 2023
- Closely monitoring compliance with minimum liquidity covenant in 2025
- Investigating potential measures to strengthen liquidity and balance sheet going forward

Market and outlook

- Improving Brazil market with rising day rates and long durations on the back of increased demand
- Further tenders and additional accommodation demand expected in Brazil going forward
- North Sea operators planning future campaigns with continued bidding for 2025 and initial discussions regarding 2026
- Expect higher utilisation and earnings growth for the coming years

CEO comment

Prosafe has successfully increased the backlog by securing work for both Safe Boreas and Safe Caledonia on good terms with significant pre-funding. This reflects a tightening accommodation market, which combined with continued high operational efficiency, positions Prosafe for future growth and increased earnings. Longer-term, the accommodation market continues to improve, with good visibility of supply and expected growth in demand led by Brazil. This is driving utilisation back to historically favourable levels. Prosafe is well positioned to capitalise on this trend, building on our 30 percent market share in Brazil.

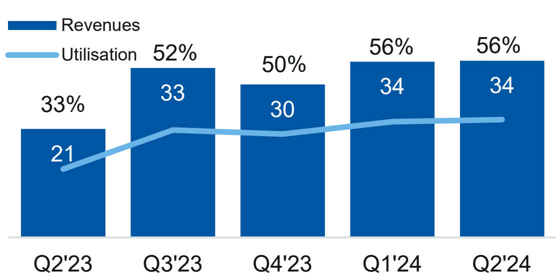
Terje Askvig

Key figures

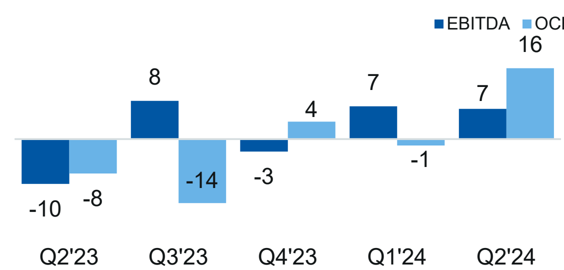
(Unaudited figures in USD million)	Q2 2024	Q2 2023	YTD 2024	YTD 2023	Full Year 2023
Operating revenues	34.2	21.0	68.2	35.3	97.7
EBITDA	6.6	(9.8)	13.8	(16.2)	(10.5)
EBIT	(1.7)	(16.8)	(2.1)	(30.7)	(41.6)
Profit / (loss) before taxes	(9.3)	(25.1)	(16.9)	(46.3)	(73.2)
EPS	(0.58)	(2.59)	(1.06)	(5.07)	(6.00)
Diluted EPS	(0.58)	(2.59)	(1.06)	(5.07)	(6.00)
Cash flow from operating activities	15.5	(7.5)	14.1	(1.3)	(11.5)
Cash flow from investment activities	(3.6)	(11.7)	(4.9)	(26.0)	(33.9)
Cash flow from financing activities	(9.4)	19.8	(17.9)	10.9	28.4
Net cash flow	2.5	0.6	(8.7)	(16.4)	(17.0)
Liquidity[1]	65.9	75.2	65.9	75.2	74.6
Net working capital[2]	1.0	(8.2)	1.0	(8.2)	5.1
Interest-bearing debt[3]	418.3	420.2	418.3	420.2	419.5
Net Interest-bearing debt ("NIBD")	352.4	345.0	352.4	345.0	344.9
Total assets	472.0	490.8	472.0	490.8	492.7
Book equity	14.8	19.3	14.8	19.3	33.8
Book equity ratio[4]	3.1 %	3.9 %	3.1 %	3.9 %	6.9 %
Shares outstanding '000	17,869	11,519	17,869	11,519	17,869
Backlog (Firm, options and LoI)	323.0	318.0	323.0	318.0	257.0
Utilisation rate %	56.7	33.1	56.5	30.9	41.0

[1]Liquidity equals cash and deposits, and includes USD 2.4 million in restricted cash
[2]Net working capital is equal to (Total current assets excl. cash – Total current liabilities excl. tax payable and current portion long-term debt)
[3]Net Interest-bearing debt (NIBD) is equal to Interest-bearing debt less liquidity. NIBD is reduced by a USD 7.6 million fair value adjustment, of which USD 2.0 million is short term.
*[4]Book equity ratio is equal to (Book equity / Total assets) * 100*

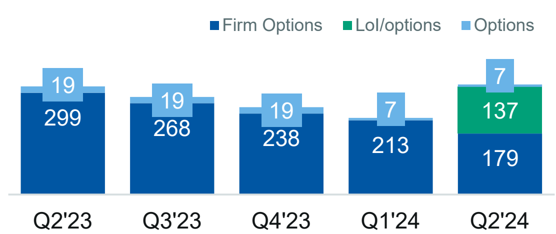
Revenues and utilisation %



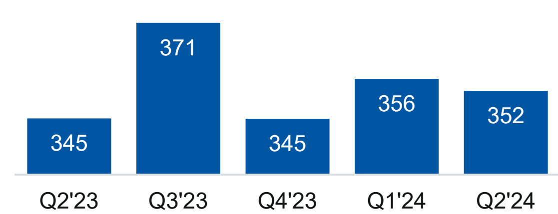
EBITDA and cash flow from operations (OCF)



Backlog



NIBD



Operational review and backlog

The fleet utilisation rate in the second quarter of 2024 was 56 per cent (33 per cent) and 56 per cent (21 per cent) for the first half, with four out of seven vessels in operation during the quarter and in the first half. The firm backlog, excluding options and LOIs, was USD 178.9 million at quarter end (USD 298.7 million).

Safe Eurus, Safe Notos and Safe Zephyrus operated on long-term contracts with Petrobras and Safe Concordia continued its contract in the Gulf of Mexico. Safe Eurus and Safe Concordia had 100% utilisation in the second quarter, while Safe Notos had 99% utilisation and Safe Zephyrus had 98% utilisation. In the first half, Safe Concordia and Safe Notos had 100% utilisation, while Safe Eurus had 97% utilisation and Safe Zephyrus had 99% utilisation

Safe Caledonia is laid up at Scapa Flow in the UK and Safe Boreas is laid up in Norway, both pending re-activation for upcoming contracts. Safe Scandinavia is laid up in Norway.

Market and tender update

Prosafe is well positioned in a market with increasing demand, utilisation and day rates.

In May, Prosafe entered into a Conditional LOI for Safe Boreas with a window for contract start in Australia between 1 October 2025 and 1 April 2026. The contract is for a firm period of 15 months and up to six months of options.

In July, Prosafe entered into a LOI with Ithaca Energy (UK) Limited for the Safe Caledonia for accommodation support at the Captain field in the UK North Sea. Commencing in June 2025, the firm duration is six months with up to three months of options.

Petrobras has expressed interest in extending the contract for Safe Zephyrus and discussions are ongoing.

North Sea operators are planning significant maintenance and tie-in campaigns for 2025 and beyond, with projects in various phases of tendering and planning. The timing of demand will ultimately depend on several factors including, amongst others, capacity in the offshore industry supply chain, the timing of project investment decisions and execution, the oil price and the regulatory environment.

In Brazil, Prosafe expects continued demand growth for accommodation, maintenance and safety vessels driven by an increasing number of FPSOs and new oil and gas operators. Prosafe is expecting further demand from Petrobras and other operators with start-up from late 2024 and early 2025. Additional long-term work in Brazil for high-end units could further reduce available capacity in the North Sea and other markets driving improved earnings and profitability going forward. Prosafe has approximately 30 percent market share in Brazil.

Financials

Second quarter 2024

EBITDA for the second quarter was USD 6.6 million (negative USD 9.8 million). The increase reflects increased utilisation and high operational efficiency in the quarter.

Depreciation was USD 8.3 million (USD 7.0 million) in the quarter.

Operating loss for the second quarter decreased to USD 1.7 million (operating loss of USD 16.8 million), reflecting mainly the increase in EBITDA.

Interest expenses amounted to USD 7.8 million (USD 7.6 million). Other financial costs were USD 0.4 million (USD 1.4 million). The current year was positively impacted by currency gains.

The net loss was USD 10.3 million (net loss of USD 25.7 million) in the quarter.

Cash flow from operations was USD 15.5 million in the quarter (negative USD 7.5 million). The cash flow reflected improved profitability and a reduction of working capital during the quarter due to an up-front payment received in relation to the Safe Boreas LOI.

Total assets at 30 June were USD 472.0 million (USD 490.8 million). Total liquidity at the end of the quarter was USD 65.9 million (USD 75.2 million). The year-over-year decrease in total assets was mainly due to the net loss and working capital movements.

Net interest-bearing debt was USD 352.4 million at 30 June (USD 345.0 million), and the book equity ratio was 3.1 per cent (3.9 per cent). The increase in net interest-bearing debt was mainly a consequence of the decrease in liquidity driven by investment and financing costs.

First half 2024

EBITDA amounted to USD 13.8 million (negative USD 16.2 million) in the first half of 2024. The increase in was mainly driven by higher utilisation with three vessels operating in Brazil during the period fand the Safe Concordia on contract in the US Gulf of Mexico.

Depreciation amounted to USD 15.9 million (USD 14.5 million).

Operating loss equalled USD 2.1 million (operating loss of USD 30.7 million). The improvement in operating result was mainly due to the increase in EBITDA.

Net financial costs amounted to USD 14.8 million (USD 15.6 million). The current year was positively impacted by currency gains.

Higher tax expense due to increased activity and Safe Concordia operations in the U.S.

Net loss for the first half was USD 18.9 million (net loss of USD 47.4 million).

Cash flow from operations was USD 14.1 million in the first half (negative USD 1.3 million). Cash flow was positively impacted by improved profitability and a reduction in working capital during the period due to the Safe Boreas up-front payment.

Risk

All economic activities are associated with risk. Prosafe manages its risk exposure within the Group in accordance with the policies established by the Board of Directors. The primary risks are categorised under the following headings: strategic, commercial, operational, compliance and legal, financial, climate, IT and Cybersecurity related. Please see the 2023 annual report for more details.

For the second half of 2024, Prosafe maintains a special emphasis on liquidity risks and the Group regularly monitors and updates its financial position and cash flow forecasts.

Based on current contracts and outlook for 2025, management forecasts a potential breach of the minimum cash covenant in the second or third quarter of 2025. The tight liquidity situation is due to several factors, including a slower than expected North Sea market in 2024, investment requirements in 2025 related to vessel reactivations and mobilisations, Special Periodic Surveys (SPS), thruster overhauls, maintenance and a high-interest rate level.

Prosafe was compliant with all covenants at 30 June 2024.

In response to a potential covenant shortfall within 12 months and a tight liquidity situation in the next 12 to 18 months, management continues to investigate potential measures to remain in compliance with the minimum liquidity covenant and secure a successful refinancing in advance of the main loan maturity in end 2025.

Outlook

Prosafe sees increased vessel demand going forward, which is expected to lead to higher utilisation, rising day rates and earnings growth. The Company remains focused on capturing relevant market opportunities that provide sustainable day rates for long-term value creation in a tightening global accommodation market.

Prosafe expects that the increase in utilisation, improved rates and earnings growth will provide a favourable backdrop for refinancing and fleet growth.

Responsibility statement from the Board and CEO

We confirm to the best of our knowledge that the condensed set of interim consolidated financial statements for the period 1 January to 30 June 2024 has been prepared in accordance with IAS 34 – Interim Financial Reporting and gives a true and fair view of the Prosafe Group's assets, liabilities, financial position and result for the period. We also confirm to the best of our knowledge that the financial review includes a fair review of important events that have occurred during the first six months of the financial year and their impact on the financial statements, any major related parties' transactions, and a description of the principal risks and uncertainties for the remaining six months of the financial year.

Oslo, 14 August 2024

The Board of Directors and Chief Executive Officer of Prosafe SE

Glen O. Rødland Non-executive Chair	Gunnar Eliassen Deputy Chair
Birgit-Aagaard Svendsen Non-executive Director	Nina Udnes Tronstad Non-executive Director
Halvard Idland Non-executive Director	Terje Askvig CEO

Interim condensed consolidated statement of profit or loss

(Unaudited figures in USD million)	Q2 2024	Q2 2023	6M 2024	6M 2023	Full Year 2023
Operating revenues	34.2	21.0	68.2	35.3	97.7
Operating expenses	(27.6)	(30.8)	(54.4)	(51.5)	(108.2)
Operating results before depreciation	**6.6**	**(9.8)**	**13.8**	**(16.2)**	**(10.5)**
Depreciation	(8.3)	(7.0)	(15.9)	(14.5)	(31.1)
Operating (loss)/profit	**(1.7)**	**(16.8)**	**(2.1)**	**(30.7)**	**(41.6)**
Interest income	0.6	0.7	1.0	1.2	2.1
Interest expenses	(7.8)	(7.6)	(15.7)	(14.8)	(30.9)
Other financial items	(0.4)	(1.4)	(0.1)	(2.0)	(2.8)
Net financial items	**(7.6)**	**(8.3)**	**(14.8)**	**(15.6)**	**(31.6)**
(Loss)/Profit before taxes	**(9.3)**	**(25.1)**	**(16.9)**	**(46.3)**	**(73.2)**
Taxes	(1.0)	(0.6)	(2.0)	(1.1)	5.4
Net (loss)/profit	**(10.3)**	**(25.7)**	**(18.9)**	**(47.4)**	**(67.8)**
EPS	**(0.58)**	**(2.59)**	**(1.06)**	**(5.07)**	**(6.00)**
Diluted EPS	**(0.58)**	**(2.59)**	**(1.06)**	**(5.07)**	**(6.00)**

Interim condensed consolidated statement of comprehensive income

(Unaudited figures in USD million)	Q2 2024	Q2 2023	6M 2024	6M 2023	Full Year 2023
Net (loss)/profit for the period	**(10.3)**	**(25.7)**	**(18.9)**	**(47.4)**	**(67.8)**
Foreign currency translation	(0.4)	0.8	(0.6)	1.4	1.3
Pension remeasurement	0.0	0.0	0.0	0.0	(0.1)
Other comprehensive income	**(0.4)**	**0.8**	**(0.6)**	**1.4**	**1.2**
Total comprehensive income	**(10.7)**	**(24.9)**	**(19.5)**	**(46.0)**	**(66.6)**

Interim condensed consolidated statement of financial position

(Unaudited figures in USD million)	30.06.24	30.06.23	31.12.23
Vessels	373.1	389.7	383.7
New builds	0.0	0.0	0.0
Other non-current assets	2.4	1.3	1.8
Total non-current assets	**375.5**	**391.0**	**385.5**
Accounts and other receivables	22.5	17.5	24.9
Other current assets	8.1	7.1	7.7
Cash and deposits	65.9	75.2	74.6
Total current assets	**96.5**	**99.8**	**107.2**
Total assets	**472.0**	**490.8**	**492.7**
Share capital	24.8	16.0	24.8
Other equity	(10.0)	3.3	9.0
Total equity	**14.8**	**19.3**	**33.8**
Interest-free long-term liabilities	1.6	1.6	1.8
Interest-bearing long-term debt	413.5	417.4	415.5
Total long-term liabilities	**415.1**	**419.0**	**417.3**
Accounts and other payables	29.6	32.8	27.5
Tax payable	7.7	16.9	10.1
Current portion of long-term debt	4.8	2.8	4.0
Total current liabilities	**42.1**	**52.5**	**41.6**
Total equity and liabilities	**472.0**	**490.8**	**492.7**

Interim condensed consolidated statement of cash flows

(Unaudited figures in USD million)	Q2 2024	Q2 2023	6M 2024	6M 2023	Full Year 2023
(Loss)/Profit before taxes	(9.3)	(25.1)	(16.9)	(46.3)	(73.2)
Loss on sale of non-current assets	0.0	0.0	0.0	0.0	(1.7)
Depreciation	8.3	7.0	15.9	14.5	31.1
Financial income	(0.6)	(0.7)	(1.0)	(1.2)	(2.1)
Financial costs	7.8	7.6	15.7	14.8	30.9
Share-based payment expense	0.2	(0.4)	0.5	(0.1)	0.4
Change in working capital	12.1	3.7	4.3	18.0	4.6
Other items from operating activities	0.4	0.8	0.0	1.2	1.0
Taxes paid	(3.4)	(0.4)	(4.4)	(2.2)	(2.5)
Net cash flow (used in)/from operating activities	**15.5**	**(7.5)**	**14.1**	**(1.3)**	**(11.5)**
Acquisition of tangible assets	(4.2)	(12.4)	(5.9)	(27.2)	(37.7)
Net proceeds from sale of tangible assets	0.0	0,0	0.0	0.0	1.7
Interests received	0.6	0.7	1.0	1.2	2.1
Net cash flow used in investing activities	**(3.6)**	**(11.7)**	**(4.9)**	**(26.0)**	**(33.9)**
Repayment of interest-bearing debt	(1.6)	(1.6)	(3.2)	(3.2)	(6.4)
Refinancing cost	(0.7)	0.0	(0.7)	0.0	0.0
Issuance of ordinary shares	0.0	28.1	(0.1)	28.1	62.8
Interests paid	(7.1)	(6.7)	(13.9)	(14.0)	(28.0)
Net cash flow from/(used in) financing activities	**(9.4)**	**19.8**	**(17.9)**	**10.9**	**28.4**
Net cash flow	**2.5**	**0.6**	**(8.7)**	**(16.4)**	**(17.0)**
Cash and deposits at beginning of period	63.4	74.6	74.6	91.6	91.6
Cash and deposits at end of period	**65.9**	**75.2**	**65.9**	**75.2**	**74.6**

Interim condensed consolidated statement of changes in equity

(Unaudited figures in USD million)	Q2 2024	Q2 2023	6M 2024	6M 2024	Full Year 2023
Equity at beginning of period	**25.3**	**16.5**	**33.8**	**37.3**	**37.3**
Share based payment	0.2	(0.4)	0.5	(0.1)	0.4
New share issue	0.0	28.1	0.0	28.1	62.7
Comprehensive income for the period	(10.7)	(24.9)	(19.5)	(46.0)	(66.6)
Equity at end of period	**14.8**	**19.3**	**14.8**	**19.3**	**33.8**

Selected notes to the quarterly financial statements

NOTE 1: GENERAL INFORMATION

Prosafe SE is a public limited company domiciled in Norway, it is listed on the Oslo Stock Exchange with ticker code PRS. The consolidated financial statements for Q2 2024 were authorised for issue in accordance with a resolution of the Board of Directors on 14 August 2024. The accounting figures are unaudited.

NOTE 2: ACCOUNTING PRINCIPLES

This interim financial report has been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU IAS 34 Interim Financial Reporting. The accounting principles adopted are consistent with those of the previous financial year.

NOTE 3: GOING CONCERN

The company continues to closely monitor compliance with the minimum liquidity covenant of USD 28 million.

The existing credit facilities contain a quarterly minimum liquidity covenant of USD 28 million. The calculation of the minimum liquidity covenant shall exclude any cash held in relation to the "New Group" (the "New Group" comprises the rig owning companies of Safe Eurus, Safe Nova, Safe Vega and their immediate holding company) which at 30 June 2024 was USD 1.9 million in addition to restricted cash of USD 2.4 million. As at 30 June 2024, the Group had an unrestricted liquidity reserve of USD 63.5 million, and excluding the New Group and restricted cash had minimum liquidity of USD 61.6 million and was compliant with the minimum cash covenant on 30 June 2024.

Based on current contracts and outlook for 2025, management forecasts a potential breach of the minimum cash covenant in the second or third quarter of 2025. The tight liquidity situation is due to several factors, including a slower than expected North Sea market in 2024, high investment requirements in 2025 related to vessel reactivations and mobilisations, Special Periodic Surveys (SPS), thruster overhauls, maintenance and a high-interest rate level.

In response to a potential covenant shortfall within 12 months and a tight liquidity situation in the next 12 to 18 months, management continues to investigate potential measures to remain in compliance with the minimum liquidity covenant and secure a successful refinancing in advance of the loan maturity in end 2025.

The Board and management view that achieving a long-term sustainable financial structure is realistic and have therefore prepared the second quarter and first half 2024 financial reporting on a going concern basis.

NOTE 4: RELATED PARTY TRANSACTIONS

There were no material related party transactions in the second quarter and first half 2024. For the same periods in 2023 there were also no material related party transactions.

NOTE 5: EVENTS AFTER THE REPORTING DATE

On 5 July 2024, the Company announced that it had signed a Letter of Intent for Safe Caledonia for a potential contract with commencement date in June 2025, with six months firm period and three months option. Contract value is approximately USD 26 million to USD 37 million depending on options.

Prosafe