



Interim condensed consolidated financial information

March 31, 2025

HMM Holding B.V. including subsidiaries

Unaudited

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Business Review Q1 2025

Business Summary

HMH reports revenues of USD 198 million for the three months ended March 31, 2025, with an adjusted EBITDA (adjusted for non-recurring expenses or costs defined as outside of normal company operations) of USD 33 million, corresponding to an EBITDA margin of approximately 16.5%. Unadjusted EBITDA was USD 29.3 million for the three months ended March 31, 2025. Revenues from Aftermarket Services were USD 84 million in the quarter, down 10%, compared to fourth quarter last year driven by overhaul and repair and down 19% quarter-on-quarter driven by prior quarter contract service agreement performance and digital technology volume. Order intake within this segment in period was up 22% year-on-year and up 12% quarter-on-quarter driven by overhaul and repair order intake. Revenues from Spares were 60 million in the quarter, flat compared to fourth quarter last year and up 8% quarter-on-quarter driven by improved convertibility of existing backlog. Revenues from Projects, Products & Other were USD 55 million in the quarter, up 34% year-on-year driven by project milestones and down 25% quarter-on-quarter driven by product volume.

Adjusted EBITDA and Cash Flow

Adjusted EBITDA was down 2% on a year over year driven by lower service volume, and down 31% on a quarter over quarter basis, driven by lower service volume and non-repeat of contract services agreements performance. Free cash flow (cash generated from operating activities less taxes paid and net investments, plus interest) was 15 million driven by significant improvement in past dues.

Capital Structure

In 1Q25 HMH ended the quarter with USD 200 million of gross interest-bearing debt, with RCF undrawn per 1Q25 and USD 15 million, net repaid during the quarter. With USD 47 million of cash on the balance sheet, we have USD 153 million of net debt. HMH stays well within all covenant requirements for Minimum Liquidity, Gearing Ratio and Interest Coverage Ratio.

Growth

The Company continues to look to expand current product offerings in new areas, while also looking at a wide variety of M&A opportunities. As a top priority, we are looking to expand our land capabilities. Furthermore, we continue to explore other oil and gas capital equipment segments. Finally, we have both organic and inorganic initiatives aimed at increasing our non-oil and gas businesses.

A blue ink signature of Thomas McGee, consisting of stylized initials 'TM' followed by a surname.

Thomas McGee
(Chief Financial Officer)

Amsterdam April 30, 2025

Unaudited condensed consolidated interim income statement

Amounts in USD thousands	Notes	31.03.2025	31.03.2024	31.12.2024
Revenue and other income	2.1	198 430	193 377	843 268
Operating expenses		-169 179	-161 867	-681 102
Operating profit before depreciation, amortization and impairment	2.2	29 251	31 510	162 166
Depreciation and amortization	3.1, 3.3	-12 585	-11 022	-47 629
Impairment	3.2	-1 828	-	-
Operating profit / loss(-)		14 838	20 488	114 537
Finance income	4.2	10 690	2 602	19 019
Finance expenses	4.2	-15 977	-12 542	-63 505
Net finance expenses		-5 287	-9 940	-44 486
Profit / loss(-) before tax		9 551	10 548	70 051
Income tax expense	5.4	-4 918	-4 122	-24 532
Profit / loss(-) for the period		4 633	6 426	45 519
Profit / loss(-) attributable to:				
Equity holders of the parent		4 867	6 146	44 780
Non-controlling interests		-234	280	739


Unaudited condensed consolidated interim statement of comprehensive income

Amounts in USD thousands	Notes	31.03.2025	31.03.2024	31.12.2024
Profit / loss(-) for the period		4 633	6 426	45 519
Other comprehensive income				
Cash flow hedges, gross amount		3 916	-1 653	-4 314
Cash flow hedges, related tax		-783	-554	966
Total change in hedging reserve, net of tax		3 133	-2 205	-3 348
Currency translation differences - foreign operations		10 305	-4 581	-21 591
Total items that may be reclassified subsequently to profit or loss, net of tax		13 438	-6 785	-24 939
Remeasurement gain (loss) net defined benefit liability		-447	192	567
Deferred tax of remeasurement gain (loss) net defined benefit liability		89	64	-113
Total items that will not be reclassified to profit or loss, net of tax		-357	256	454
Total other comprehensive income / loss(-) for the period, net of tax		13 081	-6 529	-24 485
Total comprehensive income / loss(-)		17 714	-103	21 034
Total comprehensive income / loss(-) attributable to:				
Equity holders of the parent		17 948	-384	20 295
Non-controlling interests		-234	280	739

Unaudited condensed consolidated interim statement of financial position

Amounts in USD thousands	Notes	31.03.2025	31.12.2024	31.03.2024
ASSETS				
Non-current assets				
Deferred tax assets		19 044	19 139	27 255
Property, plant and equipment	3.1	201 453	198 684	212 675
Other intangible assets	3.3	131 356	136 324	142 779
Right-of-use assets	3.2	45 124	37 087	37 736
Goodwill	3.3	303 185	300 939	287 628
Other non-current assets	5.3	32 540	31 854	33 543
Total non-current assets		732 702	724 026	741 616
Current assets				
Prepaid income tax		808	682	971
Inventories		281 748	279 957	267 375
Trade receivables and other current assets	4.1	167 881	181 712	187 203
Derivative financial instruments	4.1	1 549	1 713	1 702
Current financial assets	4.1	3 784	3 679	1 500
Contract assets		154 798	143 360	121 876
Cash and cash equivalents	4.1	46 984	48 912	49 238
Total current assets		657 553	660 015	629 865
TOTAL ASSETS		1 390 256	1 384 041	1 371 481
EQUITY AND LIABILITIES				
Equity				
Share capital		0	0	0
Share premium		601 539	601 539	601 539
Reserves		19 314	5 137	10 345
Retained earnings		28 815	23 948	-14 707
Equity attributable to equity holders of the parent company		649 668	630 624	597 177
Non-controlling interests		924	1 170	9 567
Total equity		650 592	631 794	606 744
Non-current liabilities				
Non-current borrowings	4.3	332 063	328 747	325 506
Non-current lease liabilities	3.2	38 941	30 684	31 213
Employee benefit obligations		17 749	16 828	17 811
Deferred tax liabilities		17 478	19 128	19 955
Non-current provisions	5.2	1 894	822	1 002
Other non-current liabilities	4.1	14 072	14 212	11 160
Total non-current liabilities		422 198	410 422	406 646
Current liabilities				
Current borrowings	4.3	0	14 428	974
Current lease liabilities	3.2	9 917	8 688	9 540
Current tax liabilities		8 120	6 040	7 462
Current provisions	5.2	18 245	16 109	18 661
Trade payables and other current liabilities	4.1	218 941	236 322	236 910
Contract liabilities		61 832	55 627	81 435
Derivative financial instruments	4.1	410	4 612	3 109
Total current liabilities		317 466	341 826	358 091
Total liabilities		739 664	752 247	764 737
TOTAL EQUITY AND LIABILITIES		1 390 256	1 384 041	1 371 481

Amsterdam, April 30, 2025


 Thomas McGee
 (Chief Financial Officer)

Unaudited condensed consolidated interim statement of cash flows

Amounts in USD thousands	Notes	31.03.2025	31.03.2024	31.12.2024
<i>Cash flow from operating activities</i>				
Profit / loss(-) before tax		9 551	10 548	70 051
<i>Adjustments for:</i>				
Net finance income and expenses		5 287	9 940	44 486
Share-based payment expense		1 095	1 680	5 557
Foreign exchange gain and loss (-)		6 298	-2 373	-6 786
Other net finance cost / income (-)		-695	-1 042	-
Depreciation, amortization and impairment	3.1	14 413	11 022	47 629
Sum of adjustments		35 949	29 774	160 907
<i>Changes in working capital:</i>				
Decrease/increase(-) in trade receivables and other current assets		13 994	-5 650	-1 514
Decrease/increase(-) in inventories		-1 791	-25 971	-35 510
Increase/decrease(-) in trade payables and other liabilities		-27 569	-3 832	-11 431
Decrease/increase(-) in contract assets		-11 438	21 776	292
Increase/decrease(-) in contract liabilities		6 205	5 911	-19 898
Other changes		5 957	-3 449	-9 967
Sum of changes in working capital		-14 641	-11 215	-78 028
Interest paid		-1 633	-579	-21 127
Interest paid for leases		-664	-540	-2 158
Interest received		1 114	889	2 788
Income taxes paid		-4 519	-5 301	-17 218
Net cash from / used in (-) operating activities		15 606	13 028	45 195
<i>Cash flow from investing activities</i>				
Purchase of property, plant and equipment		-2 170	-4 730	-16 096
Payments for capitalized development expenses		-127	-590	-2 436
Proceeds from sale of property, plant and equipment		-	-	213
Acquisition of subsidiaries, net of cash acquired		-	-	-19 624
Net cash flow from / used in (-) investing activities		-2 297	-5 320	-37 943
<i>Cash flow from financing activities</i>				
Proceeds from sale to non-controlling interests		-	2 291	2 291
Proceeds from borrowings	4.3	40 000	-	90 000
Payment of borrowings	4.3	-55 000	-22 000	-97 984
Payment of borrowing cost	4.3	-	-	-1 627
Payment of lease liabilities	3.2	-2 129	-1 173	-10 320
Net cash flow from / used in (-) financing activities		-17 129	-20 883	-17 641
Effect of exchange rate changes on cash and cash equivalents		1 892	-111	-3 222
Net increase / decrease (-) in cash and cash equivalents		-1 928	-13 286	-13 612
Cash and cash equivalents at the beginning of the period		48 912	62 524	62 524
Cash and cash equivalents at the end of the period		46 984	49 238	48 912

Unaudited condensed consolidated interim statement of changes in equity

For the three months ended March 31, 2025

	Attributable to owners of the Group							Non-controlling interest	Total equity	
	Share capital ¹⁾	Share premium	Hedging reserve	Pension remeasurement reserve	Other reserve ²⁾	Currency translation reserve	Retained earnings			Total
Amounts in USD thousands										
Equity as of January 1, 2025	0	601 539	-2 250	2 489	24 415	-19 516	23 948	630 624	1 170	631 794
Profit / loss (-) for the period	-	-	-	-	-	-	4 867	4 867	-234	4 633
Other comprehensive income / loss (-)	-	-	3 133	-357	-	10 305	-	13 081	-12	13 069
Share-based payments	-	-	-	-	1 095	-	-	1 095	-	1 095
Total comprehensive income/loss(-)	-	-	3 133	-357	1 095	10 305	4 867	19 043	-246	18 797
Equity as of March 31, 2025	0	601 539	883	2 132	25 510	-9 211	28 815	649 668	924	650 592

¹⁾ Share capital is USD 0.002 thousand at March 31, 2025

²⁾ Paid in capital, See note 5.6

For the three months ended March 31, 2024

	Attributable to owners of the Group							Non-controlling interest	Total equity	
	Share capital ¹⁾	Share premium	Hedging reserve	Pension remeasurement reserve	Other reserves	Currency translation reserve	Retained earnings			Total
Amounts in USD thousands										
Equity as of January 1, 2024	0	601 539	1 097	2 036	9 967	2 095	-20 852	595 881	-	595 881
Profit / loss (-) for the period	-	-	-	-	-	-	6 146	6 146	280	6 426
Other comprehensive income / loss (-)	-	-	-2 205	256	-	-4 581	-	-6 529	-	-6 529
Share-based payments	-	-	-	-	1 680	-	-	1 680	-	1 680
Non-controlling interest	-	-	-	-	-	-	-	-	9 287	9 287
Total comprehensive income / loss (-)	-	-	-2 205	256	1 680	-4 581	6 146	1 296	9 567	10 863
Equity as of March 31, 2024	0	601 539	-1 107	2 292	11 647	-2 486	-14 707	597 177	9 567	606 744

¹⁾ Share capital is USD 0.002 thousand at March 31, 2024

Section 1 - Background

Note 1 General information

1.1 Corporate information

HMH (the Group) consist of HMH Holding B.V. and its subsidiaries. HMH Holding B.V. is a limited liability company that was incorporated and domiciled in the Netherlands on the April 28, 2021. The registered office is located at Amstelveenseweg 500, 1081KL Amsterdam, Netherlands.

The HMH Group was established with effect from October 1, 2021, HMH Holding B.V. acquired 100% of MHWirth and 100% of Subsea Drilling System. The shareholders are Baker Hughes Holdings LLC (50%), Akastor AS (25%), and Mercury HoldCo Inc (25%).

HMH is a leading global provider of full-service offshore and onshore drilling equipment offering that provides our customers with a broad portfolio of products and services that are designed to be safer and more efficient.

1.2 Basis of preparation

The interim condensed consolidated financial statements for the three months ended March 31, 2025 have been prepared in accordance with *IAS 34 Interim Financial Reporting*. The Group has prepared the financial statements on the basis that it will continue to operate as a going concern. The Directors consider that there are no material uncertainties that may cast significant doubt over this assumption. They have formed a judgment that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, and not less than 12 months from the end of the reporting period.

The interim condensed consolidated financial statements do not include all of the information and disclosure required for a complete set of annual consolidated financial statements and should be read in conjunction with HMH's Annual Report 2024. The accounting policies applied in this interim financial statements are the same as those applied in the Group's consolidated financial statement for the year ended December 31, 2024 which were prepared according to IFRS as approved by the EU.

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

The interim condensed consolidated financial statements for the three months ended March 31, 2025 are unaudited.

Section 2 - Operating performance

2.1 Revenue

Disaggregation of revenue from contracts with customers

Revenue from contract with customers is disaggregated in the following table by major contract and revenue types and timing of revenue recognition and by operating segments. HMM has two operating segments: Equipment and System Solutions (ESS) and Pressure Control Systems (PCS).

ESS is a supplier of drilling solutions and complete top side drilling packages and services to both onshore and offshore oil and gas, which includes: overhaul, equipment installation and commissioning, services account management, 24/7 technical support, logistics, engineering upgrades, spare parts supply, training and condition based maintenance etc. ESS segment is derived from the acquisition of MHWirth AS.

PCS is a supplier of integrated drilling products and services, and the key product offering consists of Blowout Prevention (BOP) systems, controls and drilling riser equipment, spare parts supply for rig operations and maintenance programs, overhaul and recertification and reactivation of rigs, technical and operational rig support which includes a 24/7 support center and Contractual Service Agreements (CSA) / Long Term Service Agreements (LTSA). PCS is derived from the acquisition of Subsea Drilling Systems (SDS) .

As at March 31, 2025

Amounts in USD thousands	ESS	PCS	Total
Major contract/revenue types			
Project and other manufacturing contracts revenue	19 174	5 443	24 617
Sale of products	16 937	13 173	30 110
Service revenue	41 398	42 131	83 529
Spare parts revenue	30 032	30 141	60 174
Revenue and other income	107 542	90 888	198 430
Timing of revenue recognition			
Transferred over time	72 883	47 553	120 436
Transferred at point in time	34 659	43 336	77 994
Revenue and other income	107 542	90 888	198 430

As at March 31, 2024

Amounts in USD thousands	ESS	PCS	Total
Major contracts/revenue types			
Project and other manufacturing contracts revenue	4 330	8 881	13 211
Sale of products	17 105	10 383	27 489
Service revenue	51 131	41 457	92 588
Spare parts revenue	26 253	33 836	60 089
Revenue and other income	98 819	94 558	193 377
Timing of revenue recognition			
Transferred over time	69 449	50 376	119 825
Transferred at point in time	29 370	44 181	73 551
Revenue and other income	98 819	94 558	193 377

Note 2.2 - Operating segments

HMH identifies its reportable segments and disclose segment information under IFRS 8 Operating Segments. See note 2.1 in this interim report for description of HMH's management model and operating segments as well as accounting principles used for segments reporting.

As at March 31, 2025

<i>Amounts in USD thousands</i>	ESS	PCS	Total operating segments	Eliminations	Headquarters	Total HMH
<i>Income statement</i>						
External revenue and other income	107 542	90 888	198 430	-	-	198 430
Inter-segment revenue	2 118	3 232	5 350	-5 350	-	-
Total revenue and other income	109 660	94 120	203 780	-5 350	-	198 430
Operating profit before depreciation, amortization and impairment	14 664	17 508	32 173	-	-2 921	29 251
Depreciation and amortization						-12 585
Impairment						-1 828
Operating profit / loss(-)	14 664	17 508	32 173	-	-2 921	14 838
Net finance income/expense						-5 287
Profit / loss(-) from joint ventures and associates	-	-	-	-	-	-
Profit / loss(-) before tax	14 664	17 508	32 173	-	-2 921	9 551

As at March 31, 2024

<i>Amounts in USD thousands</i>	ESS	PCS	Total operating segments	Eliminations	Headquarters	Total HMH
<i>Income statement</i>						
External revenue and other income	98 819	94 558	193 377	-	-	193 377
Inter-segment revenue	1 286	2 923	4 208	-4 208	-	-
Total revenue and other income	100 105	97 480	197 585	-4 208	-	193 377
Operating profit before depreciation, amortization and impairment	9 784	24 833	34 617	-	-3 106	31 510
Depreciation and amortization						-11 022
Impairment						-
Operating profit / loss(-)	5 849	18 383	24 232	-	-3 744	20 488
Net finance income/expense						-9 940
Profit / loss(-) from joint ventures and associates	-	-	-	-	-	-
Profit / loss(-) before tax	2 958	18 335	21 293	-	-10 745	10 548

Section 3 - Asset base

3.1 Property, plant and equipment

As at March 31, 2025

<i>Amounts in USD thousands</i>	<i>Note</i>	Buildings and land	Machinery, equipment, software	Assets under construction	Total
<i>Historical cost</i>					
Balance as at January 1, 2025		151 638	85 212	3 125	239 975
Additions		-	2 076	226	2 303
Acquisition through business combinations	5.1	-	-	-	-
Reclassifications		99	-99	-	0
Transfer from assets under construction		111	461	-572	-
Disposals and scrapping		-88	-673	-	-762
Currency translation differences		5 770	3 808	194	9 772
Balance as at March 31, 2025		157 531	90 785	2 972	251 288
<i>Accumulated depreciation</i>					
Balance as at January 1, 2025		-21 716	-19 576	-	-41 292
Depreciation for the period		-1 312	-3 473	-	-4 785
Reclassifications ¹⁾		-1	528	-	526
Disposals and scrapping		88	673	-	762
Currency translation differences		-2 206	-2 840	-	-5 046
Balance as at March 31, 2025		-25 147	-24 687	-	-49 834
Net book value as at January 1, 2025		129 922	65 636	3 125	198 683
Net book value as at March 31, 2025		132 384	66 097	2 972	201 453

¹⁾ Reclassification from Property, plant and equipment to Intangibles.

As at March 31, 2024

<i>Amounts in USD thousands</i>	Buildings and land	Machinery, equipment, software	Assets under construction	Total
<i>Historical cost</i>				
Balance as at January 1, 2024	166 325	83 672	5 695	255 692
Additions	-	3 942	788	4 730
Transfer from assets under construction	-	52	-52	-
Disposals and scrapping	-	-13	-	-13
Currency translation differences	-2 987	-2 228	-163	-5 378
Balance as at March 31, 2024	163 338	85 425	6 267	255 031
<i>Accumulated depreciation</i>				
Balance as at January 1, 2024	-22 670	-18 188	-	-40 858
Depreciation for the period	-1 463	-2 882	-	-4 345
Disposals and scrapping	-	13	-	13
Currency translation differences	1 138	1 697	-	2 835
Balance as at March 31, 2024	-22 995	-19 361	-	-42 354
Net book value as at January 1, 2024	143 655	65 484	5 695	214 834
Net book value as at March 31, 2024	140 343	66 065	6 267	212 675

3.2 Right-of-use assets and related lease liabilities

Group as lessee

The Group has mostly property leases on a number of locations worldwide. The leases typically run for a period of 2-10 years and some of the leases have extensions options. The Group also has an immaterial amount of lease agreements related to cars, machinery, IT equipment and office equipment. These leases have an average lease period of 2-3 years, generally with no renewal options included.

As of March 2025, total right-of-use assets related to leases amounted to USD 45 million, with a related lease liability of USD 48 million. In Q1 there has been a net increase in the right-of-use (RoU) assets and lease liabilities primarily due to an extension of office leases in Kristiansand (10 years) and workshop leases in Saudi Arabia (4 years). These extensions have been partially offset by an impairment of the RoU assets for office leases in Horten and Fornebu, as well as a 3-year reduction in the lease period in Baku.

3.3 Intangible assets and goodwill

As at March 31, 2025

<i>Amounts in USD thousands</i>	<i>Note</i>	Development costs ²⁾	Goodwill	Patents and rights	Customer Relations	Total
<i>Historical cost</i>						
Balance as at January 1, 2025		67 219	300 940	20 107	112 893	501 159
Additions		104	-	-	-	104
Acquisition through business combinations		-	1 873	-	-	1 873
Currency translation differences		4 498	373	154	-	5 024
Balance as at March 31, 2025		71 820	303 186	20 261	112 893	508 160
<i>Accumulated amortization and impairment</i>						
Balance as at January 1, 2025		-15 133	-	-11 627	-37 135	-63 895
Depreciation for the period		-2 456	-	-	-3 270	-5 726
Reclassifications ¹⁾		-2 292	-	1 777	-	-515
Currency translation differences		-3 365	-	-118	-	-3 483
Balance as at March 31, 2025		-23 246	-	-9 968	-40 405	-73 618
Net book value as at January 1, 2025		52 086	300 940	8 480	75 758	437 263
Net book value as at March 31, 2025		48 575	303 186	10 293	72 488	434 541
Useful life		3-5	Indefinite	3-5	3-5	

¹⁾ Reclassification from Property, plant and equipment to Intangibles and other changes within intangible assets.

²⁾ Our ongoing R&D efforts are being orchestrated across multiple locations, including Norway, Germany, and the United States. These activities are primarily centered on the following areas:

- Development of a rotating control device along with associated equipment to enable open water, riserless drilling.
- Design and construction of a tested for the development of the electric BOP actuators, motors and controllers for use in offshore surface (platforms and jack-ups), subsea and land applications.
- Development of automation and digitalization solutions and digitally-powered services to improve customer efficiency, reduce emissions and improve customer competitiveness.

3.3 Intangible assets and goodwill (Continued)

As at March 31, 2024

<i>Amounts in USD thousands</i>	Development costs ¹⁾	Goodwill	Patents and rights	Customer Relations	Total
<i>Historical cost</i>					
Balance as at January 1, 2024	67 129	287 848	20 550	107 893	483 420
Additions	590	-	-	-	590
Reclassifications ¹⁾	44	-	35	-355	-275
Currency translation differences	-3 499	-219	-233	252	-3 699
Balance as at March 31, 2024	64 264	287 629	20 353	107 790	480 036
<i>Accumulated amortization and impairment</i>					
Balance as at January 1, 2024	-13 131	-	-8 890	-25 081	-47 102
Depreciation for the period	-1 588	-	-	-3 254	-4 842
Currency translation differences	2 521	-	56	-262	2 315
Balance as at March 31, 2024	-12 198	-	-8 834	-28 597	-49 629
Net book value as at January 1, 2024	53 998	287 848	11 660	82 812	436 318
Net book value as at March 31, 2024	52 066	287 629	11 519	79 193	430 407
Useful life	3-5	Indefinite	3-5	3-5	

¹⁾ Reclassification from Property, plant and equipment to Intangibles and other changes within intangible assets.

Section 4 - Financial instruments, risk and capital management

4.1 Financial instruments

Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value. For financial instruments measured at fair value, the levels in the fair value hierarchy are as shown below.

Level 1 - Fair values are based on prices quoted in an active market for identical assets or liabilities.

Level 2 - Fair values are based on price inputs other than quoted prices derived from observable market transactions in an active market for identical assets or liabilities. Level 2 includes currency or interest derivatives and interest bonds, typically when the group uses forward prices on foreign exchange rates or interest rates as inputs to valuation models.

Level 3 - Fair values are based on unobservable inputs, mainly based on internal assumptions used in the absence of quoted prices from an active market or other observable price inputs.

As at March 31, 2025

<i>Amounts in USD thousands</i>	<i>Note</i>	Carrying amount	Financial instruments measured at fair value	Level in fair value hierarchy
Financial assets measured at fair value				
<i>Fair value- hedging instruments</i>				
Derivative financial instruments		1 549	1 549	Level 2
Financial assets not measured at fair value				
<i>Financial assets at amortized cost</i>				
Cash and cash equivalents		46 984		
Current financial assets		3 784		
Trade receivables and other current assets		167 881		
Other financial assets amortized at costs	5.3	6 763		
Financial assets		226 961	1 549	

As at March 31, 2025

<i>Amounts in USD thousands</i>	<i>Note</i>	Carrying amount	Financial instruments measured at fair value	Level in fair value hierarchy
Financial liabilities measured at fair value				
<i>Fair value – hedging instruments</i>				
Derivative financial instruments		410	410	Level 2
Financial liabilities not measured at fair value				
<i>Financial liabilities at amortized cost</i>				
Borrowings	4.3	332 064		
<i>Other financial liabilities</i>				
Other non-current liabilities		14 072		
Trade payables and other current liabilities		218 941		
Provisions	5.2	20 139		
Financial liabilities		585 626	410	

4.1 Financial instruments (continued)

As at March 31, 2024

<i>Amounts in USD thousands</i>	<i>Note</i>	Carrying amount	Financial instruments measured at fair value	Level in fair value hierarchy
Financial assets measured at fair value				
<i>Fair value- hedging instruments</i>				
Derivative financial instruments		1 702	1 702	Level 2
Financial assets not measured at fair value				
<i>Financial assets at amortized cost</i>				
Cash and cash equivalents		49 238	-	
Current financial assets		1 500	-	
Trade receivables and other current assets		187 203	-	
Other financial assets amortized at costs	5.3	6 933	-	
Financial assets		246 575	1 702	

As at March 31, 2024

<i>Amounts in USD thousands</i>	<i>Note</i>	Carrying amount	Financial instruments measured at fair value	Level in fair value hierarchy
Financial liabilities measured at fair value				
<i>Fair value – hedging instruments</i>				
Derivative financial instruments		3 109	3 109	Level 2
Financial liabilities not measured at fair value				
<i>Financial liabilities at amortized cost</i>				
Borrowings	4.3	326 479	-	
<i>Other financial liabilities</i>				
Other non-current liabilities		1 747	-	
Trade payables and other current liabilities		236 910	-	
Provisions	5.2	19 663	-	
Financial liabilities		587 907	3 109	

4.2 Finance income and finance expenses

<i>Amounts in USD thousands</i>	31.03.2025	31.03.2024
Interest income on bank deposits measured at amortized cost	1 122	874
Interest income on finance lease receivables	2	15
Foreign exchange gain	9 253	1 428
Other finance income	313	285
Finance income	10 690	2 602
Interest expense on financial liabilities measured at amortized cost	-9 299	-8 053
Interest expense on lease liabilities	-664	-540
Foreign exchange loss	-5 006	-3 030
Other financial expenses	-1 008	-919
Finance expenses	-15 977	-12 542
Net finance expenses recognized in profit and loss	-5 287	-9 940

4.3 Borrowings

Below are contractual terms of the Group's interest-bearing loans and borrowings which are measured at amortized cost. For more information about the Group's exposure to interest rates, foreign currency and liquidity risk, see note 4.1 Financial risk management and exposure in the Group's consolidated financial statement for the year ended December 31, 2024.

As at March 31, 2025

<i>Amounts in USD thousands</i>	Currency	Nominal currency value	Carrying amount (USD)	Interest rate margin	Fixed rate	Maturity date	Interest terms
Bond loan HMM02	USD	200 000	197 426		9,88 %	Nov 2026	Fixed rate
Shareholder loan	USD	132 027	134 638		8,00 %	Oct 2027	Fixed rate
Revolving credit facility 2023	USD	0	0	3,75 %		May 2026	SOFR + Margin
Total borrowings		332 027	332 063				
Current borrowings			-				
Non-current borrowings			332 063				
Total borrowings			332 063				

HMM Holding B.V. is the direct borrower of all of the loans above.

Bonds

The revolving credit facilities are provided by a bank syndicate consisting of high-quality Nordic and international banks, consisting of: DNB Markets, a part of DNB Bank ASA and Nordea Bank Abp, filial i Norge. The terms and conditions include restrictions which are customary for these kinds of facilities, including inter alia negative pledge provisions and restrictions on acquisitions, disposals and mergers, dividend distribution and change of control provisions.

On November 15, 2023, the Company issued \$200.0 million aggregate principal amount of its senior secured bonds (ISIN code: NO0013063495) (the "Senior Secured Bonds"), which accrue interest at a fixed rate of 9.875% per annum and mature on November 16, 2026. The Company will also incur additional interest of 1% per annum until the Senior Secured Bonds are listed on the Oslo Stock Exchange. The Senior Secured Bonds are secured by liens.

The prior bond loan was repaid at 104.71562% of the nominal amount (plus accrued and unpaid interest of the redeemed amount) on November 22, 2023.

Reconciliation of liabilities arising from financing activities

<i>Amounts in USD thousands</i>	01.01.2025	Cash flows	Deferred Interest ²⁾	Amortization	Capitalized borrowing costs ³⁾	Currency translation	31.03.2025
Bond loan HMM02	196 836	-	-	589	-	-	197 425
Shareholder loan ¹⁾	131 910	-	2 728	-	-	-	134 638
Revolving Credit Facilities	14 427	-15 000	-	75	498	-	-0
Total liabilities arising from financing activities	343 174	-15 000	2 728	664	498	-	332 063

¹⁾ As part of the consideration paid to Akastor and Baker Hughes in relation to the creation of the joint venture, shareholder loans of USD 100 million was received comprising of USD 20 million from Akastor and USD 80 million from Baker Hughes, respectively.

²⁾ Includes addition of USD 117 thousand DTA from contingent consideration due to used DTA from pre HMM establishment.

³⁾ Capitalized borrowing cost related to the revolving credit facility is presented as prepaid expenses

As at March 31, 2024

<i>Amounts in USD thousand</i>	Currency	Nominal currency value	Carrying amount (USD)	Interest rate margin	Fixed rate	Maturity date	Interest terms
Bond loan HMM02	USD	200 000	203 527		9,88 %	Nov 2026	Fixed rate
Shareholder loan	USD	121 979	121 979		8,00 %	Oct 2027	Fixed rate
Revolving Credit Facility (USD 80 million)	USD	22 000	-797	3,75 %		May 2026	SOFR + Margin
Credit line China	RMB	7 704	974	-0,40 %		Jul 2024	China LPR + Margin
Total borrowings			325 683				
Current borrowings			974				
Non-current borrowings			325 506				
Non-current assets ¹⁾			-797				
Total borrowings			325 683				

¹⁾ Adjustment in non-current assets relate to reclassification of capitalized borrowing costs. This is included in non-current borrowings.

HMM Holding B.V. is the direct borrower of all of the loans above.

MHWirth Offshore Petroleum Engineering (Shanghai) Co Ltd is the borrower of the Credit Line China.

4.3 Borrowings (continued)

Reconciliation of liabilities arising from financing activities

Reconciliation of liabilities arising from financing activities							
<i>Amounts in USD thousands</i>	01.01.2024	Cash flows	Deferred Interest	Capitalized borrowing Amortization costs	Currency translation		31.03.2024
Bond loan HHM02	198 928	-	5 082	328	-811	-	203 527
Shareholder loan ¹⁾	119 587	-	2 392	-	-	-	121 979
Revolving Credit Facilities	21 128	-22 000	-	75	-	-	-797
Credit Line China	984	-	-	-	-	-10	974
Total liabilities arising from financing activities	340 628	-22 000	7 474	403	-811	-10	325 683

¹⁾ As part of the consideration paid to Akastor and Baker Hughes in relation to the creation of the joint venture, shareholder loans of USD 100 million was received comprising of USD 20 million from Akastor and USD 80 million from Baker Hughes, respectively.

Section 5 - Other information

5.2 Provisions

<i>Amounts in USD thousands</i>	31.03.2025	31.12.2024	31.03.2024
Provisions, current	18 245	16 109	18 661
Provisions, non-current	1 894	822	1 002
Total provisions	20 139	16 931	19 663

Provisions mainly consist of warranties, restructuring provision and other provisions.

Warranties

The provision for warranties relates mainly to the possibility that HMM Group, based on contractual agreements, needs to perform guarantee work related to products and services delivered to customers. Warranty provision is presented as current as it is expected to be settled in the group's normal operating cycle.

Restructuring

The non-current provisions encompass a restructuring provision specific to MHWirth AS. The restructuring primarily pertains to substantial workforce reduction and reorganization within MHWirth, driven by the challenging rig market conditions. This provision incorporates unoccupied office premises subsequent to the reduction in workforce and is appraised based on the comprehensive restructuring plans for the affected businesses and locations. The reduction of the restructuring provision occurs on a monthly basis.

Other provisions

In Q1 2025 provisions of USD 3 million in Hydrex USA Distribution LLC relates to environmental reserve for estimated remediation costs for two plants. The remaining part of other provisions is allocated among PCS entities and mainly relates to concession reserves and liquidated damages reserves.

5.3 Related party transactions

HMH Group with its parent company HMH Holding B.V., is a joint venture by Akastor and Baker Hughes. The shareholders are Baker Hughes Holdings LLC (50%), Akastor AS (25%), and Mercury HoldCo Inc (25%).

Related parties for the HMH Group are the shareholders and the entities in the Akastor Group and Baker Hughes Group.

<i>Amounts in USD thousands</i>	Baker Hughes Holding LLC	GE Drilling Services LLC	Akastor AS	Aker BP	Other Baker-Hughes companies	Tanajib Holding Company ³⁾	Other Akastor companies	Total
Period January 1, 2025 - March 31, 2025								
Income statement								
Revenue	-	-	-	-	25	-	69	94
Net financial items	-1,970	-	-471	-	-	-	-	-2,440
Balance as at March 31, 2025								
<i>Consolidated balance sheet</i>								
Related party note receivables - non current ^{3) 4)}	4,384	-	4,424	-	-	4,479	-	13,287
Related party note receivables - current ³⁾	-	-	-	-	-	2,284	-	2,284
Related party accounts receivables	-	-	1,181	-	348	-	469	1,997
Account payable - related party	-	-	-	-	525	-	1	525
Long term debt	105,938	-	28,700	-	-	-	-	134,638
Indemnification asset ¹⁾	-	-	20,602	-	-	-	-	20,602
Liability to shareholders ²⁾	393	-	8,166	-	-	-	-	8,559

<i>Amounts in USD thousands</i>	Baker Hughes Holding LLC	GE Drilling Services LLC	Akastor AS	Aker BP	Other Baker-Hughes companies	Tanajib Holding Company ³⁾	Other Akastor companies	Total
Period January 1, 2024 - March 31, 2024								
Income statement								
Revenue	-	-	130	2	21	-	-	153
Net financial items	-1,834	-	-398	-	-	-	-	-2,232
Balance as of March 31, 2024								
<i>Consolidated balance sheet</i>								
Related party note receivables non-current ^{3) 4)}	4,049	-	4,087	-	-	4,754	-	12,890
Related party note receivables - current ³⁾	-	-	-	-	-	2,179	-	2,179
Related party accounts receivables	-	-	-	786	321	-	-	1,107
Account payable - related party	-	-	-	-	110	-	-	110
Long term debt	97,583	-	24,396	-	-	-	-	121,979
Indemnification asset ¹⁾	-	-	21,754	-	-	-	-	21,754
Liability to shareholders ²⁾	666	-	8,747	-	-	-	-	9,413

¹⁾ As part of the agreement between Akastor and Baker Hughes at the time of the formation of the Group, Akastor is responsible for all pension liabilities accrued and unsettled pension liabilities pre October 1, 2021. HMH have booked a receivable in HMH Holding B.V. towards Akastor for their part of the total pension liability of USD 19.1 million as a non-current assets and USD 1.5 million as a current assets as of March 31, 2025.

²⁾ See note 5.5 in this interim condensed report for details.

³⁾ Related party note receivable from Tanajib Holding related to HMH subsidiary in Saudi Arabia. HMH have booked total current assets of USD 2.3 million and non-current assets of USD 4.5 million as at March 31, 2025.

⁴⁾ Related party notes receivable consists of receivables against Akastor and Baker-Hughes resulting from the settlement of the acquisition of MHWirth and Subsea Drilling Systems, respectively.

Related party transactions

Akastor

- Akastor has provided a shareholder loan to HMH of total USD 20 million in 2021. This is a long-term loan provided to finance the Groups operating and finance activities. The closing balance includes the initial loan amount and the capitalized interest, see Note 4.3 for details.
- As part of the merger, Akastor is responsible for the pension liability from before the merger. Hence, HMH has a receivable of USD 20.4 million receivable towards Akastor.
- HMH agreed to pay consideration to the shareholders upon utilization of the deferred tax assets that were acquired as part of the formation of HMH. See note 5.5 in this interim condensed report for details.

Baker Hughes

- Baker Hughes has provided a shareholder loan to HMH of total USD 80 million in 2021. This is a long-term loan provided to finance the Groups operating and finance activities. The closing balance includes the initial loan amount and the capitalized interest, see Note 4.3 for details.
- HMH agreed to pay consideration to the shareholders upon utilization of the deferred tax assets that were acquired as part of the formation of HMH. See note 5.5 in this interim condensed report for details.

5.4 Income tax

The Group's effective tax rates for the three months ended March 31, 2025 and 2024 were negatively impacted by the changes in valuation allowance related to losses in certain jurisdictions for which the Company cannot currently recognize a tax benefit. The effective tax rates were also impacted by the Group's US income which is taxed to Baker Hughes and Akastor, certain withholding taxes, as well as differences in tax rates in the jurisdictions in which we operate. The effective tax rates for the periods ending March 31, 2025 and 2024 were also impacted by these same items.

5.5 Commitments and contingencies

Our contingent consideration as of March 31, 2025 include approximately USD 8.6 million associated with our deferred tax assets that were acquired as part of the formation of HMH and is payable to our shareholders upon utilization. Commitments and contingencies are liabilities recorded on the balance sheet.

5.6 Other reserves

<i>Amounts in USD thousands</i>	Share-based payment	Paid in capital	Total
Balance as at December 31, 2024	15 524	8 891	24 415
Share-based payments	1 095	-	1 095
Sale ownership interest in Hydril Pressure Controlling Arabia Limited	-	-	-
Balance as at March 31, 2025	16 619	8 891	25 510

Sale ownership interest in Hydril Pressure Controlling Arabia Limited

During 2024, HMH entered into a partnership with Tanajib Holding Company in Saudi Arabia. HMH sold 30% of their interest in Hydril Pressure Controlling Arabia Limited, decreasing their ownership from 100% to 70%. Tanajib has a strong and lengthy legacy in Saudi Arabia and in the greater Middle East region, providing drilling and maintenance solutions as well as manufacturing and process optimization services. Under the agreement Tanajib will own 30 % of non-controlling interest in Hydril Pressure Controlling Arabia Limited.

5.7 Subsequent events

As of the signing date of interim condensed consolidated financial statement, no subsequent events are noted which require adjustments in the interim condensed consolidated financial statements or to be disclosed.

Alternative Performance Measures (APM)

To enhance investors' understanding of the company's performance, The Group presents certain alternative performance measures (APMs). An APM is defined as a financial measure of historical or future financial performance, financial position or cash flows, other than a financial measure defined or specific in the applicable financial reporting framework (IFRS). As every group does not calculate financial performance measures in the same manner, these are not always comparable with measures used by other companies. These financial measures should therefore not be regarded as a replacement for measures as defined according to IFRS.

The Group uses adjusted EBITDA as an APM.

Adjusted EBITDA

Adjusted EBITDA is defined as the profit/(loss) for the year/period before net financial income (expenses), income tax expense, depreciation, amortization and impairment (EBITDA), adjusted for non-recurring items affecting comparability.

Non-recurring items

The Group defines non-recurring items as one-time costs, not relating to the actual reporting period or core activity.