



HMH financial update Q2 2023

In connection with Akastor ASA's (OSE: AKAST, 50% owner of HMH) second quarter result presentation to be hosted later today, HMH has released a trading update for the second quarter including key financial figures for the company attached hereto. The presentation is also available on our webpage in the Investor section, <https://hmhw.com/investors/>. HMH will publish its complete interim consolidated financial report covering the second quarter in August.

HMH reports revenues of USD 189 million in the quarter, with an adjusted EBITDA of USD 34 million, corresponding to an EBITDA margin of approximately 18 percent. Reported and unadjusted EBITDA was USD 27 million in the period, including then USD 6.5 million of non-recurring expenses or costs defined as outside of normal company operations. Revenues from Aftermarket Services were USD 138 million in the quarter, up 35 percent compared to second quarter last year and 12 percent quarter-on-quarter, both driven by increased service order trend and increasing spares recertifications and overhaul volumes. Order intake within this segment in period was up 16 percent year-on-year driven by spares and SPS orders and down 3 percent quarter-on-quarter driven by a non-repeat of large digital technology orders signed in 1Q 2023, partially offset by increased spares orders.

Revenues from Projects, Products & Other were USD 51 million in the quarter, down 36 percent year-on-year driven by non-repeat of prior year Valaris 20K cancellation and down 18 percent quarter-on-quarter driven by phasing of project progress. We continue to see significant opportunities within single equipment going forward, both for non-oil related products as well as within offshore and onshore drilling. The project market continues to be muted with few rig newbuilding projects expected to materialize in the short to medium term.

Net external debt per end of second quarter was USD 175 million. HMH is in dialogue with its lenders regarding potential extension of the RCF, and is also assessing a potential refinancing of the USD 150 million bond maturing in February 2025 to reduce cost of capital and increase flexibility going forward.

About HMH

HMH is a premier drilling solutions provider, which was formed as an independent company in October 2021 through the merger of Baker Hughes' (NYSE: BKR) Subsea Drilling Systems business and Akastor ASA's wholly owned subsidiary, MHWirth AS.

HMH combines integrated delivery capabilities, capital, renowned industry expertise and delivers the full range of offshore drilling equipment products and packages at scale. HMH aims to support the industry's transition toward more energy-efficient solutions, as well as deploying technologies and service solutions to make the sector more competitive through increased drilling efficiency. Moreover, the Company's service and technology portfolio will be utilized as a springboard for future growth, both within drilling services and when pursuing opportunities towards adjacent industries such as renewables and mining.

For further information, please visit homepage: <https://hmhw.com/>

Please contact us if you have any questions.

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This information is subject of the disclosure requirements pursuant to section 5-12 of the Norwegian Securities Trading Act.