

# **SP Cruises Intermediate Limited and Subsidiaries**

**Consolidated Financial Statements**

**Three and Nine Months Ended September 30, 2025**

# SP Cruises Intermediate Limited and Subsidiaries

## Index

---

|  | Page(s) |
|--|---------|
| <b>Interim Management Report</b> .....                                     | 1–7     |
| <b>Consolidated Financial Statements</b>                                   |         |
| Consolidated Balance Sheets .....  | 8       |
| Consolidated Statements of Operations and Comprehensive Loss .....         | 9       |
| Consolidated Statements of Changes in Shareholder's Equity (Deficit) ..... | 10      |
| Consolidated Statement of Cash Flows .....                                 | 11      |
| Notes to the Consolidated Financial Statements .....                       | 12–16   |

# SP Cruises Intermediate Limited and Subsidiaries

## Interim Management Report

---

### Interim Management Report

SP Cruises Intermediate Limited (the “Company”, “we”, “our” or “SPIL”) is the parent company that owns and operates four luxury cruise ships under the Azamara Cruises brand.

The following discussion was presented to our Board of Directors.

### Overview

Our bookings are generally taken many months, and sometimes years, in advance of the actual sailing date. In general, the longer the cruise itinerary, the further in advance the bookings are made either directly with us or through travel agents. This advance booking period enables us to adjust pricing based on guest demand, leveraging our revenue management tools and sales strategies.

We have historically earned substantially all our cruise revenues from the following:

Sales of passenger cruise tickets and, in some cases, the sale of air, other transportation to and from airports near our ships’ home ports, hotel stays, travel insurance, pre/post tour packages and cancellation fees. The cruise ticket price typically includes the following:

- Accommodations
- Most meals, including snacks at numerous venues
- Certain alcoholic and premium beverages
- *Azamazing Evenings* cultural experiences
- Access to amenities such as swimming pools, whirlpools, a health club and sun decks
- Entertainment, such as theatrical and comedy shows, live music and seminars
- Visits to multiple destinations
- Port fees and government taxes

Sales of onboard goods and services are typically not included in the cruise ticket price. This generally includes the following:

- Premium alcoholic beverage packages
- Shore excursions
- Retail sales
- Photo sales
- Bingo sales
- Internet and communication services
- Full-service spa and salon
- Specialty restaurants
- Laundry and dry-cleaning services

These goods and services are provided either directly by us or by independent concessionaires, from which we receive a percentage of their revenues. Concession revenues do not have direct expenses because the costs and services incurred for concession revenues are borne by our concessionaires.

## SP Cruises Intermediate Limited and Subsidiaries

### Interim Management Report

---

We incur cruise operating expenses for the following:

- The costs of passenger cruise bookings, which include travel agent commissions, cost of air and other transportation and port costs that vary with guest head counts.
- Onboard and other cruise costs, which include the costs of beverage sales, costs of shore excursions, internet and communication costs, credit and debit card fees, other onboard costs, costs of cruise vacation protection programs and pre- and post-cruise land packages.
- Payroll and related costs, which include the costs of officers and crew in bridge, engineering and hotel operations. Substantially all costs associated with our shoreside personnel are included in selling and administrative expenses.
- Fuel costs, which include fuel delivery costs, fees and taxes.
- Food and beverage costs for both guests and crew members.
- Other ship operating expenses, which include port costs that do not vary with guest head counts, repairs and maintenance, including minor improvements and dry-dock expenses, hotel costs, entertainment, freight and logistics, travel insurance premiums and all other ship operating expenses.

#### 2025 Results of Operations

Our consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). All numbers are presented in U.S. dollars.

Unadjusted net revenues increased from \$64.2 million in Q2 2025 to \$81.3 million in Q3 2025 mainly due to seasonality and improvements in both pricing and load factor. Total cruise operating expenses increased from \$62.8 million in Q2 2025 to \$73.4 million in Q3 2025 mainly due to increases in commissions, head taxes, and port expenses. Lastly, adjusted EBITDA increased from \$11 million in Q2 2025 to \$13.2 million in Q3 2025, when adjusting for non-recurring professional, administrative and other expenses.

|                                   | <b>Unaudited<br/>Three Months<br/>Ended<br/>September 30,<br/>2025</b> |
|-----------------------------------|--|
| Total revenue                     | \$ 104,771,575   |
| Commission, transportation, other | (16,417,017)   |
| Onboard and other                 | <u>(7,094,138)</u>   |
| Net revenue                       | <u>\$ 81,260,420</u>   |

## SP Cruises Intermediate Limited and Subsidiaries

### Interim Management Report

---

|   | Unaudited<br>Three Months<br>Ended<br>September 30,<br>2025 |
|---|---|
| Operating income                                      | \$ 6,573,925  |
| Depreciation and amortization                         | 4,849,297   |
| EBITDA  | 11,423,222  |
| Non-recurring Professional, Administrative, and Other | 1,747,510   |
| Adjusted EBITDA                                       | \$ 13,170,732   |

During 2025, net cash used in operating activities was (\$25.5) million and primarily consisted of a net loss of (\$49.1) million offset by depreciation and amortization of \$15 million, a non-cash equity contribution of \$2.4 million, an increase in accounts receivable of (\$2.8) million, a decrease in accounts payable of (\$7.4) million, and an increase in customer deposits of \$8.5 million. Cash flows provided by financing activities included the issuance of debt for \$300 million, less debt issuance costs for \$12 million and a return of capital for (\$185) million, which was paid to SP Cruises Ultimate Holdings ("SPUHL").

Cash and Cash Equivalents were \$90.1 million at quarter end.

Total assets as of September 30, 2025 were \$437.4 million and include our ships whose combined net book value was \$144.7 million. Total liabilities at quarter end were \$491.1 million and our largest obligations were debt for \$300 million and customer deposits for \$159.9 million. Total shareholder's deficit was (\$53.7) million and primarily consisted of \$393.8 million of paid-in capital, net, offset by total accumulated losses of (\$446) million.

#### Use of Non-GAAP Financial Information

This Board Report includes certain financial measures not presented in accordance with U.S. GAAP, including Adjusted EBITDA. These financial measures are not measures of financial performance in accordance with U.S. GAAP and may exclude items that are significant in understanding and assessing our financial results. Therefore, these measures should not be considered in isolation or as an alternative to other measures of profitability, liquidity or performance under U.S. GAAP. You should be aware that the Company's presentation of these measures may not be comparable to similarly titled measures used by other companies, which may be defined and calculated differently. The Company believes that these non-GAAP measures provide useful supplemental information as management uses forward-looking non-GAAP measures to evaluate the Company's projected financials and operating performance. See Definitions of Key Non-GAAP Measures below.

#### Definitions of Key Non-GAAP Measures

Adjusted EBITDA – is the Company's Earnings Before Interest, Taxes, Depreciation and Amortization adjusted for nonrecurring, noncash, and exceptional items that are not reflective of the core business operations. The goal is to provide a clearer picture of our ongoing profitability, without the distortion of one-time events and items that are not representative of the core business.

EBITDA – is the Company's Earnings Before Interest, Taxes, Depreciation and Amortization.

#### Liquidity and Capital Resources

During Q1 2025, the Company issued third-party debt for \$300 million and paid approximately \$12 million in debt issuance costs. In addition, the Company paid a return of capital of (\$185) million to SPUHL. The remaining proceeds from the debt are available for continued operating, investing and financing activities. The Company did not issue any third-party debt in Q2 or Q3 2025.

# SP Cruises Intermediate Limited and Subsidiaries

## Interim Management Report

---

The estimation of our future liquidity requirements includes numerous assumptions that are subject to various risks and uncertainties. The principal assumptions used to estimate our future liquidity requirements consist of:

- Continued cruise operations and expected timing of cash collections for future cruise bookings;
- Expected sustained increase in revenue per available passenger cruise day;
- Expected increase in passenger cruise days over time until we reach historical occupancy levels;
- Expected cash outflows related to compulsory future ship dry docks;
- Inflationary impacts to our operating costs; and,
- \$90.1 million of funds available for general corporate purposes.

There can be no assurance that our assumptions used to estimate our future liquidity requirements are accurate. Based on our current levels of operations and our present financial condition, we believe we have sufficient liquidity to satisfy our obligations for at least the next twelve months from the issuance of these financial statements.

### **Critical Accounting Estimates**

Our results of operations depend significantly on the judgments and estimates we make in applying our critical accounting policies. For a detailed discussion of these policies, we refer you to Note 2 “Summary of Significant Accounting Policies” in our Consolidated Interim Financial Statements as of and for the three and nine months ended September 30, 2025, as well as Note 2 “Summary of Significant Accounting Policies” in our Consolidated Annual Financial Statements as of and for the year ended December 31, 2024. Those notes provide further insight into the assumptions and potential variability associated with these estimates, which have a significant impact on our reported financial results.

### **Valuation of Ships and Impairment of Long-Lived Assets**

We assess our long-lived assets, such as ships and related equipment, for impairment whenever indicators of impairment arise. This evaluation involves estimating the future undiscounted cash flows expected to be generated from these assets. If the estimated cash flows are less than the carrying amount of the asset, an impairment loss is recognized. Given the significance of our cruise ships and related infrastructure to our operations, changes in key assumptions such as ticket pricing, occupancy rates, fuel costs, or demand for cruise vacations can have a material impact on the estimated cash flows and, therefore, on any potential impairment losses. Management exercises professional judgment in evaluating these assumptions, particularly in the context of fluctuations in global travel demand and evolving customer preferences. Impairment reviews of our ships and other long-lived assets require us to make significant estimates and we believe that our estimates are reasonable.

### **Revenue Recognition**

Our revenue recognition practices involve judgments regarding the timing and allocation of revenue across our diverse offerings, including cruise tickets, onboard activities, and shore excursions. Revenue from cruise tickets is recognized over the duration of the cruise, while revenue from onboard and other ancillary activities is recognized as services are provided. Significant estimates are required to allocate bundled package revenue to various components based on their standalone selling prices. Additionally, in the event of itinerary changes or voyage cancellations, management evaluates the need for adjustments to recognized revenue, including refunds or future cruise credits. These judgments are essential to presenting an accurate depiction of the Company’s financial performance and are influenced by a dynamic operating environment.

### **Goodwill and Other Intangible Assets**

We assess goodwill and other indefinite-lived intangible assets for impairment on an annual basis and whenever a triggering event arises.

# **SP Cruises Intermediate Limited and Subsidiaries**

## **Interim Management Report**

---

We evaluate goodwill and other indefinite-lived intangible asset impairments at the reporting unit level. The Company has identified one reporting unit. The Company will first assess qualitative factors to determine whether a quantitative assessment is necessary. If the qualitative test indicates that it is more likely than not that the Company's goodwill and/or other indefinite-lived intangible assets are impaired, the Company performs a quantitative assessment by comparing the reporting unit's fair value with its carrying amount for goodwill, or the estimated fair value with its carrying amount for other indefinite-lived intangible assets.

Impairment reviews of our goodwill and other intangible assets require us to make significant estimates. We believe that our estimates are reasonable.

### **Risk Factors**

Presented below is a discussion of our key risk factors. These risk factors could have a material adverse effect on the Company's business, financial condition, operating results, and cash flows. These risk factors do not include or identify all the risks that our Company faces. Our business could also be affected by factors, events, or uncertainties that are not presently known to us.

The ordering of the risk factors discussed below is not intended to reflect any indication of priority or likelihood.

### **Financial Risks**

#### ***Negative EBITDA***

As of September 30, 2025, our nine-months ended EBITDA is negative and we have reported negative EBITDA in recent years. This may continue as we invest further in our development and expansion. We can provide no assurance that our strategy will lead to profitability in the near future. Negative EBITDA may affect our ability to invest in future growth, respond to market conditions and generate sufficient operating cash flow to cover its operating expenses.

#### ***Concentration of Revenue***

We derive a significant portion of our revenue from a limited number of customers or geographic regions. This concentration of revenue makes us vulnerable to potential reductions in revenue should there be any material adverse changes affecting these customers or regions.

For the three months ended September 30, 2025, 62% and 16% of the Company's total passenger ticket revenue was derived from sales to customers in North America and Europe, respectively. The remaining 22% of total passenger ticket revenues were derived from Australia, Latin America and Other. A significant disruption affecting these customers or a decline in demand within these regions could adversely affect our financial position, results of operations and cash flows.

We continually monitor our exposure to such concentrations and seek to diversify our revenue base by expanding our customer base and entering new markets. However, there can be no assurance that such efforts will successfully mitigate the risk of revenue concentration.

#### ***Currency Exchange Rate Risks***

Our functional and reporting currency is the U.S. dollar ("USD"), but we operate in multiple currencies. Our expenses are primarily paid in USD and euros ("EUR"), but we have meaningful receipts in USD, EUR, British pound sterling ("GBP"), Australian dollars ("AUD"), and Canadian dollars ("CAD") and fluctuations in currency exchange rates can impact our financial performance. Changes in exchange rates, such as appreciation or depreciation of a currency against others, can affect our revenues, expenses, and profitability. These currency exchange rate fluctuations can create volatility in our financial results, making it challenging to accurately forecast and manage our financial performance.

# **SP Cruises Intermediate Limited and Subsidiaries**

## **Interim Management Report**

---

### ***Changes in Port Taxes and Fees***

Our operations depend on the availability and affordability of ports for our cruise ships. Any increase in port taxes or fees, or other adverse changes in the terms of business with the authorities operating the ports, could result in higher operating costs for us. These increased costs may impact our profitability, financial performance and cash flows. Additionally, limitations on the availability of ports of call could disrupt our itineraries and affect customer satisfaction. We may also need to find alternative ports, which could result in additional expenses and logistical challenges. Therefore, any adverse changes in port taxes, fees, or availability could have a negative impact on our business, financial results and cash flows.

### ***Liquidity Risks***

We may face liquidity risks if we do not maintain adequate cash reserves to meet short-term financial obligations, such as paying suppliers or fulfilling debt obligations. Inadequate cash flow management or unexpected financial challenges can exacerbate liquidity risks. If we encounter difficulty accessing funding sources, such as credit lines or loans, we may face liquidity constraints. Factors such as changes in lending conditions, creditworthiness, or market conditions can impact our ability to secure necessary funds.

### ***Financial Market Risks***

We are exposed to financial market risks, including interest rate changes and fuel price volatility. Changes in interest rates can affect our future borrowing costs. We are also exposed to fuel price volatility, which can impact operating costs, profit margins and overall financial performance.

### ***Tax Risk***

We are subject to complex tax laws. Changes in tax laws, such as the United States tax laws imposing tax on "United States source gross transportation income", could adversely affect our tax position, including our effective tax rate or tax payments. We often rely on generally available interpretations of applicable tax laws and regulations. There cannot be certainty that the relevant tax authorities are in agreement with the Company's interpretation of these laws. If our tax positions are challenged by relevant tax authorities, the imposition of additional taxes could require us to pay taxes that we currently do not collect for or pay. Additionally, the imposition of new taxes could increase the costs of our services to track and collect such taxes, which could increase our costs of operations or our effective tax rate and have a negative effect on our business, financial condition and results of operations. The occurrence of any of the foregoing tax risks could have a material adverse effect on our business, financial condition and results of operations.

### ***Risks Related to Laws, Regulations and Litigation***

#### ***Environmental and Regulatory Compliance***

We operate in an industry that is subject to complex laws and regulations, including international maritime regulations, safety standards and environmental requirements. Compliance with these regulations is essential to our operations and reputation. Failure to comply with these regulations could result in increased costs, penalties, fines, or temporary or permanent suspension of operations.

The cruise industry is subject to increasing environmental regulations and sustainability expectations. Compliance with these regulations and the adoption of sustainable practices may require significant investments and operational changes, which could impact our financial performance and cash flows.

#### ***Political and Geopolitical Risk***

We have international operations and our business, financial condition, results of operations and cash flows may be adversely affected by changing economic, political and government conditions in the countries and regions where our ships are deployed. We are also exposed to geopolitical risks where territorial and other disputes between countries could lead to the outbreak of war or the existence of international hostilities that could damage the world economy, adversely affect the availability and price of fuels and chemical products and adversely affect our ability to operate ships.



# SP Cruises Intermediate Limited and Subsidiaries

## Interim Management Report

---

### ***Risks Related to Privacy Regulations***

Noncompliance with data privacy laws could have severe consequences for us. Failure to comply with regulations like the General Data Protection Regulation may result in legal liabilities, fines, reputational damage and loss of customer trust. It is crucial for us to have robust data protection policies, procedures, and safeguards in place to secure personal data and prevent unauthorized access or disclosure. Noncompliance with consent requirements, data transfer regulations, or individuals' data rights could lead to regulatory sanctions and legal disputes. Ensuring compliance with data privacy laws is essential for maintaining customer trust and safeguarding our reputation and financial well-being.

### ***Litigation, Enforcement Actions, Fines or Penalties***

Our business is subject to various U.S. and international laws and regulations that could lead to enforcement actions, fines, civil or criminal penalties or the assertion of litigation claims and damages. In addition, improper conduct by our employees, agents or partners could damage our reputation and/or lead to litigation or legal proceedings that could result in civil or criminal penalties, including substantial monetary fines. In certain circumstances it may not be economical to defend against such matters and/or our legal strategy may not ultimately result in us prevailing in a matter. Such events could lead to an adverse impact on our financial condition, results of operations or cash flows. While some of these claims are covered by insurance, we cannot be certain that all of them will be, which could have an adverse impact on our financial condition, results of operations or cash flows.

### ***Risks Related to the Bonds***

The Company may lack sufficient funds to make principal and interest payments on the bonds issued in Q1 2025. Insufficient funds for mandatory repurchases of bonds could lead to insolvency or an event of default under the bond terms. Covenants that restrict incurring additional financial indebtedness may hinder business operations and financing capabilities. The Company is obliged to maintain certain operating and financial covenants and communicate compliance with bondholders periodically. It is possible that we may breach these covenants and not communicate lack of compliance in a timely manner. Further, the bond's fair value may increase or decrease over time based on changes in supply and demand.

### ***Declarations by Management***

We hereby confirm that, to the best of our knowledge, the financial statements and footnotes as of and for the three and nine months ended September 30, 2025, have been prepared in accordance with U.S. GAAP and that the information in the financial statements and footnotes give a true and fair view of the Company's assets, liabilities, cash flows and comprehensive loss taken as a whole. Further, the Interim Management Report provides a true and fair review of the development and performance of the Company, and the position of the Company and its subsidiaries taken as a whole, together with a description of the principal risk uncertainties that they face.

Dondra Ritzenthaler  
Alain Ferzli  
Clinton Bouchillon

|                             |                  |
|-----------------------------|------------------|
| Chief Executive Officer     | October 30, 2025 |
| Chief Financial Officer     | October 30, 2025 |
| Vice President – Controller | October 30, 2025 |

# SP Cruises Intermediate Limited and Subsidiaries

## Consolidated Balance Sheets

|  | As of<br>September 30,<br>2025 | As of<br>Decemeber 31,<br>2024 |
|--|--------------------------------|--------------------------------|
| <b>Assets</b>  |                                |                                |
| Cash   | \$ 90,082,251                  | \$ 14,014,010                  |
| Trade and other receivables, net                     | 5,161,973                      | 1,626,958                      |
| Inventories  | 6,715,003                      | 8,634,835                      |
| Prepaid expenses                                     | 17,079,719                     | 15,572,234                     |
| Other current assets                                 | 6,508,019                      | 8,028,803                      |
| Total current assets                                 | 125,546,965                    | 47,876,840                     |
| Property and equipment, net                          | 199,418,094                    | 212,913,902                    |
| Operating lease right-of-use assets                  | 1,292,140                      | 1,345,194                      |
| Goodwill   | 78,901,589                     | 78,901,589                     |
| Intangible assets                                    | 31,900,000                     | 31,900,000                     |
| Other assets   | 350,326                        | 340,302                        |
| Total assets   | <u>\$ 437,409,114</u>          | <u>\$ 373,277,827</u>          |
| <b>Liabilities and Shareholder's Deficit</b>         |                                |                                |
| Accounts payable                                     | \$ 13,912,888                  | \$ 21,220,614                  |
| Accrued expenses and other liabilities               | 24,346,530                     | 23,484,274                     |
| Accrued interest                                     | 1,629,167                      | -                              |
| Customer deposits                                    | 149,441,995                    | 136,983,202                    |
| Current operating lease liabilities                  | 173,391                        | 155,553                        |
| Total current liabilities                            | 189,503,971                    | 181,843,643                    |
| Long-term customer deposits                          | 10,471,952                     | 12,762,371                     |
| Long-term operating lease liabilities                | 1,819,904                      | 1,690,411                      |
| Long-term debt                                       | 288,949,991                    | -                              |
| Other long-term liabilities                          | 340,308                        | 340,308                        |
| Total liabilities                                    | <u>491,086,126</u>             | <u>196,636,733</u>             |
| Contingencies (Note 4)                               |                                |                                |
| Common stock   | 1,000                          | 1,000                          |
| Accumulated other comprehensive loss                 | (1,511,022)                    | (1,652,532)                    |
| Additional paid-in capital                           | 393,816,454                    | 575,208,454                    |
| Accumulated deficit                                  | (445,983,444)                  | (396,915,828)                  |
| Total shareholder's (deficit) equity                 | <u>(53,677,012)</u>            | <u>176,641,094</u>             |
| Total liabilities and shareholder's (deficit) equity | <u>\$ 437,409,114</u>          | <u>\$ 373,277,827</u>          |

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

**SP Cruises Intermediate Limited and Subsidiaries**  
**Consolidated Statements of Operations and Comprehensive Loss**

|   | Three Months<br>Ended<br>September 30,<br>2025 | Nine Months<br>Ended<br>September 30,<br>2025 |
|---|--|---|
| <b>Revenues</b>                                   |  |   |
| Passenger ticket revenue                          | \$ 83,385,475                                  | \$ 206,666,625                                |
| Onboard and other                                 | 21,386,100                                     | 55,288,496                                    |
| Total revenue                                     | <u>104,771,575</u>                             | <u>261,955,121</u>                            |
| <b>Cruise operating expenses</b>                  |  |   |
| Commissions, transportation and other             | (16,417,017)                                   | (40,113,323)                                  |
| Onboard and other                                 | (7,094,138)                                    | (17,281,598)                                  |
| Payroll and related                               | (17,393,036)                                   | (52,457,031)                                  |
| Fuel  | (6,666,851)                                    | (23,215,304)                                  |
| Food  | (5,740,479)                                    | (16,931,154)                                  |
| Other operating                                   | (20,092,728)                                   | (53,228,044)                                  |
| Total cruise operating expenses                   | <u>(73,404,249)</u>                            | <u>(203,226,454)</u>                          |
| Selling, general and administrative expenses      | (19,944,104)                                   | (64,849,598)                                  |
| Depreciation and amortization                     | (4,849,297)                                    | (15,045,123)                                  |
| Operating income (loss)                           | 6,573,925                                      | (21,166,054)                                  |
| Nonoperating expense                              |  |   |
| Other income and (expenses), net                  | (512,925)                                      | (5,537,225)                                   |
| Interest expense                                  | (11,501,302)                                   | (22,279,882)                                  |
| Loss before income taxes                          | (5,440,302)                                    | (48,983,161)                                  |
| Income tax benefit (expense), net                 | 17,109   | (84,455)                                      |
| Net loss  | <u>(5,423,193)</u>                             | <u>(49,067,616)</u>                           |
| Change in foreign currency translation adjustment | (68,872)                                       | 141,510                                       |
| Other comprehensive income (loss)                 | (68,872)                                       | 141,510                                       |
| Total comprehensive loss                          | <u>\$ (5,492,065)</u>                          | <u>\$ (48,926,106)</u>                        |

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

**SP Cruises Intermediate Limited and Subsidiaries**  
**Consolidated Statements of Changes in Shareholder's Equity (Deficit)**

|                                       | Common Stock |          | Additional     | Accumulated      | Accumulated    | Total            |
|---------------------------------------|--------------|----------|----------------|------------------|----------------|------------------|
|                                       | Shares       | Amount   | Paid-in        | Deficit          | Other          | Shareholder's    |
|                                       |              |          | Capital        |                  | Comprehensive  | Equity (Deficit) |
|                                       |              |          |                |                  | Loss           |                  |
| <b>Balances at December 31, 2024</b>  | 1,000        | \$ 1,000 | \$ 575,208,454 | \$ (396,915,828) | \$ (1,652,532) | \$ 176,641,094   |
| Net loss                              | -            | -        | -              | (24,875,249)     | -              | (24,875,249)     |
| Other comprehensive income            | -            | -        | -              | -                | 265,026        | 265,026          |
| Share-based compensation              | -            | -        | 471,000        | -                | -              | 471,000          |
| Return of capital                     | -            | -        | (185,000,000)  | -                | -              | (185,000,000)    |
| <b>Balances at March 31, 2025</b>     | 1,000        | 1,000    | 390,679,454    | (421,791,077)    | (1,387,506)    | (32,498,129)     |
| Net loss                              | -            | -        | -              | (18,769,174)     | -              | (18,769,174)     |
| Other comprehensive loss              | -            | -        | -              | -                | (54,644)       | (54,644)         |
| Share-based compensation              | -            | -        | 471,000        | -                | -              | 471,000          |
| <b>Balances at June 30, 2025</b>      | 1,000        | 1,000    | 391,150,454    | (440,560,251)    | (1,442,150)    | (50,850,947)     |
| Net loss                              | -            | -        | -              | (5,423,193)      | -              | (5,423,193)      |
| Other comprehensive loss              | -            | -        | -              | -                | (68,872)       | (68,872)         |
| Share-based compensation              | -            | -        | 471,000        | -                | -              | 471,000          |
| Return of capital                     | -            | -        | (225,000)      | -                | -              | (225,000)        |
| Equity contribution                   | -            | -        | 2,420,000      | -                | -              | 2,420,000        |
| <b>Balances at September 30, 2025</b> | 1,000        | \$ 1,000 | \$ 393,816,454 | \$ (445,983,444) | \$ (1,511,022) | \$ (53,677,012)  |

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

# SP Cruises Intermediate Limited and Subsidiaries

## Consolidated Statement of Cash Flows

|  | Nine Months<br>Ended<br>September 30,<br>2025 |
|--|---|
| <b>Operating activities</b>  |   |
| Net loss   | \$ (49,067,616)                               |
| Adjustments to reconcile net loss to net cash used<br>in operating activities  |   |
| Depreciation   | 15,045,123                                    |
| Non-cash interest and other charges  | 2,420,000                                     |
| Amortization of debt issuance costs  | 980,711                                       |
| Allowance for credit losses  | (793,275)                                     |
| Stock-based compensation expense   | 1,413,000                                     |
| Unrealized loss on foreign currency transactions   | 2,459,718                                     |
| Change in operating assets and liabilities   |   |
| Accounts receivable  | (2,764,384)                                   |
| Inventory  | 1,939,752                                     |
| Prepaid expenses and other assets  | (250,515)                                     |
| Accounts payable   | (7,382,266)                                   |
| Operating right-of-use asset   | 53,053  |
| Accrued expenses and other liabilities   | 163,272                                       |
| Accrued interest   | 1,629,165                                     |
| Customer deposits  | 8,483,042                                     |
| Operating lease liability  | 147,331                                       |
| Net cash used in operating activities  | <u>(25,523,889)</u>                           |
| <b>Investing activities</b>  |   |
| Purchases of property and equipment  | <u>(1,334,190)</u>                            |
| Net cash used in investing activities  | <u>(1,334,190)</u>                            |
| <b>Financing activities</b>  |   |
| Return of capital  | (185,000,000)                                 |
| Proceeds from long-term debt   | 300,000,000                                   |
| Debt issuance costs  | <u>(12,030,720)</u>                           |
| Net cash provided by financing activities  | 102,969,280                                   |
| Effect of exchange rate changes on cash  | <u>(42,960)</u>                               |
| Net increase in cash   | 76,068,241                                    |
| <b>Cash</b>  |   |
| Beginning of the period  | <u>14,014,010</u>                             |
| End of the period  | <u>\$ 90,082,251</u>                          |
| <b>Supplemental disclosure of Cash flow information</b>  |   |
| Property, plant and equipment acquired that was unpaid in cash<br>and included in accounts payable and accrued liabilities | \$ 215,125                                    |
| Interest Payment   | 17,250,000                                    |
| Income taxes paid  | 305,880                                       |
| Equity contribution  | 2,420,000                                     |

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

# **SP Cruises Intermediate Limited and Subsidiaries**

## **Notes to Consolidated Financial Statements**

---

### **1. Description of Business**

SP Cruises Intermediate Limited ("SPIL") and its wholly owned subsidiaries (collectively known as "the Company", "our", "us" or "we") is a global luxury cruise company. The Company was incorporated on January 6, 2021 in Bermuda with the express purpose to operate as the holding company for the Azamara Cruises brand ("Azamara"), which was acquired by the Company on March 19, 2021 from Royal Caribbean Cruises Ltd.

Azamara is a small-ship luxury cruise line with a fleet of four intimate-style ships. Our cruise line allows travelers to reach ports around the world and dock in smaller and less accessible destinations on all seven continents. Azamara's itineraries vary from short voyages less than seven days to our 2027 World Cruise that visits 37 countries over 188 days. Azamara is known for offering an inclusive onboard experience with longer port stays.

SPIL is owned by SP Cruises Holdings Limited ("SPHL") which was registered in Bermuda on January 5, 2021 and is owned by SP Cruises Ultimate Holdings Limited ("SPUHL"), which was registered in Bermuda on May 17, 2024. SPUHL is owned by SP Cruises Cayman TopCo L.P. ("TopCo"), which was registered in the Cayman Islands on January 4, 2021. TopCo is owned by an affiliate of Sycamore Partners ("Sycamore"), a private equity firm headquartered in New York City, NY. SPIL has subsidiaries registered in the United States, Ireland and Bermuda.

### **2. Summary of Significant Accounting Policies**

#### **Consolidated Interim Financial Statements**

The accompanying consolidated interim financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP"), are unaudited, and should be read in conjunction with the Company's consolidated annual financial statements as of and for the year ended December 31, 2024. There were no significant changes to the Company's significant accounting policies disclosed in "Note 2 – Summary of Significant Accounting Policies" in the Consolidated Annual Financial Statements as of and for the year ended December 31, 2024, other than as disclosed below. In the opinion of management, the consolidated interim financial statements reflect all adjustments necessary for the fair presentation of the consolidated interim financial statements for the period presented. The condensed balance sheet as of December 31, 2024, was derived from audited annual financial statements but does not contain all of the footnote disclosures from the annual financial statements.

The consolidated interim financial statements include the accounts of the Company and its wholly owned subsidiaries. Intercompany accounts and transactions are eliminated upon consolidation.

These consolidated interim financial statements were approved by management and available for issuance on October 30, 2025. Subsequent events have been evaluated through this date.

#### **Debt to Third Parties**

Debt is recorded at initial fair value, which normally reflects the proceeds received by us, net of debt issuance costs. Debt is subsequently stated at amortized cost. Debt issuance costs are amortized to interest expense using the effective interest rate method over the term of the debt. Debt issuance costs related to a recognized debt liability are presented in the Consolidated Balance Sheets as a direct deduction from the carrying amount of that debt liability. Our debt instruments are evaluated for the existence of features that require separation and accounting as a derivative.

# SP Cruises Intermediate Limited and Subsidiaries

## Notes to Consolidated Financial Statements

---

### Segment Reporting

We believe our brand possesses the versatility to enter multiple cruise market segments within the cruise vacation industry. Our one brand and four ships have one unified marketing style, and the nature of the products sold and services delivered share a common base (i.e., the sale and provision of cruise vacations). Our ships are of similar size, have similar itineraries as well as similar cost and revenue components. In addition, our four ships source passengers from the same markets around the world and operate in the same economic environments with a significant degree of commercial overlap. As a result, our four ships have been aggregated under one brand and as a single reportable segment based on the similarity of their economic characteristics, types of consumers, regulatory environment, maintenance requirements, supporting systems and processes as well as products and services provided. Our Chief Executive Officer has been identified as the chief operating decision-maker ("CODM"). The CODM uses information about the Company's consolidated revenue and income (loss) from operations. Our CODM assesses the performance of the Company and makes decisions to allocate resources for the Company based upon the review of the results of operations.

### Credit Losses

The Company estimates and recognizes an allowance for expected credit losses over the life of its financial assets, including trade and other receivables. The balance of the allowance for credit losses was \$0.3 million at September 30, 2025.

### Recent Accounting Pronouncements

In December 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Updates ("ASU") No. 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*. The new guidance is intended to enhance the transparency and decision usefulness of income tax disclosures, primarily through standardization and disaggregation of rate reconciliation categories and income taxes paid by jurisdiction. This ASU is effective for annual periods beginning after December 15, 2024 on a prospective basis with the option to apply retrospectively. We are evaluating the impact of the new guidance on our consolidated financial statements and related disclosures.

In November 2024, the FASB issued ASU No. 2024-03, *Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses*, which requires disclosures about certain categories of expenses (including purchases of inventory, employee compensation, depreciation and intangible asset amortization) that are included in the expense captions presented on the face of the income statement, as well as disclosures about selling expenses. This new guidance is intended to provide investors with more detailed expense information in order to better understand an entity's cost structure and forecast future cash flows. This ASU is effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods within annual reporting periods beginning after December 15, 2027 on a prospective basis. Early adoption and retrospective application are permitted. We are evaluating the impact of the new guidance on our consolidated financial statements and related disclosures.

# SP Cruises Intermediate Limited and Subsidiaries

## Notes to Consolidated Financial Statements

---

### 3. Disaggregated Revenues

Revenues by geographic areas, which are based on where our guests are sourced, were as follows:

|                                 | Three Months<br>Ended<br>September 30,<br>2025 | Nine Months<br>Ended<br>September 30,<br>2025 |
|---------------------------------|--|---|
| <b>Revenues by market</b>       |  |   |
| North America                   | \$ 51,582,173                                  | \$ 112,854,006                                |
| Europe                          | 13,669,011                                     | 41,743,485                                    |
| Australia                       | 9,086,852                                      | 32,207,696                                    |
| Other                           | 9,047,439                                      | 19,861,438                                    |
| Total passenger ticket revenues | 83,385,475                                     | 206,666,625                                   |
| Onboard and other revenues      | 21,386,100                                     | 55,288,496                                    |
| Total revenue                   | <u>\$ 104,771,575</u>                          | <u>\$ 261,955,121</u>                         |

### 4. Contingencies

As of September 30, 2025, there are no material legal contingencies pending against the Company or any of its properties. However, the Company may become party to various claims, legal proceedings, disputes, other regulatory matters, and government inspections in the ordinary course of business or otherwise. The Company cannot determine whether such actions will have a material impact on the financial condition, results of operations or cash flows of the Company beyond its current estimates.

### 5. Shareholder's (Deficit) Equity

The authorized share capital of the Company as of September 30, 2025 consisted of 10,000 ordinary shares with a par value \$1 per share. In January 2021, 1,000 ordinary shares were issued to an affiliate of Sycamore and subsequently transferred to SPHL in January 2021. As of September 30, 2025, the 1,000 shares remain issued and outstanding and there were no new or additional shares issued during the three months ended September 30, 2025.

In Q3 2025, Sycamore made a non-cash equity contribution of \$2.4 million to SPIL.

### 6. Transactions With Related Parties

As of September 30, 2025, the Company incurred \$0.7 million in management fees for a variety of consulting services provided by its executive advisors at Sycamore.



# SP Cruises Intermediate Limited and Subsidiaries

## Notes to Consolidated Financial Statements

### 7. Debt to Third Parties

Debt consists of the following:

|                                       | Weighted<br>Average<br>Rate | As of<br>September 30,<br>2025 |
|---------------------------------------|-----------------------------|--------------------------------|
| <b>Fixed rate debt</b>                |                             |                                |
| Senior Secured Bonds                  | 11.50 %                     | \$ 300,000,000                 |
| Total fixed rate debt                 |                             | 300,000,000                    |
| Less: Unamortized debt issuance costs |                             | (11,050,009)                   |
| Total debt, net of unamortized        |                             | 288,949,991                    |
| Less: Current portion                 |                             | -                              |
| Long term portion                     |                             | \$ 288,949,991                 |

On March 14, 2025, SPIL issued \$300 million aggregate principal amount of 11.5% senior secured bonds due 2030 (the "Bonds"). We have the ability to issue an additional \$100 million subject to market demand, bringing the total potential issuance to \$400 million. The Bonds were issued to fund a return of capital of (\$185) million to SPUHL and for general corporate purposes.

The Bonds bear interest at a fixed rate of 11.5% per annum, payable semi-annually in September and March, based on a 360-day year. The Bonds mature in March 2030. The Company's four vessels are pledged as collateral for the Bonds. The Bonds do not require repayment in years 2025 through 2029 but require a balloon payment of \$300 million in March 2030 if no prepayments are made during the interim.

For the nine months ended September 30, 2025, SPIL incurred approximately \$12 million in debt issuance costs, including bank fees and third-party legal and professional fees related to the issuance of the Bonds, which were capitalized in accordance with ASC Topic 470, *Debt*. These costs are amortized as interest expense over the term of the Bonds using the effective interest method. Initial debt issuance costs are recorded in financing activities in the Consolidated Statements of Cash Flows. The amortization of debt issuance costs was \$0.98 million during the nine months ended September 2025 and are reported separately in operating activities. On September 10, 2025, SPIL made the initial interest payment of \$17.3 million.

### 8. Fair Value of Financial Instruments

Fair value is defined as the amount that would be received for selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and is measured using inputs in one of the following three categories:

- Level 1 measurements are based on unadjusted quoted prices in active markets for identical assets or liabilities that we have the ability to access. Valuation of these items does not entail a significant amount of judgment.
- Level 2 measurements are based on quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active or market data other than quoted prices that are observable for the assets or liabilities.

# SP Cruises Intermediate Limited and Subsidiaries

## Notes to Consolidated Financial Statements

- Level 3 measurements are based on unobservable data that are supported by little or no market activity and are significant to the fair value of the assets or liabilities.

Considerable judgment may be required in interpreting market data used to develop the estimates of fair value. Accordingly, certain estimates of fair value presented herein are not necessarily indicative of the amounts that could be realized in a current or future market exchange.

### Financial Instruments that are not Measured at Fair Value on a Recurring Basis

|                      | Carrying Value                | Fair Value     |         |
|----------------------|-------------------------------|----------------|---------|
|                      |                               | Level 1        | Level 2 |
| <b>Assets</b>        |                               |                |         |
| Cash                 | \$ 90,082,251                 | \$ 90,082,251  | \$ -    |
| Total                | \$ 90,082,251                 | \$ 90,082,251  | \$ -    |
| <b>Liabilities</b>   |                               |                |         |
| Senior Secured Bonds | \$ 300,000,000 <sup>(1)</sup> | \$ 284,700,000 | \$ -    |
| Total                | \$ 300,000,000                | \$ 284,700,000 | \$ -    |

- 1) The Senior Secured Bonds above were not issued at a discount or premium and do not include debt issuance costs. As of September 30, 2025, the fair value of our publicly traded debt was based on the quoted prices (unadjusted) in an active market that is considered Level 1.

The carrying amounts of cash, trade receivables, and trade payables approximate fair value because of their short maturities. There were no financial instruments measured at fair value on a recurring basis as of September 30, 2025.

## 9. Subsequent Events

Management has evaluated the impact of all events subsequent to September 30, 2025, and through October 30, 2025, using the guidance under ASC 855 - Subsequent Events, and has determined that there were no subsequent events requiring adjustment or disclosure in the Consolidated Interim Financial Statements except for the following:

In Q4 2025, Sycamore made a non-cash equity contribution of \$3.2 million to SPIL.