Ventura Offshore Holding Ltd.

- Annual Report for the year ending December 31, 2024

Board of Directors report

2024 was a transformative year for Ventura Offshore Holding Ltd (the “Company” or the “Group”). In March 2024 the Company entered into a share purchase agreement with Petroserv Marine Inc for the acquisition of 100% of the shares in Universal Energy Resources Inc and its subsidiaries for an adjusted consideration of approximately $258 million on a net-debt-free basis (the “Acquisition”). The owned fleet at that time comprised of the high specification 6th generation drillship DS Carolina and the high specification semi-submersible 6th generation SSV Victoria. In addition, the Company managed the high specification 7th generation drillship DS Atlantic Zonda (“Zonda”) and the high specification semi-submersible 6th generation SSV Catarina.

To finance the Acquisition, which was completed on May 8, 2024, the Company raised $170 million of new equity and $130 million of a senior secured bond and committed to seek a listing at the Euronext Growth Stock Exchange in Oslo. The listing was completed within four weeks of completion of the Acquisition with the Company having its first day of trading at Euronext Growth under the ticker “VTURA” on June 5th. This represented another significant milestone for the Company.

Later in June 2024, the Company announced the acquisition of the SSV Catarina for a net acquisition price of approximately $98 million plus a 5-year 17.5% profit split mechanism. The rig purchase was financed with a private placement of $50 million of equity and a tap issue of $55 million under the Company’s existing senior secured bond. In addition, the Company secured a $30 million revolving credit facility to finance working capital requirements for the operations of the Group's drilling rigs. The acquisition was successfully closed on July 23, 2024, before the rig commenced a four-well drilling campaign with ENI Indonesia in mid-August. Based on the Company’s latest estimate, the initial four-well campaign has a total backlog value of $85 million, including mobilization fee but excluding margin-improving ancillary services, which compares favourably to the acquisition terms. In addition to the firm wells, ENI has five fixed priced optional wells.

In February 2025, the Company announced that it had entered into an agreement with the previous owners of SSV Catarina to pay a lump sum amount of $ 8 million reflecting i) any and all earnings under the 17.5% profit split since the ENI contract commencement in August 2024, ii) all future earnings under the remaining parts of the 5 year profit split tenure, and ii) all amounts in relation to the final account and working capital of the rig in connection with its acquisition completed in July 2024. The Company expects that the cash flow from the full period of the firm period of the ENI contract as well as other adjustments in the final accounts and working capital agreed will exceed the $8 million purchase price and hence significantly de-risk the investment.

In December 2024, the Company announced a new contract with Petróleo Brasileiro S.A. (“Petrobras”) for the DS Carolina unit expected to be deployed at the Sepia and Atapu fields located in the Santos basin, offshore Brazil. The contract is for a 910-day firm tenure with an estimated contract value of approximately $363 million when including $26 million of mobilization payment by Petrobras. The new contract has an extension option for Petrobras for additional 305 days, adding $113 million to the contract value if exercised, plus a potential up to 1,215-day mutually agreed extension option. DS Carolina is currently under contract with Petrobras until the second quarter of 2026. Afterwards, it will undergo essential contract preparation works and class inspections before commencing operations under the new contract.

As of December 2024, the company had an estimated revenue backlog of $708 million which included the expected net revenue from the management services of the DS Zonda which successfully commenced its three-year contract in April 2025. Total cash position year-end 2024 was $58.3 million which included restricted cash of $10.8 million held on behalf owners of the Zonda. Total interest-bearing debt was approximately $186 million consisting of $175 million outstanding under the senior secured loan and $10.8m drawn under the RCF.

Board of Directors report (continued)

The company had a strong operational performance in 2024 with an operational uptime of approximately 94% across its fleet since close of the Acquisition in May 2024. The operational expenses when excluding additional services (which the Company is compensated through an increased day rate) averaged $106,000 per day across its owned fleet and is viewed as highly competitive. With SSV Catarina now included as a 100% owned unit and the Zonda having commenced its long-term contract, the earnings and free cash flow for 2025 is expected to meaningful increase compared to 2024. The consolidated financial statements have been prepared on a going concern basis. Management has assessed conditions and events related to the going concern assumption and confirms that the going concern assumption is appropriate based on available funding, liquidity forecasts and assumed borrowing capacity based on the contract backlog as further discussed in this report.

As a significant subsequent event, the DS Carolina was in early January 2025 subject to order of interdiction from ANP, the regulatory body for oil, natural gas and biofuels industries in Brazil as the ANP was of the view that certain emergency procedures used by the industry as such should be improved.

On February 28th, 2025, the Company received approval by ANP to resume operations for the DS Carolina with the unit back on contract with its client on March 4th. The Company remains in constructive discussions with its client regarding the financial impact of the suspension period and retains the position that the final impact of the suspension should not be material to the Company once these discussions have been concluded.

For 2025 the strategic priorities for the Company will be to continue its safe and reliable operations at industry leading operational cost levels. The Company has a strong position with all its rigs on term contracts. Continued backlog addition will be pursued determinedly with utilization being the overarching target. The SSV Catarina is well positioned to be continuing working in Indonesia under the four optional wells with ENI which could potentially keep the rig utilized through second quarter of 2026 should all options in Indonesia be exercised. The Company will also pursue opportunities outside of Southeast Asia to secure continued utilization of the SSV Catarina.

Petrobras has indicated that tender activity in 2025 will focus on maintaining the same level of rigs available in Brazil following their business plan guidelines. The indicated Petrobras' rig demand plan aligns with Ventura's availability of the SSV Victoria, which is well positioned to compete with the 11 rigs rolling out contracts in 2025 and 2026. The recently announced market inquiry from Petrobras for one or more high specification units for the Buzios field fits the SSV Victoria availability window and will be pursued firmly.

Successful preparing and mobilizing the Zonda to Brazil under a three-year contract secured by the Company with Petrobras is a testament to how management agreement of third-party units successfully adds scale and net earnings to Ventura. Potential further expansion of the Ventura platform through similar marketing agreements is aligned with the Company's strategy of increasing its operational footprint and asset base.

The Company's strategy when securing the required financing for the Acquisition in second quarter 2024 was to have a debt profile that reflected the Company's backlog at the time. A three-year senior secured bond was raised with an amortization profile of approximately 5.5 years where free cash flow under the existing contracts was to be used for debt repayments and deleveraging. A refinancing of the bond was to be targeted upon successfully securing additional backlog. The new 910-day contract for the DS Carolina will require out of service time as well as capital expenditures for certain contract-required upgrades. Securing a similar contract for the SSV Victoria upon expiry of the current contract in mid-2026 is expected to require a similar out of service time and capital expenditures. The Company is to receive a substantial mobilization fee of approximately $26.0 million from its client under the DS Carolina. The mobilization fee will however not fall due until DS Carolina has commenced the new contract and hence after the expected idle time cost and the capital expenditures has been incurred. A similar payment structure of a mobilization fee is expected for the SSV Victoria should the Company be successful securing a new contract. Hence, a key strategic priority for the Company the next 12 months is to evaluate a potential refinancing to secure adequate liquidity to finance parts of the required capital expenditures expected and to again have a debt profile that matches the Company's increased backlog and expected earnings profile under its new contracts.

Board of Directors report (continued)

A critical milestone for the Company to target, is the return of capital to shareholders. The new contract for the DS Carolina is expected to significantly increase earnings and free cash flow compared to current contract. Securing additional backlog on Victoria combined with a refinancing of its senior debt to allow distribution capacity will be of highest strategic importance to the Company going forward.

Finally, the Company has a positive view on industry consolidation and will actively pursue opportunities for growth either through rig purchases or consolidation with industry peers should opportunities present itself where Ventura's fleet, cost and backlog profile creates accretive shareholder returns through combining into a larger entity.

Responsibility statement

We confirm, to the best of our knowledge, the consolidated financial statements for the period from inception on February 24, 2024, to December 31, 2024, have been prepared in accordance with accounting principles generally accepted in the United States of America, and give a true and fair view of the assets, liabilities, financial position and results of the Company.

The Board of Directors of Ventura Offshore Holding Ltd.,

April 29, 2025

s/Gunnar W Eliassen	s/Guilherme Coelho
Gunnar W Eliassen, Chairperson	Guilherme Coelho, CEO & Board member
s/Børge Johansen	s/Michael Windeler
Børge Johansen, Board member	Michael Windeler, Board member

Ventura Offshore Holding Ltd.
Consolidated Statement of Comprehensive Income

All figures in USD '000, except number of shares and per share amount

	Note	February 24, 2024 – December 31, 2024 (YTD)
Operating Revenues		
Contract Drilling Services	4	186,429
Reimbursable revenues	4	51,764
Management Fees Income	4	3,732
Total Revenues		**241,925**
Operating Expenses		
Rig Operating and Maintenance Expenses	4	(68,975)
Reimbursable Expenses	4	(51,923)
Depreciation and Amortization Expenses	5	(21,397)
General and Administrative Expenses	3	(21,133)
Total Operating Expenses		**(163,428)**
Operating Income		**78,497**
Financial Income (Expenses)		
Interest Income		1,264
Interest Expenses	6	(12,928)
Total Financial Income (Expenses), net		**(11,664)**
Net Income Before Income Taxes		**66,833**
Income Tax Expense	11	(9,168)
Net Income		**57,665**
Other Comprehensive Income / (Loss)		142
Total Comprehensive Income		**57,807**
Basic Income per Share	9	0.75
Diluted Income per Share	9	0.74
Weighted Average Number of Shares Outstanding – Basic		76,452,125
Weighted-Average Number of Shares Outstanding – Diluted		77,870,481

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

Ventura Offshore Holding Ltd.
Consolidated Balance Sheet

All figures in USD '000, except number of shares and per share amount

Assets	Note	As of December 31, 2024
Current Assets		
Cash and Cash Equivalents	8,15	46,458
Restricted Cash	8,15	12,117
Accounts Receivable, Net		39,120
Deferred Mobilization Cost		2,127
Other Current Assets	8	20,075
Total Current Assets		**119,897**
Non-Current Assets		
Vessels and Equipment	5	509,773
Deferred Tax Assets	11	13,225
Intangible Assets	3	12,400
Other Non- Current Assets		558
Right-of-Use Assets		7,072
Total Non-Current Assets		**543,028**
Total Assets		**662,925**

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

Ventura Offshore Holding Ltd.
Consolidated Balance Sheet

All figures in USD '000, except number of shares and per share amount

Liabilities and Shareholders' Equity		As of December 31, 2024
Current Liabilities		
Accounts Payable		17,274
Lease Liabilities	10	4,596
Other Current Liabilities	12	37,870
Deferred Mobilization Revenue		5,666
Unfavourable Contracts	4	90,896
Current Portion of Long-Term Debt	6,15	38,427
Total Current Liabilities		**194,729**
Non-Current Liabilities		
Long-Term Debt	6,15	143,476
Unfavourable Contracts	4	27,184
Lease Liabilities	10	2,476
Other Liabilities	5,11,12	13,780
Total Non-Current Liabilities		**186,916**
Commitments and Contingencies	14	**-**
Shareholders' Equity		
Common Stock, par value $0.01 per share 170,000,000 authorized, 105,712,360 shares issued and outstanding as of December 31, 2024	7	1,057
Additional Paid-In Capital	7	222,416
Other Comprehensive Income		142
Retained Earnings		57,665
Total Shareholders' Equity		**281,280**
Total Liabilities and Equity		**662,925**

The Board of Directors of Ventura Offshore Holding Ltd.,

April 29, 2025

s/Gunnar W Eliassen

Gunnar W Eliassen, Chairperson

s/Guilherme Coelho

Guilherme Coelho, CEO & Board member

s/Børge Johansen

Børge Johansen, Board member

s/Michael Windeler

Michael Windeler, Board member

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

Ventura Offshore Holding Ltd.
Consolidated Statement of Shareholders’ Equity
All figures in USD ‘000, except number of shares

	Number of Shares	Common Stock	Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Total Shareholders’ Equity
Balance as of February 24, 2024 (inception)	**1**	**-**	**-**	**-**	**-**	**-**
Net Income	-	-	-	-	57,665	57,665
Common Shares Issued	105,712,359	1,057	219,639	-	-	220,696
Share -based Compensation	-	-	2,777	-	-	2,777
Other Comprehensive Income (Loss)	-	-	-	142	-	142
Balance as of December 31, 2024	**105,712,360**	**1,057**	**222,416**	**142**	**57,665**	**281,280**

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

Ventura Offshore Holding Ltd.
Consolidated Statement of Cash Flows
All figures in USD '000

	February 24, 2024 – December 31, 2024 (YTD)
Cash Flows from Operating Activities	
Net Income	57,665
Adjustments to Reconcile Net Income to Net Cash Provided by / (Used In) Operating Activities	
Amortization of Unfavourable Contract Liabilities	(59,020)
Share Based Compensation	2,777
Deferred Income Taxes	6,397
Amortization of Deferred Financing Costs	1,023
Depreciation and Amortization Expenses	21,397
Amortization of Deferred Mobilization Revenues and Costs, net	(2,650)
Changes in operating Assets and Liabilities:	
Accounts Receivable and Accounts Payable	(17,742)
Prepaid Expenses, Other Current Assets and Other Current Liabilities	8,351
Net Cash Provided by Operating Activities	**18,198**
Cash Flows from Investing Activities	
Acquisition of Business (net of cash and restricted cash acquired)	(252,016)
Acquisition of Vessel and Additions	(103,907)
Net Cash Used In Investing Activities	**(355,923)**
Cash Flows from Financing Activities	
Net Proceeds from Share Offering	215,696
Proceeds from Borrowings	195,800
Debt Issuance Costs	(4,919)
Repayment of Borrowings	(10,000)
Net Cash Provided by / (Used In) Financing Activities	**396,577**
Net Increase / (Decrease) in Cash, Cash Equivalents and Restricted Cash	**58,852**
Cash, Cash Equivalents and Restricted Cash at Beginning of the Period	0
Effect of foreign exchange on Cash	(277)
Cash, Cash Equivalents and Restricted Cash at End of the Period	**58,575**
Supplementary Disclosure of Cash Flow Information	
Cash and Cash Equivalents	46,458
Restricted Cash	12,117
Total Cash, Cash Equivalents and Restricted Cash	**58,575**
Cash Paid for Interest	8,182
Cash Paid for Taxes	720
Non-cash investing activity (SSV Catarina)	5,000

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

Ventura Offshore Holding Ltd.

Notes to the Consolidated Financial Statements

Note 1 General Information and Business Operations

Ventura Offshore Holding Ltd. was incorporated in Bermuda on February 24, 2024, under the name PS Marine Holding Ltd. On May 1, 2024, the name of the company was changed to Ventura Offshore Holding Ltd. Further, the 100% owned subsidiary, Ventura Offshore Midco Ltd, was incorporated in March 2024. These two entities were formed with the intention of raising capital through equity and a bond loan to acquire 100% of the shares of Universal Energy Resources Inc (the “UER Acquisition”). The Share Purchase Agreement was signed in early March 2024 and the transaction was completed on May 8, 2024.

Universal Energy Resources Inc (“UER”) was incorporated on April 25, 1984, and is a company providing contract drilling services. The Company’s main assets upon the acquisition being the drillship DS Carolina and the semisubmersible drilling rig SSV Victoria, both currently operating in Brazil on long term time-charter and drilling services contracts with the oil major Petrobras. In addition to operating DS Carolina and SSV Victoria, the Company operated two drilling units, SSV Catarina and DS Zonda, on behalf of their owners at the time of the acquisition on May 8, 2024. The Company announced on June 27, 2024, that it had entered into an agreement to acquire SSV Catarina and the delivery of the vessel took place on July 23, 2024. The vessel commenced a long-term time charter agreement on August 17, 2024, with the oil major ENI in Indonesia. As of December 31, 2024, the Company has a fleet of three owned vessels and one vessel under management.

As used herein, and unless otherwise required by the context, the terms “Company”, “Ventura”, and words of similar nature refer to Ventura Offshore Holding Ltd and its consolidated companies.

Note 2 Basis of Preparation of Accounting Policies

Basis of Preparation

These consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”). Amounts are presented in United States Dollars (“U.S. dollar or $”), rounded to the nearest thousand, unless stated otherwise.

The consolidated financial statements have been prepared on a going concern basis. Management has assessed conditions and events related to the going concern assumption and confirms that that the going concern assumption is appropriate based on available funding, liquidity forecasts and assumed borrowing capacity based on the contract backlog. Further details regarding liquidity and funding requirements related to capex expenditure for new drilling contracts are disclosed in note 6.

Principles of Consolidation

Entities in which the parent company has controlling financial interest are consolidated. Subsidiaries are consolidated from the date on which control is obtained. The subsidiaries’ accounting policies are in conformity with U.S. GAAP. All intercompany balances and transactions have been eliminated within the consolidated financial statements.

Note 2 Basis of Preparation of Accounting Policies (continued)

Foreign Currency
Foreign currency transaction gains or losses are charged to income/expense as incurred. The Company and the majority of its subsidiaries have the United States dollar as their functional currency as their revenues and expenses are mostly denominated in U.S. dollars and U.S. dollars are also the reporting currency of the Company. For subsidiaries that maintain their accounts in currencies other than U.S. dollars, the Company uses the current method of translation whereby the statement of operations is translated using the average exchange rate for the period and the assets and liabilities are translated using the period end exchange rate. Translation losses and gains in the consolidation have been included as a component of other comprehensive income. For subsidiaries located in Brazil the assets and liabilities recorded in Reals ("R$") are primarily monetary and have been translated to U.S. dollars using the exchange rate in effect at the balance sheet date (R$6.19 to U.S. $1 for the period ended December 31, 2024). Results of operations have been translated using the average exchange rate during the period. The average exchange rate was R$ 5.58 to U.S. $1 for the reporting period ended December 31, 2024.

Use of Estimates
The preparation of financial statements in conformity with U.S. GAAP requires the Company's management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash, Cash Equivalents and Restricted Cash
Cash and cash equivalents consists of highly liquid investments including time deposits with original maturities when acquired of three months or less. Cash balances held on behalf of the owners of managed vessels to cover operating expenses and capital expenditure related to these vessels have been presented as restricted cash in the balance sheet, together with bank deposits held in the Company's name that are used as collateral for guarantees and performance bonds issued by banks.

Receivables and Allowance for Expected Credit Losses
Accounts receivable and other receivables are presented net of allowance for expected credit losses. The Company determines an asset is impaired when, based on past events and current information, it is probable that the Company will be unable to recover amounts due according to original contractual terms.

Deferred Financing and Offering Costs
The costs associated with raising equity is charged to capital upon completion of the relevant offering or charged to operations if the offering is not completed. Financing costs, including fees, commissions and legal expenses are deferred and amortized over the term of the debt arrangement, which approximates the effective interest method. Incurred initial fees related to loans not drawn are presented as deferred assets. Unamortized deferred financing costs are deducted from the carrying value of the associated financial liability.

Vessels and Equipment
Vessels and equipment are stated at cost, less accumulated depreciation and impairment. Contingent considerations related to vessel and equipment acquisitions are estimated and included in the cost price when these are considered probable and can be reasonably estimated. Operating vessels and equipment are depreciated over the estimated useful life of the assets of 30 years from the construction date using the straight-line method with an estimate for salvage value. Additions or improvements that increase the value or extend the life of an asset are capitalized and depreciated. Expenditures for normal maintenance and repairs are expensed as incurred. Disposals are removed from the accounts at cost less accumulated depreciation, and any gain or loss from disposition is reflected in the statement of operations.

Note 2 Basis of Preparation of Accounting Policies (continued)

Impairment of Long-Lived Assets
The Company periodically assesses the carrying value of its long-lived assets when events or circumstances indicate that the carrying value of such assets may not be recoverable. Recoverability is assessed by comparison of an asset's carrying value to the undiscounted estimated future cash flows expected to be generated by that asset. In the event that the Company determines that an asset's carrying value is not recoverable, the amount of impairment is measured based on the fair value of the asset as determined by broker estimates or discounted future cash flows depending upon facts and circumstances. Management's assumptions are necessarily subjective and are an inherent part of our asset impairment evaluation, and the use of different assumptions could produce results that differ from actuals. Our methodology generally involves the use of significant unobservable inputs, representative of a Level 3 fair value measurement, which may include assumptions related to future dayrate revenue, operating costs, capital expenditure and rig utilization, the long-term future performance of our rigs and future market conditions and management's expectations may not be indicative of actual future outcomes. Significant unanticipated changes to these assumptions could materially alter our analysis in testing an asset for potential impairment. For example, changes in market conditions that exist at the measurement date or that are projected by management could affect our key assumptions. Other events or circumstances that could affect our assumptions may include, but are not limited to, a further sustained decline in oil and gas prices, cancellations of our drilling contracts or contracts of our competitors, contract modifications, costs to comply with new governmental regulations, capital expenditures required due to advances in offshore drilling technology, global oversupply of oil and geopolitical events, such as lifting sanctions on oil-producing nations. Should actual market conditions in the future vary significantly from market conditions used in our projections, our assessment of impairment would likely be different. No impairment indicators were identified as of December 31, 2024.

Revenue Recognition
Contracts with customers generally provide for an offshore drilling rig and drilling services on a dayrate contract basis. Drilling services are considered as a single performance obligation satisfied over time. The integrated services provided under our contracts primarily include (i) provision of an offshore drilling rig, the work crew and supplies of equipment and services necessary to operate the rig, (ii) mobilization and demobilization of the rig to and from the drill site and (iii) performance of rig preparation activities and/or modifications required for each contract.

Dayrate Drilling Revenue
Our drilling contracts generally provide for payment on a dayrate basis, with higher rates for periods when the drilling unit is operating and lower rates or zero rates for periods when drilling operations are interrupted, restricted by equipment breakdowns or adverse environmental conditions. The dayrate invoices billed to the customer are typically determined based on the varying rates applicable to the specific activities performed on an hourly basis. Such dayrate consideration is allocated to the distinct hourly increment it relates to within the contract term, and therefore recognized in line with the contractual rate billed for the services provided for any given hour.

Certain of our contracts contain performance-based incentives, whereby we may earn a bonus or incur penalties based on pre-established performance metrics. Consideration related to the performance incentive is generally recognized in the specific time period to which the performance criteria were attributed.

Mobilization and Demobilization Revenue
We may receive fees (on either a fixed lump-sum or variable dayrate basis) for the mobilization and demobilization of our drilling units. These activities are not considered to be distinct within the context of the contract, and therefore the associated revenue is allocated to the overall performance obligation. We record a liability for mobilization fees received and amortize such on a straight-line basis to operating revenue over the initial term of the related drilling contract.

Note 2 Basis of Preparation of Accounting Policies (continued)

Demobilization revenue, if applicable under a contract, is estimated as part of the overall transaction price at contract inception and recognized as contract drilling revenue on a straight-line basis over the term of the contract. In some contracts, there is uncertainty as to the likelihood and amount of expected demobilization revenue to be received. For example, contractual provisions may require that a rig demobilize a certain distance before the demobilization revenue is payable or the amount may vary dependent upon whether or not the rig has additional contracted work within a certain distance from the wellsite. Therefore, the estimate for such revenue may be constrained depending on the facts and circumstances pertaining to the specific contract. We assess the likelihood of receiving such revenue based on our past experience and knowledge of market conditions.

Contract Preparation Revenue
Some of our drilling contracts require downtime before the start of the contract to prepare the rig to meet customer requirements. At times, the customer may compensate us for such work (on either a fixed lump-sum or variable dayrate basis). These activities are not considered to be distinct within the context of the contract. We record a liability for contract preparation upfront fees received, which is amortized on a straight-line basis to contract drilling revenue over the initial term of the related drilling contract.

Capital Modification Revenue
From time to time, we may receive fees from our customers for capital improvements or upgrades to our rigs to meet contractual requirements (on either a fixed lump-sum or variable dayrate basis). The activities related to these capital modifications are not considered to be distinct within the context of our contracts. We record a liability for the upfront fees received and recognize them on a straight-line basis to contract drilling revenue over the term of the related drilling contract.

Reimbursement Revenue and Management Fees
Some operating agreements for the vessels include revenue from reimbursements of expenses where the principal relationship exists between the Company and the service providers. The operating expenses are recorded in Rig Operating Expenses and reimbursements of expenses are recorded in Operating Revenues.

For rigs owned by third-parties that we manage, the contracts generally provide for a fixed fee based on various factors. In addition, we may earn a fee based on a percentage of the effective dayrate of a drilling contract and a variable management fee of the gross margin associated with managing an operating rig.

Deferred mobilization costs
The Company incurs costs to prepare rigs for contract and deliver or mobilize rigs to drilling locations. The Company defers pre-operating contract preparation and mobilization costs and recognizes such costs on a straight-line basis over the estimated firm period of the drilling contract. Contract preparation and mobilization costs can include costs relating to equipment, labor and rig transportation costs that are directly attributable to our future performance obligation under each respective drilling contract. Costs incurred for the demobilization of rigs at contract completion are recognized as incurred during the demobilization process.

Intangibles and unfavourable contract liabilities
Intangible assets represent value of contractual rights for customer contracts obtained in connection with business acquisitions. Unfavourable contract liabilities represent contractual rights obtained in connection with business acquisitions that have unfavorable contractual terms relative to market as of the acquisition dates. Intangibles with finite lives are amortized in revenues over the period of the related contracts.

Note 2 Basis of Preparation of Accounting Policies (continued)

Leases
The Company has certain lease contracts for equipment and premises resulting in a right-of-use asset and a lease liability and the Company has applied an incremental borrowing rate as the discount rate to calculate the respective asset and liability. The Company determines if an arrangement is or contains a lease at contract inception. The Company recognizes a right-of-use (ROU) asset and a lease liability at the lease commencement date. For operating leases, the lease liability is initially and subsequently measured at the present value of the unpaid lease payments at the lease commencement date. Options to renew our lease terms are included in determining the ROU asset and lease liability when it is reasonably certain that options will be exercised. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for lease payments made at or before the lease commencement date, plus any initial direct costs incurred less any lease incentives received. For the operating leases, the right-of-use asset is subsequently measured throughout the lease term at the carrying amount of the lease liability, plus initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The Company has elected not to recognize leases with an initial term of twelve months or less on the balance sheet. These are recognized on a straight-line basis and are recognized in the period as incurred.

Contingencies
A liability is recognized when a loss or a liability is considered probable and the amount can be reasonably estimated, based upon the information available before the issuance of the financial statements. If we determine that a loss is reasonably possible and the loss or range of loss can be estimated, we disclose the possible loss in the notes to the consolidated financial statements. Significant judgment is required to determine both the probability and the estimated amounts.

Related Parties
Parties are related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also related if they are subject to common control or common significant influence.

Fair Value of Financial Instruments
Carrying amounts of certain of the Company's financial instruments, including cash, cash equivalents and restricted cash and accounts receivable, approximate fair value because of their short maturities. For financial instruments subject to fair value valuation the Company uses valuation approaches that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. The Company determines fair value based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market.

Share-based Compensation
The Company has granted stock options as incentive-based compensation to management, employees and board members. The Company has also issued equity settled warrants for certain services. The Company measures the cost of such equity-classified awards using the grant date fair value of the award using representative Black-Scholes option pricing models and recognizes the cost over the vesting period. For awards without a vesting period the cost is recognized when the service is provided. Forfeitures are accounted for as they occur.

Income Taxes
The Company is a Bermuda registered entity and under current Bermuda law, the Company is not subject to corporate income taxes. In December 2023, Bermuda enacted the Corporate Income Tax Act 2023 ("Corporate Income Tax Act") that introduces a 15% income tax from January 1, 2025. This is consistent with the Global Anti-Base Erosion Model Rules (Pillar 2) published by the Organization for Economic Co-operation and Development ("OECD") and it overrides previous assurances of tax exemption in Bermuda until 2035. The Pillar 2 rules call for a global minimum tax of 15% on a per-jurisdiction basis for multi-national enterprises with annual revenues of more than €750 million. The Company does not have annual revenues above €750 million in the consolidated financial statements and is therefore currently not in scope for the provisions of the Corporate Income Tax Act in Bermuda or the Pillar 2 rules. The Company has several subsidiaries and branches in various jurisdictions subject to different tax regimes. The vessel owning entities are registered in British Virgin Islands, which is exempt from taxes.

Note 2 Basis of Preparation of Accounting Policies (continued)

The Company's Brazilian operating company, Ventura Petroleo, is subject to Brazilian taxes and has incurred significant net operating losses since its inception, and therefore has no tax liability nor recognized a deferred tax assets due to uncertainty related to future utilization. In 2024, Brazil introduced a Social Contribution on Profit tax, referred to as the Additional CSLL, which establishes a minimum tax rate of 15%. This Additional CSLL functions as a domestic Qualified Domestic Minimum Top-up Tax, in alignment with the OECD Pillar 2 Global Minimum Tax Rules effective from January 1, 2025. This tax is applied fully to the domestic constituent entities, irrespective of the shareholding structure of the ultimate parent company. Our income tax expense is based on the tax laws and statutory enacted tax rates in effect in the various jurisdictions in which we operate.

Segment Reporting

A segment is a distinguishable component of the business that is engaged in business activities from which we earn revenues and incur expenses whose operating results are regularly reviewed by the chief operating decision maker ("CODM") (our Board of Directors), and which are subject to risks and rewards that are different from those of other segments. We have identified two reportable segments being Operations of owned vessels and Operations of managed vessels.

Recently Adopted Accounting Standards and Recent Accounting Pronouncements

The FASB issues Accounting Standards Updates ("ASU") to communicate changes to the codification. The Company considers the applicability and impact of ASUs issued. As of December 31, 2024, no ASUs recently issued are expected to have a material impact on these consolidated financial statements.

In November 2023, the FASB issued ASU No. 2023-07 ("ASU 2023-07"), Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures, which requires, among other things, the following: (i) enhanced disclosures about significant segment expenses that are regularly provided to the chief operating decision maker and included in a segment's reported measure of profit or loss, (ii) disclosure of the amount and description of the composition of other segment items, as defined in ASU 2023-07, by reportable segment, and (iii) reporting the disclosures about each reportable segment's profit or loss and assets on an annual and interim basis.

In December 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2023-09 ("ASU 2023-09"), Income Taxes (Topic 740): Improvements to Income Tax Disclosures, which requires, among other things, the following for public business entities: (i) enhanced disclosures of specific categories of reconciling items included in the rate reconciliation, as well as additional information for any of these items meeting certain qualitative and quantitative thresholds, (ii) disclosure of the nature, effect, and underlying causes of each individual reconciling item disclosed in the rate reconciliation and the judgment used in categorizing them if not otherwise evident, and (iii) enhanced disclosures for income taxes paid, which includes federal, state, and foreign taxes, as well as for individual jurisdictions over a certain quantitative threshold. The amendments in ASU 2023-09 eliminate the requirement to disclose the nature and estimate of the range of the reasonably possible change in unrecognized tax benefits for the 12 months after the balance sheet date. The provisions of ASU 2023-09 are effective for annual periods beginning after December 15, 2024; early adoption is permitted. Adoption is expected to impact related disclosures.

Note 3 Acquisition of shares in Universal Energy Resources Inc

On March 8, 2024, the Company entered into a Sale and Purchase agreement (“SPA”) to acquire 100% of the shares in Universal Energy Resources Inc from Petroserv Marine Inc. for an enterprise value of $280.0 million including net free cash of $10 million and targeted net working capital of $12.5 million. The purchase price was subject to certain adjustment mechanisms, and the actual purchase price payable to the Seller deviated on actual cash and net working capital as at the closing of the UER Acquisition. Consequently, on May 8, 2024, the Company paid $281.0 million for the shares in UER including cash and working capital (excluding items related to managed vessels) of $23.5 million. In July 2024, a final closing balance for the transaction was agreed and resulted in a further adjustment of $0.1 million to the purchase price.

The transaction has been considered as a business combination under ASC 805 and a purchase price allocation (“PPA”) has been performed to determine the fair value of the assumed assets and liabilities presented in the table below:

in USD millions	**Purchase Price Allocation**
Assets:	
Cash and Cash Equivalents	15.3
Restricted Cash	13.6
Accounts Receivable, net	21.5
Prepaid Expenses and other current assets	6.9
Vessels and Equipment	401.7
Deferred Tax Assets, net	19.8
Intangible Assets	14.3
Other assets	10.7
Total assets acquired	503.8
Accounts Payable	15.5
Unfavourable Contract Liabilities	177.1
Deferred Tax Liabilities	1.6
Other Liabilities	27.1
Total Liabilities Assumed	221.3
Total	282.5
-Less net balances for managed vessels	(1.6)
= Acquisition price	**280.9**

Acquired receivables were towards Petrobras and no allowance for credit losses was made as these were expected to be immaterial. No adjustments were made to lease liabilities and right-of-use assets as these contracts are of shorter duration and considered to be at market terms at closing. Contingent liabilities from claims and litigations were included from the PPA assessment with $0.8 million.

Note 3 Acquisition of shares in Universal Energy Resources Inc (continued)

The identified and acquired intangible assets of $14.3 million were related to customer relationships for vessels owned by third parties and expected to be amortized over the life of the contracts. In July 2024, the Company acquired SSV Catarina, which was under management in the period up to the acquisition date, and a net of $1.7 million related to the pre-existing relationships was expensed as a result of terminating the management agreement with the previous owners. Amortization of the intangible assets balance of $12.4 million as of December 31, 2024, is expected to commence in the beginning of 2025 and over the expected contract life of the management contract of 2.8 years.

We refer to note 4 for information related to the identified unfavourable contracts liability, note 5 for acquired vessels and equipment and note 12 for deferred tax assets.

The Company did not have any operations prior to the acquisition of UER on May 8, 2024, and revenues, rig operating and maintenance expenses and depreciation and amortization relates to the acquired business and the operations of SSV Catarina that was acquired in July 2024. Included in general and administrative expenses for the year-to-date period ending December 31, 2024 are acquisition related cost of approximately $3.8 million of which $2.6 million is a non-cash expense related to warrants issued.

Supplemental Pro Forma Information
The parent company in the group was incorporated in February 2024 and no comparative balance sheet or profit and loss figures have been presented. The acquired business, Universal Energy Resources Inc ("UER"), has had operating activities for many years. The unaudited pro forma financial information is prepared to illustrate how the acquisition would have affected the Group's consolidated revenue and earnings for the twelve months period ending 31 December 2024 as if the acquisition had taken place with effect from 1 January 2024 and is compiled based upon the following information:

1) The unaudited consolidated management accounts for Universal Energy Resources Inc for the twelve months period ended December 31, 2024
2) The SPA for the acquisition of the shares in Universal Energy Resources Inc.;
3) The 10.00% interest Senior secured bond loan of USD 130.0 million agreement described in note 6 used to fund the UER transaction is assumed to be outstanding from January 1 and assuming the original amortization of $7.5 million per quarter, and the tap issue of $55.0 million outstanding from July 19, 2024, and with downpayment of $10.0 million in the fourth quarter;
4) The PPA valuation for certain assets and liabilities including amortization of the unfavourable contract liability, intangible assets and associated deferred tax balances;
5) The reversal of pre-acquistion restructuring gains of $52.8 million related to the previous owner of UER;
6) Other management prepared information regarding certain assets and liabilities

	UER January 1 – December 31	Pro Forma adjustments	Pro Forma figures January 1 – December 31
Revenues	250,814	85,039	335,853
Net Income	75,110	11,865	86,975

Because of its nature, the pro forma financial information addresses a hypothetical situation prepared for illustrative purposes only and, therefore, does not represent the Group's actual financial position if the acquisition had in fact occurred on 1 January 2024 and is not representative of the results of operations for any future periods.

Note 4 Revenues and segment information

The Company's vessels, DS Carolina and SSV Victoria, are chartered out on three-year contracts to the oil major Petrobras. The charter contracts include a day rate that is paid partly in US dollars and with an element that is paid in Brazilian reais that is adjusted annually for inflation. The three-year contracts commenced in 2023 and expire in the second quarter of 2026. On December 17, 2024, the Company announced that DS Carolina was awarded a new contract commencing in 2026 with a firm period of 910 days, plus an optional period of 305 days, with Petrobras for the Sepia and Atapu field following expiry of the current contract and essential contract preparation works and class inspections.

On July 23, 2024, the Company completed the asset acquisition of SSV Catarina and simultaneously the operating agreement with the previous owner of the vessel was terminated. The delivery of the vessel took place during transit from Vietnam to Indonesia, and the vessel commenced a well-based drilling contract with the oil major ENI on August 17 with an initial expected duration of about 300 days, plus an optional five wells that could extend the contract period into the second quarter of 2026, if exercised. As the drilling contract is well-based, the initial period may be extended beyond the initial expected duration of 300 days based on the progress of the drilling.

After the acquisition of SSV Catarina, the Company has one operating and marketing agreement left that generates management income related to the vessel DS Zonda, owned by a third party. The DS Zonda has been successfully prepared for its three-year contract, plus three optional years, with Petrobras through contract preparation and mobilization from Korea and Singapore. DS Zonda arrived in Brazilian waters in the latter part of 4Q24 and commenced its contract with Petrobras on April 18, 2025. The operating and marketing agreements have been signed with the owners of Zonda for the operations of the vessel. Further, the owner of the vessel assumes the operational risks and rewards related to revenues and expenses under the contract period and the Company is expected to earn a management fee that is subject to the operational performance of the vessel during the period.

The acquisition of UER was effective as of May 8, 2024, and the below table includes operating revenues and expenses incurred in the period from May 8 to December 31, except for General and Administrative Expenses that is including costs incurred from the inception of the Company in February 2024.

The Company has two reportable segments that are measured by the chief operating decision makers, the Board of Directors; (1) Operations of Owned Vessels related to the three units owned by the Company as of December 31, 2024, and (2) Operations of Managed Vessels that include recognised revenues and expenses for DS Zonda and SSV Catarina before this unit was acquired in July 2024. Non-cash revenue from unfavourable contracts, general and administrative expenses and interest expenses, net, are not allocated to the operating segments for purposes of measuring segment income from operations and are included in "Unallocated" in the table below. The significant segment expense categories include the Rig operating and maintenance expenses, and review of the total of the unallocated General and Administrative expenses.

The Company's revenues are generated from certain major customers and for the year-to-date period ending December 31, 2024, three customers accounted for 59.4%, 18.2% and 13.1% of the revenues, respectively. Gross revenues of $241.9 million in the table below includes $143.7 million of revenues for the two units that have operated in Brazil from May 8 to December 31, 2024 and the remaining revenues are associated with revenues from managed vessels and revenues generated outside Brazil.

Note 4 Revenues and segment information (continued)

	Operations of Owned Vessels	**Operations of Managed Vessels**	**Unallocated items**	**Total**
Contract Drilling Services	127,409	-	59,020	186,429
Reimbursable Revenues	1,210	50,554	-	51,764
Management Fee Income	-	3,732	-	3,732
Sub-total revenues	**128,619**	**54,286**	**59,020**	**241,925**
Rig Operating and Maintenance Expenses	(68,975)	-	-	(68,975)
Reimbursable Expenses	(1,195)	(50,727)	-	(51,923)
Depreciation and amortization	(19,497)	(1,900)	-	(21,397)
General and Administrative expenses	-	-	(21,133)	(21,133)
Operating Income	**38,951**	**1,659**	**37,887**	**78,497**
Interest Expense, net	-	-	(11,664)	(11,664)
Income Tax Expense	(2,769)	-	(6,399)	(9,168)
Net Income	**36,182**	**1,659**	**19,824**	**57,665**

Information related to the Company's total assets is not allocated per segment. However, the most significant assets in the balance sheet are the drilling units included in Vessels and Equipment in the consolidated balance sheet that is included in the segment of owned vessels. The geographic allocation of Vessels and Equipment is as follows per December 31, 2024:

in USD thousands	
Brazil	386,728
Indonesia	123,045
Balance as of December 31, 2024	**509,773**

As part of UER acquisition the Company recognized an unfavourable contract liability of $177.1 million from current charter contracts in Brazil being below the prevailing market rates for similar vessels. The identified unfavourable contract liability of $177.1 million is amortized over the remaining duration of the contracts for the two drilling units acquired. For the period ending December 31, 2024, the Company has recognized non-cash revenue of $59.0 million as presented in the unallocated items in the table above.

in USD thousands	Unfavourable Contracts Liability
Balance at inception of the Company	-
Additions (ref note 3)	177,100
Amortization	(59,020)
Balance as of December 31, 2024	**118,080**

Estimated future amortization of the unfavourable contract liabilities:

in USD thousands	
2025 (current portion)	90,896
2026 (non-current portion)	27,184
Balance as of December 31, 2024	**118,080**

Note 4 Revenues and segment information (continued)

Contract balances
Customer contract assets and liabilities generally consist of accounts receivable, deferred revenue and contracts costs related to services provided. Accounts receivables are recognized when the performance obligation has been fulfilled and the Company has an unconditional right to receive payment for services delivered. The Company has recognized $4.2 million in revenues from received mobilization payments related to new drilling contracts in 2024 that have been amortized over the assumed initial firm contract period and with a closing balance of $5.7 million at year end. Further, certain direct and incremental costs of $3.7 million were incurred for contract preparation and mobilization. These costs are considered as fulfilment cost and are amortized in the same manner as the deferred mobilization revenue and with a closing balance of $2.1 million at year end.

We have elected to utilize an optional exemption to exclude disclosure of the estimated transaction price related to the variable portion of unsatisfied performance obligations, as our revenues are based on a single performance obligation consisting of a series of distinct hourly increments and the variability will be resolved at the time the future services are rendered.

Note 5 Vessels and Equipment

Vessels and equipment consist of the cost price and capital expenditure for the vessels, SSV Victoria, DS Carolina and SSV Catarina and accumulated depreciation. The two first vessels were acquired in the UER Acquisition as described in note 3 and the value of the vessels have been determined in a Purchase Price Allocation. The valuation of the vessels was based on a combination of broker estimates and a discounted cash flow valuation model using estimated market rates for the remaining useful life of the vessels on an “as is where is” basis. We refer to further information in note 3 related to the Purchase Price Allocation.

On July 23, 2024, the Company acquired the asset SSV Catarina for a consideration of $100.0 million in cash, $5.0 million in new shares in the Company and certain costs associated with delivery of the drilling unit, plus an earnout agreement that encompassed 17.5% of the free cash flow generated by the vessel for the first five years after delivery to be distributed to the sellers. A pre-existing relationship of $1.9 mill was fully amortized as a result of terminating the management agreement with the previous owners. On February 10, 2025, the Company announced that it had agreed with the sellers of SSV Catarina to pay a lump sum of $8.0 million to acquire the earnout agreement and settle all other amounts outstanding related to the management agreement for the vessel that was terminated when the unit was acquired by the Company. The agreement and its accounting effects, which is expected to include an adjustment of the carrying value, will be fully reflected in the 2025 financial statements.

The Company estimated the fair value of the profit-split earnout agreement as of the acquisition date and included an amount of $17.3 million as part of the cost price of the vessel and with an associated estimated liability of the same amount. The estimation of the fair value included estimation of assumed dayrates, utilization, operating costs, capital expenditures and taxes during the five-year period. Future quarterly payments under the earnout agreement were to be recorded as a reduction of the estimated liability. The estimated liability as of December 31, 2024 is presented in the Company’s balance sheet as part of Other Current Liabilities and Other Non-Current Liabilities.

The carrying value of the vessels as of December 31, 2024:

in USD thousands	
Vessels and equipment	529,139
Other Property and Equipment	131
	529,270
Less: accumulated depreciation	(19,497)
Total	**509,773**

Note 6 Interest Bearing Debt and Financing

On April 19, 2024, the Company's wholly owned subsidiary, Ventura Offshore Midco Ltd., raised a senior secured bond loan with gross proceeds of $130.0 million to partly fund the UER Acquisition. First-priority security was established in the two rigs owned by Universal Energy Resources Inc Group at the date of the acquisition, the shares in Ventura Offshore Midco Ltd. and all subsidiaries, together with assignment of earnings and insurances including bank account pledges. The loan amortized initially with $30.0 million annually and with quarterly payments of incurred interest and instalments.

To fund parts of the cost when acquiring SSV Catarina in July 2024, the Company raised an additional amount of $55.0 million as a tap issue under the existing bond loan agreement on July 19, 2024, and thereby increased the outstanding loan balance from $130.0 million to $185.0 million. The tap issue loan was issued at a price of 100.5% with gross proceeds of $55.3 million and the premium was recorded together with the associated deferred issuance cost. SSV Catarina was added as collateral for the bond loan, the annual amortization increased from $30.0 million to $40.0 million, and the minimum liquidity covenant was raised from $10.0 million to $15.0 million that includes the unutilized portion of the revolving credit facility discussed below. Other terms remained the same and the loan carries a nominal interest per annum of 10.0%, requires a loan to value ratio of maximum 60% and the remaining balance of $85.0 million to be paid upon maturity in April 2027. The loan can be voluntarily repaid at a price equal to 102% of par from October 2025 to April 2026 and at 101% in the following period up to January 2027. The first instalment of $10.0 million was paid in October 2024 together with incurred interest, and the outstanding loan balance as of December 31, 2024, was $175.0 million.

Further, the Company entered into a revolving credit agreement in July 2024 of $30.0 million for working capital financing purposes. The credit facility can be utilized for cash withdrawals or issuance of guarantees. The revolving credit facility carries term interest of Secured Overnight Financing Rate ("SOFR") plus a margin of 3.75% upon utilization and a commitment fee for the unutilized portion. Guarantees issued under the facility carries an interest of 2.0%. Further, the facility has a duration of up to two years. The facility is a super senior secured facility that has the same security package as the bond loan. The free liquidity covenant of $15.0 million under the bond loan agreement allows for the unused portion of the RCF to be included as free liquidity. The financial covenants for the RCF are aligned with the covenants for the bond loan, plus certain standard market financial covenants. The Company has drawn $10.8 million on the facility as of December 31, 2024, that has been used to fund certain cash and term deposits of the same amount used as collateral for performance bonds issued in relation to the current drilling contract for SSV Catarina.

Interest expenses of $12.9 million for the year-to-date period ending December 31, 2024, include interest expense incurred on the senior secured bond loan and the RCF, plus amortization of deferred financing cost of $1.0 million.

Long-term debt as of December 31, 2024, consists of the following:

in USD thousands	
Bond Loan	175,000
Revolving Credit Facility	10,800
Total Long-Term Debt	**185,800**
Less:	
Unamortized debt issuance cost	2,324
Current instalments	40,000
Total Long-Term Debt, net of unamortized debt issuance and current instalments	**143,476**

Note 6 Interest Bearing Debt and Financing (continued)

The annual principal repayments required to be made under the outstanding bond loan as of December 31, 2024, is as follows:

in USD thousands	
2025	40,000
2026	40,000
2027	95,000
2028	-
2029	-
Total outstanding as of December 31, 2024	175,000

Factors impacting liquidity
As discussed in note 4, the Company announced on December 17, 2024, a new contract for DS Carolina commencing in 2026 upon expiry of the current contract and followed by contract preparation works and class inspections. The majority of the capex expenditure will be incurred in 2026. However, certain long-lead items will be ordered and partly paid during 2025 and early 2026 to have the items available during the period for contract preparation. The Company is to receive a substantial mobilization fee of approximately $26.0 million from Petrobras under the DS Carolina contract. The mobilization fee will however not fall due until DS Carolina has commenced the new contract and after the cost of the capital expenditures has been incurred. The Company is further working towards securing a new contract for SSV Victoria upon expiry of the current contract in mid-2026 and succeeding with this would initiate a similar capex process for this unit. Should the Company be successful in securing a long-term contract on SSV Victoria, the expected capex expenditures preparing the two units for new contract is expected to require funding beyond the available liquidity of the Company as of today and expected free cash flows after debt amortisation and interest payments in the coming twelve months. Basis the above-mentioned capex expenditure and cash outlays the Company is expected to incur for the contract preparation works for the already secured contract for DS Carolina and potentially for SSV Victoria, it is expected that the Company will raise additional funds. The Company is assessing different alternatives to raise the necessary funds primarily through increase or refinancing of the currently outstanding loan facilities. It is considered that the contract secured for DS Carolina is a sound basis for progressing. However, execution and timing is expected be impacted by developments related to new contract opportunities for SSV Victoria or contract extensions for SSV Catarina.

Note 7 Shareholders' Equity and Warrants

Authorized, issued and outstanding common shares roll-forward is as follows:

	Authorized Number of Shares	**Issued and Outstanding Number of Shares**	**Common Stock**
Balance as of February 24, 2024	-	-	-
Incorporation of the Company	1,000,000	1	$0
Share Offering May	169,000,000	85,000,000	$850,000
Share Offering July	-	17,833,333	$178,333
Share issued as compensation July	-	1,776,050	$17,761
Shares issued for exercise of warrants		1,102,976	$11,030
Balance as of December 31, 2024	**170,000,000**	**105,712,360**	**$1,057,124**

The authorized share capital of the Company is $1,700,000 with a nominal amount of $0.01 per share.

A share offering of $170.0 million, and the associated registration of the shares was completed on May 10, 2024, in conjunction with completion of the UER Transaction resulting in 85 million new shares being issued at $2.0 per share. In conjunction with this offering, the number of authorized shares was increased to 170,000,000.

Note 7 Shareholders' Equity and Warrants (continued)

On July 18, 2024, the Company raised new equity of NOK 535.0 million (about $50 million) in gross proceeds through issuing 17,833,333 new shares at NOK 30 per share to partly finance the acquisition of SSV Catarina, described in note 3 and 6 and further issued 1,766,050 shares on July 23, 2024, at NOK 30 per share to settle $5.0 million of the total consideration agreed with the sellers of the vessel.

The Company has incurred approximately $4.4 million in transactions costs that has been recorded as a reduction of the share premium account. The Company's share premium fund as defined by Bermuda law is included in Additional Paid-in Capital.

Warrants
A consortium of investors prepaid subscribed equity of $28.0 million in March 2024 and allowed for this to be applied to a deposit of the same amount related to the SPA, signed in early March 2024, for acquisition of 100% of the shares in UER. The acquisition was completed on May 8, 2024. The amount of $28.0 million was used to subscribe for shares in the equity offering of $170.0 million, at $2.0 per share, that was effectuated in conjunction with completion of the UER Acquisition.

Further, the Company issued a total of 4,250,000 warrants to the consortium with each warrant giving the right to subscribe for 1 new share at par value ($0.01), where 2,550,000 warrants were issued in relation to the prepaid subscribed equity and the remaining 1,700,000 warrants were issued to the key contributors for their contribution to complete the acquisition. All warrants issued are equity settled. The warrants associated with the prepaid subscribed equity has been recorded as equity and the warrants issued to the key contributors have been considered as a service cost related to completing the acquisition and 100 % of the calculated cost has been recognized in the period ending December 31, 2024, equalling $2.6 million. The valuation of the warrants was done through use of a modified Black-Scholes model and with an assumed volatility of 40.1 %, a risk-free interest rate of 4.54 % and duration of 3 years.

The warrants are exercisable within 3 years, if the share price of the Company exceeds the following set of hurdles:

- 1/3 at 20% premium to the Offer Price of $2.0 per Share over a period of five consecutive days.
- 1/3 at 40% premium to the Offer Price of $2.0 per Share over a period of five consecutive days.
- 1/3 at 60% premium to the Offer Price of $2.0 per Share over a period of five consecutive days.

Two thirds of the warrants issued have vested and 1,102,976 warrants were exercised in October 2024 and accordingly the same number of shares were issued by the Company. As of December 31, 2024, there were 1,730,357 vested and unexercised warrants outstanding. The warrants have a strike price of $0.01 per share and the vested number of warrants have been included in the calculation of basic earnings per share for the period ending December 31, 2024. Further, there are 1,416,666 unvested warrants outstanding that are included in the calculation of diluted EPS.

The chairman of the board is holding, directly and indirectly, 328,869 warrants and owns 1,407,739 shares as of December 31, 2024. Two of the board members have been granted a total of 100,000 stock options. The stock options are vesting with equal parts over a period of three years from June 5, 2024, and has a strike price of $2.0 per share.

Note 8 Restricted Cash and Other Current Assets

The Company is holding $12.1 million of restricted cash that includes cash held on behalf of the owners of DS Zonda for payment of capital expenditure and operating expenses, including $1.3 million of cash held in bank accounts used as collateral for performance bonds related to drilling contracts.

As of December 31, 2024, the Company has issued guarantees and performance bonds totalling $10.8 million in relation to the operations of SSV Catarina. We have deposited $9.5 million as a time deposit with a local bank in Indonesia as security for a performance bond of the same amount that is presented in Other Current Assets.

Other Current Assets as of December 31, 2024, consist of the following:

in USD thousands	
VAT and tax receivables	7,069
Prepaid Insurance	1,580
Collateral Deposit (cash) - Performance Bond	9,500
Other	1,926
Total	**20,075**

Note 9 Earnings per Share

Basic earnings per share ("EPS") are computed by dividing net income by the weighted-average number of common shares outstanding for the period. The basic EPS denominator includes 1,730,357 warrants vested (not exercised), where no or little consideration is required, and are included in the calculation from their vesting date.

The dilutive effect of stock warrants and options is determined using the Treasury Stock Method. Diluted EPS is computed by dividing net income by the weighted-average number of common shares and dilutive common stock equivalents (warrants) outstanding during the period. Dilutive common stock equivalents have been included from their issuance date. The Company has issued 1,416,666 unvested warrants that have been included in the diluted EPS calculation. Further information regarding shares and warrants outstanding can be found in note 7.

The Company has issued 1,425,000 stock options to board members, management and key employees that have not been included the diluted EPS calculation as these had an antidilutive effect as of December 31, 2024.

In USD thousands, except shares and per share data	**February 24, 2024 – December 31, 2024 (YTD)**
Numerator for earnings per share	
Net Income (Loss)	57,665
Denominator for earnings per share	
Basic weighted average number of common shares	76,452,125
Diluted weighted average number of common shares	77,870,481
Income per share – basic	0.75
Income per share - diluted	0.74

Note 10 Leases

The Company has various operating leases, principally for operating equipment and office space, which expire at various dates. Future minimum lease payments related to the operating leases are as follows:

in USD thousands	**As of December 31, 2024**
2025	4,940
2026	2,806
2027	75
2028	16
2029	-
Total remaining lease payments as of December 31, 2024	7,837
Less: Imputed Interest	(765)
Present value of lease liabilities	7,072

The weighted average remaining lease term is 1.5 years and the average discount rate is 9.76%. The Company has recognized an operating lease expense of $7.6 million in 2024.

Note 11 Income Tax

The Company is incorporated in Bermuda and is not subject to income taxes in Bermuda. Our subsidiaries are operating in several jurisdictions and are subject to local tax laws as well as interpretation thereof. Our income tax expense is a function a deferred tax balance recognised as part of the PPA assessment related to identified unfavourable customer contracts when acquiring UER and income tax expense incurred in Indonesia for the operations of SSV Catarina during the year. Income taxes in Indonesia are based on deemed profit. A deferred tax asset of $19.8 million was recognized related to the unfavourable contracts liability in UER acquisition.

The components of income tax expense and balances for the period ending December 31, 2024 are as follows:

in USD thousands	
Income tax expense – Indonesia	2,769
Change in Deferred tax	6,399
Total	**9,168**

in USD thousands	Deferred Tax Assets	Deferred Tax Liability
Intangibles from UER acquisition	19,837	(1,602)
Reversals during the year	(6,612)	213
Ending Balance December 31, 2024	**13,225**	**(1,389)**

The Company has accumulated significant carried forward tax losses in Brazil from previous periods. No deferred tax asset has been recognized related to these losses due to uncertainty about future utilization and there are certain limitations related to annual utilization.

Note 12 Other Liabilities

Other Current Liabilities as of December 31, 2024, consist of the following:

in USD thousands	
Income taxes payable	2,052
Accrued payroll including taxes and social	9,847
Catarina acquisition – earnout liability and cost accruals	7,082
Personal injury and other claims	2,076
Accrued rig operating costs	8,093
Accrued interest	3,724
Other	1,284
Total	**37,870**

Other Non-Current Liabilities as of December 31, 2024, consist of the following:

in USD thousands	
Catarina acquisition – earnout liability	12,391
Deferred tax liability	1,389
Total	**13,780**

Note 13 Share-based compensation

The Company has implemented a stock option incentive plan for its management and key employees. The stock incentive plan comprises of 1,500,000 stock options and on September 5, 2024, the Company granted 1,325,000 stock option under the incentive plan. The stock options are vesting with equal portions over three periods ending on July 1 in 2025, 2026 and 2027, and with a strike price of NOK 30.0 ($2.82). The valuation of the stock options has been done by applying a Black & Scholes model applying the following assumptions:

Volatility	40 %
Dividend yield *	0 %
Risk-free interest rate	3.48% - 3.97%

*applied nil as the exercise price is adjusted for dividends.

The volatility is based on an industry average of comparable peers, as the Company has not been listed for a sufficiently long period to observe a company-specific volatility. The grant date fair values of the options have been estimated to $0.25, $0.45 and $0.60 for the options vesting July 1, 2025, July 1, 2026, and July 1, 2027, respectively. The total cost of the program is estimated to be about $0.6 million and with an average remaining vesting period of 1.5 years. The Company has expensed approximately $0.1 million in the three-month period ending December 31, 2024 and the remaining compensation cost is $0.5 million. No options were exercisable and 1,325,000 stock options were outstanding as of December 31, 2024.

Note 14 Commitment and contingencies

The Company is involved in various claims in the ordinary course of business, including personal injury claims by offshore workers and other employee related claims. The Company has assessed these claims and the probability for a loss for the Company and recorded a provision of $2.1 million included in Other Current Liabilities to cover such claims.

Further, the Company has received tax assessments from the Brazilian Federal Revenue Service in 2008, 2009, 2017 and 2023, in connection with corporate income tax (IRPJ), social contribution on net profits (CSLL) and certain social contributions levied on gross revenue (PIS and Cofins) for the years of 2003, 2004, 2012 and 2018, respectively. These four cases are being challenged at the administrative level (Taxpayer's Council). As of December 31, 2024, the estimated amount involved for these four cases amount to $9.9 million. Management do not believe that payment of the assessments is probable. Consequently, no provision has been raised in the consolidated financial statements of the Company.

The Company could be subject to future review and examination by taxing agencies in the jurisdiction in which the Company operates, the results of which management does not believe would have a material adverse effect on the Company's consolidated financial position, operations or cash flows. However, there is inherent risk in any litigation or dispute and no assurance can be given as to the final outcome of these claims and the actual results of these matters could vary materially from the Company's current assumptions.

The Company is providing bank guarantees and performance bonds to counterparties as part of its regular operations. We refer to note 8 for further details.

Note 15 Financial instruments and risks

The Company uses valuation approaches for fair value measurements that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. The Company determines fair value based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market. When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are categorized in one of the following levels:

- Level 1 inputs: Unadjusted quoted prices in active markets for identical assets or liabilities accessible to the reporting entity at the measurement date.
- Level 2 inputs: Other than quoted prices included in Level 1 inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability.
- Level 3 inputs: Unobservable inputs for the asset or liability used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at measurement date.

The following methods and assumptions were used to estimate the fair value of each class of financial instruments and other financial assets.

- The carrying value of cash, cash equivalents and restricted cash is a reasonable estimate of fair value.
- The Company raised $55 million as a tap issue in July 2024 and increased the bond loan from $130 million to $185 million. The increase was done at a price of 100.5% of par value. The loan was listed on Nordic ABM at the end of September 2024. There have been transactions in the loan after the listing that indicates a valuation in the same range, and we have applied 100.5% as the fair value.

Note 15 Financial instruments and risks (continued)

The carrying value and estimated fair value of the Company`s financial instruments at December 31, 2024 are as follows:

in USD thousands	Fair value hierarchy, level	Fair Value	Carrying Value
Cash and Cash Equivalents	1	46,458	46,458
Restricted Cash	1	12,117	12,117
Revolving Credit Facility	2	10,800	10,518
Senior secured bond loan	2	175,910	171,385

Concentration of Credit Risk
Financial instruments which potentially subject to the Company to concentrations of credit risk consists primarily of cash, cash equivalents, restricted cash and accounts receivable. The Company's cash is primarily held in major banks. Accordingly, the Company believes the risk of any potential loss on deposits held in these institutions is remote. Concentrations of credit risk relative to accounts receivable are limited to our client base in the oil and energy industry that may be affected by changes in economic or other external conditions, but the credit risk related to oil majors is considered limited. The Company does not require collateral for its accounts receivable. The Company also provides management services for vessels owned by third parties. The Company is managing its risks related to this segment through collecting upfront payments for operating and capital expenditure and through collection of charter hire.

Interest rate risk
The Company's exposure to interest rate risk is mainly related to the Revolving Credit Facility of $30.0 million that the company entered into in July 2024. The facility carries a term interest rate with short duration, plus a margin, and the Company would be subject to changes in the SOFR interest rates for the outstanding amounts. The Company's fixed rate bond loan is only subject to interest rate risk in a scenario with voluntary refinancing of the bond loan or early repayment. Cash and cash equivalents are held in bank accounts with floating interest rates and as such the Company's interest income earnings will fluctuate with changes in the market rates.

Foreign currency risk
The Company's functional currency is United States dollars, and the majority of the Company's transactions, assets and liabilities are denominated in United States dollars. The Company has two vessels operating in Brazil and one vessel operating in Indonesia. The Company incurs certain operational costs in local currencies (mainly crew costs and purchases from local suppliers), which would be subject to currency fluctuations. The Company has not entered into any derivatives to mitigate this risk, as the foreign currency risk is not assumed to have a material negative impact.

Note 16 Subsequent events

On February 10, 2025, the Company announced that it had entered into an agreement with the previous owners of SSV Catarina to pay a lump sum of $8.0 million to acquire the 17.5% earnout agreement and settle all other amounts outstanding related to the termination of the previous management agreement for the vessel. The transaction will be fully reflected in the Company's 2025 financial report.

On February 25, 2025, the Company announced that DS Carolina had in January 2025 been subject to an order of interdiction from ANP (the regulatory body for oil, natural gas and biofuels industries in Brazil). ANP is of the view that certain emergency procedures used by the industry should be improved. On March 3, the Company announced that DS Carolina resumed operations and that the Company is in ongoing discussions with its client regarding the financial compensation for the suspension period.

On April 19, 2025, the Company announced that the managed vessel DS Zonda commenced operations under a three-year contract, with an optional for additional three years, with Petrobras.

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To the Board of Directors of Ventura Offshore Holding Ltd.

Independent Auditor's Report

Opinion

We have audited the consolidated financial statements of Ventura Offshore Holding Ltd and its subsidiaries ("the Group"), which comprise the consolidated balance sheet as at December 31, 2024, the consolidated statement of comprehensive income, the consolidated statement of shareholders' equity and the consolidated statements of cash flows for the period from February 24, 2024 to December 31, 2024, and notes, including material accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2024, and of its consolidated financial performance and its consolidated cash flows for the period from February 24, 2024 to December 31, 2024 in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the consolidated Financial Statements section of our report. We are independent of the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants, including International Independence Standards (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Board of Directors and the Managing Director (Management) are responsible for the other information published together with the consolidated financial statements. The other information comprises the Board of Directors report but does not include the consolidated financial statements and our auditors' report 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. The purpose is to consider if there is material inconsistency between the other information and the consolidated financial statements or our knowledge obtained in the audit, or whether the other information otherwise appears to be materially misstated. We are required to report if there is, a material misstatement in the other information. We have nothing to report in this regard.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial

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Statsautoriserte revisorer - medlemmer av Den norske Revisorforening

Offices in:

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statements in accordance with accounting standards generally accepted in the United States of America, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management 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 management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities 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 an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs 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 ISAs, 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 Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's 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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report 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 auditors' report. 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 or business activities within the group as a basis to express an opinion on the group financial statements. We are responsible for the direction, supervision and review of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control

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that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Oslo, Norway, April 29, 2025
KPMG AS

John Thomas Sørhaug
State Authorised Public Accountant
(This document is signed electronically)

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Sørhaug, John Thomas
State Authorised Public Accountant
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