Ventura Offshore Holding Ltd.

- Interim Financial Statements for the period ending March 31, 2025

Ventura Offshore Holding Ltd.
Condensed Consolidated Statement of Comprehensive Income (unaudited)

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

	Note	Three months ended March 31, 2025	February 24, 2024 – March 31, 2024
Operating Revenues			
Contract Drilling Services	3	75,474	-
Reimbursable revenues	3	19,432	-
Management Fees Income	3	1,066	-
Total Revenues		**95,972**	**-**
Operating Expenses			
Rig Operating and Maintenance Expenses	3	(32,367)	-
Reimbursable Expenses	3	(19,409)	-
Depreciation and Amortization Expenses	4	(7,844)	-
General and Administrative Expenses		(5,079)	(857)
Total Operating Expenses		**(64,699)**	**(857)**
Operating Income (Loss)		**31,273**	**(857)**
Financial Income (Expenses)			
Interest Income		128	56
Interest Expenses	5	(4,999)	-
Total Financial Income (Expenses), net		**(4,871)**	**56**
Net Income Before Income Taxes		**26,402**	**(801)**
Income Tax Expense	10	(3,917)	-
Net Income (Loss)		**22,485**	**(801)**
Other Comprehensive Income / (Loss)		(161)	-
Total Comprehensive Income (Loss)		**22,324**	**(801)**
Basic Income per Share	9	0.21	*
Diluted Income per Share	9	0.21	*
Basic Weighted Average Number of Shares Outstanding		107,442,717	*
Diluted Weighted-Average Number of Shares Outstanding		108,852,794	*

**Only one outstanding share as of March 31, 2024*

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

Ventura Offshore Holding Ltd.
Condensed Consolidated Balance Sheet (unaudited)

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

Assets	Note	As of March 31, 2025	As of December 31, 2024
Current Assets			
Cash and Cash Equivalents	13	27,859	46,458
Restricted Cash	8,13	9,708	12,117
Accounts Receivable, Net		55,248	39,120
Other Current Assets	8	22,302	22,202
Total Current Assets		**115,117**	**119,897**
Non-Current Assets			
Vessels and Equipment	4	491,626	509,773
Deferred Tax Assets	10	10,715	13,225
Intangible Assets	6	12,400	12,400
Other Non- Current Assets		893	558
Right-of-Use Assets		5,910	7,072
Total Non-Current Assets		**521,544**	**543,028**
Total Assets		**636,661**	**662,925**
Liabilities and Shareholders' Equity			
Current Liabilities			
Accounts Payable		15,905	17,274
Lease Liabilities		4,461	4,596
Other Current Liabilities		33,746	43,536
Unfavourable Contracts	6	90,896	90,896
Current Portion of Long-Term Debt	5,13	42,184	38,427
Total Current Liabilities		**187,192**	**194,729**
Non-Current Liabilities			
Long-Term Debt	5,13	138,180	143,476
Unfavourable Contracts	6	4,771	27,184
Lease Liabilities		1,434	2,476
Other Liabilities	10,11	1,389	13,780
Total Non-Current Liabilities		**145,774**	**186,916**
Commitments and Contingencies	12	-	-
Shareholders' Equity			
Common Stock, par value $0.01 per share 170,000,000 authorized, 105,712,360 shares issued and outstanding as of March 31, 2025, and December 31, 2024, respectively	7	1,057	1,057
Additional Paid-In Capital	7	222,507	222,416
Other Comprehensive Income (Loss)		(19)	142
Retained Earnings		80,150	57,665
Total Shareholders' Equity		**303,695**	**281,280**
Total Liabilities and Equity		**636,661**	**662,925**

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

Ventura Offshore Holding Ltd.
Condensed Consolidated Statement of Shareholders' Equity (unaudited)

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	-	-	-	-	(801)	(801)
Other Comprehensive Income (Loss)	-	-	-	-	-	-
Balance as of March 31, 2024	**1**	**-**	**-**	**-**	**(801)**	**(801)**

	Number of Shares	Common Stock	Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Total Shareholders' Equity
Balance as of December 31, 2024	**105,712,360**	**1,057**	**222,416**	**142**	**57,665**	**281,280**
Net Income	-	-	-	-	22,485	22,485
Share -based Compensation	-	-	91	-	-	91
Other Comprehensive Income (Loss)	-	-	-	(161)	-	(161)
Balance as of March 31, 2025	**105,712,360**	**1,057**	**222,507**	**(19)**	**80,150**	**303,695**

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

Ventura Offshore Holding Ltd.
Condensed Consolidated Statement of Cash Flows (unaudited)
All figures in USD ‘000

	Three months ended March 31, 2025	February 24, 2024 – March 31, 2024
Cash Flows from Operating Activities		
Net Income (Loss)	22,485	(801)
Adjustments to Reconcile Net Income to Net Cash Provided by / (Used In) Operating Activities		
Amortization of Unfavourable Contract Liabilities	(22,413)	-
Share Based Compensation	91	-
Deferred Income Taxes	2,510	-
Amortization of Deferred Financing Costs	461	-
Depreciation and Amortization Expenses	7,844	-
Amortization of Deferred Mobilization Revenues and Costs, net	(1,824)	-
Changes in operating Assets and Liabilities:		
Accounts Receivable and Accounts Payable	(17,437)	-
Prepaid Expenses, Other Current Assets and Other Current Liabilities	(3,003)	801
Net Cash Used In Operating Activities	**(11,286)**	**-**
Cash Flows from Investing Activities		
Prepaid acquisition cost	-	(28,000)
Vessel Additions	(6,061)	-
Net Cash Used In Investing Activities	**(6,061)**	**(28,000)**
Cash Flows from Financing Activities		
Proceeds from Borrowings	8,000	28,000
Settlement of Debt	(1,500)	-
Repayment of Borrowings	(10,000)	-
Net Cash Used In Financing Activities	**(3,500)**	**28,000**
Net Decrease in Cash, Cash Equivalents and Restricted Cash	**(20,847)**	**-**
Cash, Cash Equivalents and Restricted Cash at Beginning of the Period	58,575	-
Effect of foreign exchange on Cash	(161)	-
Cash, Cash Equivalents and Restricted Cash at End of the Period	**37,567**	**-**
Supplementary Disclosure of Cash Flow Information		
Cash and Cash Equivalents	27,859	-
Restricted Cash	9,708	-
Total Cash, Cash Equivalents and Restricted Cash	**37,567**	**-**
Cash Paid for Interest	4,873	-
Cash Paid for Taxes	640	-

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

Ventura Offshore Holding Ltd.

Notes to the Interim Condensed Consolidated Financial Statements (unaudited)

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 March 31, 2025, 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 and Accounting Policies

Basis of Preparation
These unaudited condensed consolidated financial statements have been prepared on the same basis as the Company's annual financial statements and in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The accompanying condensed consolidated interim financial statements and notes thereto should be read in conjunction with the audited consolidated financial statements and notes thereto for the year ended December 31, 2024. A summary of the Company's significant accounting policies is included in note 2 of the Company's annual financial statements for the year ended December 31, 2024. The financial statements have been prepared on a going concern basis and in management's opinion, all adjustments necessary for a fair presentation of the financial statements are reflected in the interim periods presented. Amounts are presented in United States Dollars ("U.S. dollar or $"), rounded to the nearest thousand, unless stated otherwise.

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 March 31, 2025, no ASUs recently issued are expected to have a material impact on these consolidated financial statements and the Company has not adopted any new accounting standards in the period.

Note 3 Revenues and segment information

The Company entered into a Sale and Purchase agreement ("SPA") and acquired 100% of the shares in UER on May 8, 2024. The Company did not have any operations prior to the acquisition, and the financial information for 2024 relates to the acquired business from May 8, 2024 to December 31, 2024, and the operations of SSV Catarina from July 2024 following the acquisition of the vessel, except for General and Administrative Expenses that is including costs incurred from the inception of the Company in February 2024. On this basis, the Company has not disclosed segment information for the comparable three-month period ending March 31, 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, 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 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. Further, information is disclosed in note 5. 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, 2025, 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. The Company has recognized revenues for an estimated outcome as of March 31, 2025. However, a final outcome may not be concluded before later in the year.

In July 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 vessel commenced a four well drilling contract with the oil major ENI on August 17, 2024, plus an optional four wells in Indonesia. The SSV Catarina is now expected to move to the location for ENI's first optional well before completing the drilling program under the current four firm well program, expected to keep the rig utilized into the fourth quarter of 2025. Further exercise by ENI of the remaining three optional wells in Indonesia could keep the rig utilized through Q2 2026.

The Company has one operating and marketing agreement 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 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 Company's revenues are generated from certain major customers and for the year-to-date period ending March 31, 2025, three customers accounted for 50.9%, 28.7% and 26.0% of the revenues, respectively. Gross revenues of \$96.0 million in the table below includes \$68.4 million of revenues for the three units located in Brazil and the remaining revenues are generated in Indonesia.

For the three months period ending March 31, 2025, and year-to-date 2025:

	Operations of Owned Vessels	**Operations of Managed Vessels**	**Unallocated items**	**Total**
Contract Drilling Services	53,061	-	22,413	75,474
Reimbursable Revenues	927	18,505	-	19,432
Management Fee Income	-	1,066	-	1,066
Sub-total revenues	**53,988**	**19,571**	**22,413**	**95,972**
Rig Operating and Maintenance Expenses	(32,367)	-	-	(32,367)
Reimbursable Expenses	(904)	(18,505)	-	(19,409)
Depreciation and amortization	(7,844)	-	-	(7,844)
General and Administrative expenses	-	-	(5,079)	(5,079)
Operating Income	**12,873**	**1,066**	**17,334**	**31,273**
Interest Expense, net	-	-	(4,871)	(4,871)
Income Tax Expense	(1,407)	-	(2,510)	(3,917)
Net Income	**11,466**	**1,066**	**9,953**	**22,485**

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 March 31, 2025:

in USD thousands	
Brazil	382,846
Indonesia	108,656
Balance as of March 31, 2025	**491,502**

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 $2.9 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 $2.8 million as of March 31, 2025 that is presented in Other Current Liabilities. Further, certain direct and incremental costs of $3.7 million were incurred in 2024 for contract preparation and mobilization. These costs are considered as fulfilment cost and are amortized in the same manner as the deferred mobilization revenue with a closing balance of $2.1 million and $1.1 million as of December 31, 2024 and March 31, 2025, respectively, that are presented in Other Current Assets.

Note 4 Vessels and Equipment

In July 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. 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 Company had estimated the fair value of the profit-split earnout agreement as of the acquisition date in July 2024 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. As per the settlement agreement, where a lumpsum of $8.0 million was paid, approximately $1.5 million of this lumpsum was related to the profit-split earnout agreement. Accordingly, the estimated liability has been reduced from $15.8 million to nil. Further, the carrying value of the vessel has been reduced by a net amount of $12.8 million as a result of the settlement agreement.

The carrying value of the vessels is as follows:

in USD thousands	**March 31, 2025**	**December 31, 2024**
Vessels and equipment	518,843	529,139
Other Property and Equipment	124	131
	518,967	**529,270**
Less: accumulated depreciation	(27,341)	(19,497)
Total	**491,626**	**509,773**

Depreciation expense for the three-month period ending March 31, 2025, totalled $7.8 million.

Note 5 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.

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 loan has annual amortization of $40.0 million, and a minimum liquidity covenant of $15.0 million that includes the unutilized portion of the revolving credit facility discussed below. 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 Company has paid an instalment of $10.0 million together with incurred interest during the first quarter of 2025, and the outstanding loan balance as of March 31, 2025, was $165.0 million.

Further, the Company has a revolving credit agreement of $30.0 million for working capital financing. 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%. 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 had an outstanding balance of $10.8 million as of December 31, 2024, that was 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. In February 2025, the Company has drawn an additional amount of $8.0 million on the facility during the quarter, and the outstanding balance as of March 31, 2025 was $18.8 million. The term of the facility can be extended with six months to July 2026 for the gross amount of $30.0 million subject to ENI exercising the optional wells under the drilling contract for SSV Catarina and a reduction of the facility to $15.0 million without the ENI contract. As ENI has not exercised optional wells beyond March 2026 at this stage, the Company has presented $3.8 million of the outstanding loan balance as part of Current Portion of Long-Term Debt.

Interest expenses of $5.0 million for the period ending March 31, 2025, include interest expense incurred on the senior secured bond loan and the RCF, plus amortization of deferred financing cost of $0.5 million.

Long-term debt consists of the following:

in USD thousands	**March 31, 2025**	**December 31, 2024**
Bond Loan	165,000	175,000
Revolving Credit Facility	18,800	10,800
Total Long-Term Debt	**183,800**	**185,800**
Less:		
Unamortized debt issuance cost	1,820	2,324
Current instalments	43,800	40,000
Total Long-Term Debt, net of unamortized debt issuance and current instalments	**138,180**	**143,476**

The annual principal repayments required to be made under the outstanding bond loan as of March 31, 2025, is as follows:

in USD thousands	
2025 (remaining part of the year)	30,000
2026	40,000
2027	95,000
2028	-
2029	-
Total outstanding as of March 31, 2025	165,000

Factors impacting liquidity
As discussed in note 3, 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. Based on 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 are expected to be impacted by developments related to new contract opportunities for SSV Victoria or contract extensions for SSV Catarina.

Note 6 Intangibles

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 duration of the contracts for the two drilling units acquired from the acquisition date on May 8, 2024 to the end of the contracts in the second quarter of 2026. For the three months period ending March 31, 2025, the Company has recognized non-cash revenues of $22.4 million from amortization and the remaining balance of $95.6 million is presented in the balance sheet under Current Liabilities and Non-Current Liabilities.

The changes in the unfavourable contract liabilities balance (current and non-current portion) during the period and the ending balance are as follows:

in USD thousands	
Balance as of December 31, 2024	**118,080**
Amortization	(22,413)
Balance as of March 31, 2025	**95,667**

Estimated future amortization of the unfavourable contract liabilities:

in USD thousands	
2025	68,483
2026	27,184
Balance as of March 31, 2025	**95,667**

Further, the Company had a balance as of December 31, 2024, of $12.4 million for identified and acquired intangible assets related to customer relationships for vessels owned by third parties and expected to be amortized over the life of the contracts. Amortization of the intangible assets balance is expected to commence in the second quarter of 2025 when DS Zonda commences operations over the expected contract life of the management contract.

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**
Shares issued	-	-	-
Balance as of March 31, 2025	**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.

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 4 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.

Warrants
The Company has issued a total of 4,250,000 warrants to a consortium that were key contributors with a prepaid subscribed equity of $28.0 million in March 2024 for the acquisition of UER with each warrant giving the right to subscribe for 1 new share at par value ($0.01). Further details can be found in the 2024 annual report.

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 at that time. As of December 31, 2024 and March 31, 2025, there were 1,730,357 vested and unexercised warrants outstanding.

The chairman of the board is holding, directly and indirectly, 328,869 warrants and owns 1,417,739 shares as of March 31, 2025. 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 $9.7 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 a drilling contract for owned vessels as of March 31, 2025.

As of March 31, 2025, 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.

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 March 31, 2025.

In USD thousands, except shares and per share data	**3 months period ending March 31, 2025**
Numerator for earnings per share	
Net Income (Loss)	22,485
Denominator for earnings per share	
Basic weighted average number of common shares	107,442,717
Diluted weighted average number of common shares	108,852,794
Income per share – basic	0.21
Income per share - diluted	0.21

* Comparative period is not shown as there was only one share outstanding as of March 31, 2024

Note 10 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 are as follows:

in USD thousands	**March 31, 2025**
Income tax expense – Indonesia	1,407
Changes in Deferred tax	2,510
Total	**3,917**

in USD thousands	Deferred Tax Assets	Deferred Tax Liability
Intangibles from UER acquisition	19,837	(1,602)
Reversals during 2024	(6,612)	213
Ending Balance December 31, 2024	**13,225**	**(1,389)**
Reversals 1Q2025	(2,510)	-
Ending Balance March 31, 2025	**10,715**	**(1,389)**

Note 11 Other Non-Current Liabilities

Other Non-Current Liabilities consist of the following:

in USD thousands	**March 31, 2025**	**December 31, 2024**
Catarina acquisition – earnout liability	-	12,391
Deferred tax liability	1,389	1,389
Total	**1,389**	**13,780**

Note 12 Commitment and contingencies

The Company is involved in various claims in the ordinary course of business, including employee related claims. The Company has assessed these claims and the probability for a loss for the Company and recorded a provision of $2.3 million included in Other Current Liabilities to cover such claims as of March 31, 2025.

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 March 31, 2025, there are no changes compared to December 31, 2024, in relation to these cases. Management do not believe that payment of the potential obligation related to 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 13 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 and the loan was listed on Nordic ABM at the end of September 2024. Based on observed transactions we have applied a valuation of 102% as the fair value at the end of the reporting period.

The carrying value and estimated fair value of the Company`s financial instruments are as follows:

in USD thousands	**Level**	**March 31, 2025**	**March 31, 2025**	**December 31, 2024**	**December 31, 2024**
		Fair Value	**Carrying Value**	**Fair Value**	**Carrying Value**
Cash and Cash Equivalents	1	27,859	27,859	46,458	46,458
Restricted Cash	1	9,708	9,708	12,117	12,117
Revolving Credit Facility	2	18,800	18,586	10,800	10,518
Senior secured bond loan	2	168,510	161,778	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. 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 14 Subsequent events

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