



Ventura Offshore Midco Ltd.

- Interim Financial Statements for the period ending March 31, 2026

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED):	Page
- Condensed Consolidated Statement of Comprehensive Income	2
- Condensed Consolidated Balance Sheet	3
- Condensed Consolidated Statement of Shareholder's Equity	4
- Condensed Consolidated Statement of Cash Flows	5
- Notes to the Condensed Consolidated Interim Financial Statements	6

Ventura Offshore Midco 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, 2026	Three months ended March 31, 2025	Twelve months ended December 31, 2025
<i>Operating Revenues</i>				
Contract Drilling Services	3	73,459	75,474	298,653
Reimbursable Revenues	3	14,265	19,432	65,416
Management Fees Income	3	3,401	1,066	10,794
Total Revenues		91,125	95,972	374,863
<i>Operating Expenses</i>				
Rig Operating and Maintenance Expenses	3	(28,798)	(32,367)	(125,979)
Reimbursable Expenses	3	(14,265)	(19,409)	(65,381)
Depreciation and Amortization Expenses	4	(8,802)	(7,844)	(34,143)
General and Administrative Expenses		(5,926)	(4,818)	(18,817)
Total Operating Expenses		(57,791)	(64,438)	(244,320)
Operating Income		33,334	31,534	130,543
<i>Financial Income (Expenses)</i>				
Interest Income		149	87	586
Interest Expense	5	(3,889)	(4,999)	(18,507)
Total Financial Income (Expenses), net		(3,740)	(4,912)	(17,921)
Net Income Before Income Taxes		29,594	26,662	112,622
Income Tax Expense	11	(3,577)	(3,917)	(15,201)
Net Income		26,017	22,705	97,421
Other Comprehensive Income (Loss)		556	(161)	(122)
Total Comprehensive Income		26,573	22,544	97,299

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

Ventura Offshore Midco Ltd.
Condensed Consolidated Balance Sheet (unaudited)
All figures in USD '000, except number of shares and per share amount

Assets	Note	March 31, 2026	December 31, 2025
Current Assets			
Cash and Cash Equivalents	13	36,187	41,323
Restricted Cash	8,13	22,097	22,264
Accounts Receivable, Net		78,225	54,843
Other Current Assets		13,308	14,852
Total Current Assets		149,817	133,282
Non-Current Assets			
Vessels and Equipment	4	468,749	473,050
Deferred Tax Assets	11	1,390	3,676
Intangible Assets	6	9,795	10,764
Other Non - Current Assets		953	888
Right-of-Use Assets		9,375	10,985
Total Non-Current Assets		490,262	499,363
Total Assets		640,079	632,645
Liabilities and Shareholders' Equity			
Current Liabilities			
Accounts Payable		29,463	35,662
Lease Liabilities		4,949	6,020
Other Current Liabilities		52,662	33,976
Unfavourable Contracts	6	12,413	32,819
Current Portion of Long-Term Debt	5,13	9,300	27,715
Total Current Liabilities		108,787	136,192
Non-Current Liabilities			
Long-Term Debt	5,13	123,351	114,530
Lease Liabilities		4,426	4,966
Other Liabilities	11	949	1,063
Total Non-Current Liabilities		128,726	120,559
Commitments and Contingencies	12	-	-
Shareholders' Equity			
Common Stock, par value \$0.01 per share 1,000,000 authorized, 1 share issued and outstanding as of March 31, 2026, and December 31, 2025, respectively	7	-	-
Additional Paid-In Capital	7	3,198	3,099
Contributed Surplus	7	215,857	215,857
Other Comprehensive Income		576	20
Retained Earnings		182,935	156,918
Total Shareholders' Equity		402,566	375,894
Total Liabilities and Equity		640,079	632,645

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

Ventura Offshore Midco Ltd.
Condensed Consolidated Statement of Shareholders' Equity (unaudited)
All figures in USD '000, except number of shares

2025	Number of Shares	Common Stock	Additional Paid-In Capital	Contributed Surplus	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Total Shareholders' Equity
Balance as of January 1	1	-	2,754	-	142	59,497	62,393
Net Income	-	-	-	-	-	22,705	22,705
Share -based Compensation	-	-	79	-	-	-	79
Other Comprehensive Loss	-	-	-	-	(161)	-	(161)
Balance as of March 31	1	-	2,833	-	(19)	82,202	85,016

2026	Number of Shares	Common Stock	Additional Paid-In Capital	Contributed Surplus	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Total Shareholders' Equity
Balance as of January 1	1	-	3,099	215,857	20	156,918	375,894
Net Income	-	-	-	-	-	26,017	26,017
Share - based Compensation	-	-	99	-	-	-	99
Other Comprehensive Income (Loss)	-	-	-	-	556	-	556
Balance as of March 31	1	-	3,198	215,857	576	182,935	402,566

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

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

	Three months ended March 31, 2026	Three months ended March 31, 2025	Twelve months ended December 31, 2025
Cash Flows from Operating Activities			
Net Income	26,017	22,705	97,421
Adjustments to Reconcile Net Income to Net Cash Provided By / (Used In) Operating Activities			
Amortization of Unfavourable Contract Liabilities	(20,406)	(22,413)	(85,261)
Share Based Compensation	99	79	345
Deferred Income Taxes	2,171	2,510	9,223
Amortization of Deferred Financing Costs	405	461	1,842
Depreciation and Amortization Expenses	8,802	7,844	34,143
Amortization of Deferred Mobilization Revenues and Costs, net	-	(1,824)	(3,539)
<i>Changes in operating Assets and Liabilities:</i>			
Accounts Receivable and Accounts Payable	(32,681)	(17,461)	12,896
Prepaid Expenses, Other Current Assets and Other Liabilities	19,635	(2,845)	(2,806)
Net Cash Provided By (Used In) Operating Activities	4,042	(10,944)	64,264
Cash Flows from Investing Activities			
Vessel and Other Additions	(335)	(6,061)	(13,640)
Repayment loan, related party	-	-	1,000
Net Cash Used In Investing Activities	(335)	(6,061)	(12,640)
Cash Flows from Financing Activities			
Proceeds from Borrowings, net	-	8,000	8,000
Proceeds from Borrowings, related party	400	-	500
Settlement of Debt	-	(1,500)	(1,500)
Repayment of Borrowings	(10,000)	(10,000)	(49,500)
Net Cash Provided By / (Used In) Financing Activities	(9,600)	(3,500)	(42,500)
Net Increase (Decrease) in Cash, Cash Equivalents and Restricted Cash	(5,893)	(20,505)	9,124
Cash, Cash Equivalents and Restricted Cash at Beginning of the Period	63,587	54,397	54,397
Effect of foreign exchange on Cash	590	(161)	66
Cash, Cash Equivalents and Restricted Cash at End of the Period	58,284	33,731	63,587
Supplementary Disclosure of Cash Flow Information			
Cash and Cash Equivalents	36,187	24,023	41,323
Restricted Cash	22,097	9,708	22,264
Total Cash, Cash Equivalents and Restricted Cash	58,284	33,731	63,587
Cash Paid for Interest	3,679	4,873	17,670
Cash Paid for Taxes	963	910	5,225

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

Ventura Offshore Midco Ltd.

Notes to the Interim Condensed Consolidated Financial Statements (unaudited)

Note 1 General Information and Business Operations

Ventura Offshore Midco Ltd. was incorporated in Bermuda on March 15, 2024. The Company is a 100% owned subsidiary of Ventura Offshore Holding Ltd. The entity was formed with the intention of raising a bond loan together with funding from the parent company to acquire 100% of the shares of Universal Energy Resources Inc (the "UER Acquisition"). The Share Purchase Agreement was signed by the parent company in 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, the semisubmersible drilling rig SSV Catarina and the drillship Atlantic 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 the balance sheet date, 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 Midco Ltd and its consolidated companies.

Note 2 Basis of Preparation and Accounting Policies

Basis of Preparation

These unaudited condensed interim 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, 2025. 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, 2025. 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, 2026, the Company has not adopted any new accounting standards in the period.

In November 2024, the FASB issued ASU No. 2024-03 ("ASU 2024-03"), Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses. The amendments in this Update require disclosure, in the notes to the financial statements, of specified information about certain costs and expenses. The amendments in this Update are effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. Early adoption is permitted. The Company does not intend to early adopt this standard and is assessing the impact of this pronouncement.

Note 3 Revenues and segment information

The Company has two reportable segments that are monitored and 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 recognized revenues and expenses for Atlantic Zonda. Non-cash revenue from unfavourable contracts and associated income tax expense, general and administrative expenses and interest expense, net, are not allocated to the operating segments for purposes of monitoring and measuring segment income from operations and are included in “Unallocated” in the table below.

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 with estimated expiry in the third quarter of 2026. In December 2024, DS Carolina was awarded a new contract with a firm period of 911 days, plus an optional period of 305 days, with Petrobras for the Sepia and Atapu field following expiry of the current contract and essential contract preparation works and class inspections. On April 2, 2026, the Company announced that SSV Victoria had been awarded a contract extension of 1,455 firm days offshore Brazil and with expected commencement in January 2027 after contract preparations works, overhaul and class inspections. On April 10, 2026, the Company announced that DS Carolina had been awarded an extension of its current contract by approximately four months and further that the earlier announced new contract is expected to commence in January 2027.

SSV Catarina commenced a four well drilling contract with the oil major Eni on August 17, 2024, plus an optional four wells in Indonesia. Eni exercised three of the optional wells during 2025, and exercise of the fourth optional well is expected to keep the rig utilized well in the third quarter of 2026.

The Company has one operating and marketing agreement that generates management income related to the drillship Atlantic Zonda, owned by a third party. Atlantic Zonda commenced its three-year, plus three optional years, contract with Petrobras in April 2025. On April 2, 2026, it was announced that the firm period was extended with 365 days. The owner of the vessel assumes the operational risks and rewards related to revenues and expenses under the contract period, and the Company is earning management fees that are subject to the operational performance and cash flows of the vessel during the period.

In early January 2025, DS Carolina was subject to an order of interdiction from ANP (the regulatory body for oil, natural gas and biofuels industries in Brazil) and resumed operations on March 3, 2025. The Company is in ongoing discussions with its client regarding the financial compensation for the suspension period. The Company has in 2025 recognized revenues for an estimated outcome and a final conclusion and settlement is expected during 2026. The actual outcome may differ from the Company’s estimate.

The Company’s revenues are generated from certain major customers and for the three months ended March 31, 2026, three customers accounted for 59.3%, 21.3% and 19.4%, respectively.

Gross revenues of \$91.1 million for the three months ended March 31, 2026, as presented in the table below includes \$71.7 million of revenues for the three units located in Brazil and the remaining revenues are generated in Indonesia.

For the three months periods ending March 31, 2026:

	Operations of Owned Vessels	Operations of Managed Vessels	Unallocated items	Total
Contract Drilling Services	53,053	-	20,406	73,459
Reimbursable Revenues	23	14,242	-	14,265
Management Fee Income	-	3,401	-	3,401
Sub-total revenues	53,076	17,643	20,406	91,125
Rig Operating and Maintenance Expenses	(28,798)	-	-	(28,798)
Reimbursable Expenses	(23)	(14,242)	-	(14,265)
Depreciation and amortization	(7,783)	(1,019)	-	(8,802)
General and Administrative expenses	-	-	(5,926)	(5,926)
Operating Income	16,472	2,382	14,480	33,334
Interest Expense, net	-	-	(3,740)	(3,740)
Income Tax Expense	(1,405)	114	(2,286)	(3,577)
Net Income	15,067	2,496	8,454	26,017

Note 3 Revenues and segment information (continued)

For the three months periods ending March 31, 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	-	-	(4,818)	(4,818)
Operating Income	12,873	1,066	17,595	31,534
Interest Expense, net	-	-	(4,912)	(4,912)
Income Tax Expense	(1,407)	-	(2,510)	(3,917)
Net Income	11,466	1,066	10,173	22,705

For the twelve months periods ending December 31, 2025:

	Operations of Owned Vessels	Operations of Managed Vessels	Unallocated items	Total
Contract Drilling Services	213,392	-	85,261	298,653
Reimbursable Revenues	1,822	63,594	-	65,416
Management Fee Income	-	10,794	-	10,794
Sub-total revenues	215,214	74,388	85,261	374,863
Rig Operating and Maintenance Expenses	(125,979)	-	-	(125,979)
Reimbursable Expenses	(1,789)	(63,592)	-	(65,381)
Depreciation and amortization	(31,232)	(2,911)	-	(34,143)
General and Administrative expenses	-	-	(18,817)	(18,817)
Operating Income	56,214	7,885	66,444	130,543
Interest Expense, net	-	-	(17,921)	(17,921)
Income Tax Expense	(5,978)	326	(9,549)	(15,201)
Net Income	50,236	8,211	38,974	97,421

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:

<i>in USD thousands</i>	March 31, 2026	December 31, 2025
Brazil	365,245	368,205
Indonesia	103,033	104,525
Balance	468,278	472,730

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 revenues of \$ nil and \$2.9 million in the three months periods ended March 31, 2026 and March 31, 2025, respectively, from mobilization payments under SSV Catarina's drilling contract. Further, certain direct and incremental costs of were incurred in 2024 for contract preparation and mobilization. These costs were considered as fulfilment costs and amortized in the same manner as the deferred mobilization revenue. The Company amortized \$ nil and \$1.0 million in the three months periods ended March 31, 2026, and March 31, 2025, respectively.

Note 4 Vessels and Equipment

Vessels and Equipment includes the carrying value of the Company's three owned drilling units. The carrying value of the vessels is as follows:

<i>in USD thousands</i>	March 31, 2026	December 31, 2025
Vessels and equipment	526,744	523,425
Other Property and Equipment	516	354
	527,261	523,779
Less: accumulated depreciation	(58,511)	(50,729)
Total	468,749	473,050

Depreciation expense for the three months periods ended March 31, 2026, and March 31, 2025, totalled \$7.8 million and \$7.8 million, respectively. Depreciation for the twelve months period ended December 31, 2025, was \$31.2 million.

Note 5 Interest Bearing Debt and Financing

On April 19, 2024, the Company 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 the Company and all subsidiaries, together with assignment of earnings and insurances including bank account pledges.

To further 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, whereby SSV Catarina was added as collateral for the loan. The loan has amortized with \$10 million per quarter from October 2024 to the end of April 2026 when the Company raised an additional \$75.0 million as a tap issue and increased the outstanding loan balance to \$190.0 million, after payment of the scheduled loan repayments of \$10.0 million in January and April of 2026, respectively. The outstanding principal loan balance as of March 31, 2026, and December 31, 2025, was \$125.0 million and \$135.0 million, respectively, followed by a further repayment of \$10.0 million in April 2026 and the tap issue of \$75.0 million.

In April 2026, the Company has further agreed revised terms for the bond loan and the instalments due in July 2026 and up to the final maturity date of the loan in April 2027 have been waived. Further, the loan can be voluntarily repaid at a price equal to 101.5% of par until December 31, 2026, and at 105% thereafter. Due to the extension of the July 2026, October 2026 and January 2027 instalments to April 2027, the total amount outstanding as of March 31, 2026, has been presented as Long-Term Debt in our balance sheet. The minimum liquidity covenant is \$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% and requires a loan to value ratio of maximum 60%.

Further, the Company has a revolving credit agreement ("RCF") 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, plus a parent company guarantee. 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 principal loan balance of \$9.3 million and a guarantee issued of \$9.5 million as of March 31, 2026, and December 31, 2025. Accordingly, the Company has utilized \$18.8 million of the RCF as of March 31, 2026, and December 31, 2025.

In December 2025, the Company executed the option to extend the term of the facility with six months from January 2026 to July 2026 for the gross amount of \$30.0 million. As part of the tap issue in April 2026 of \$75.0 million under the bond loan, as described above, the Company renegotiated the maturity date of the RCF to December 31, 2026, and with no reduction in the facility if SSV Catarina is not a party to a charter contract. The Company has presented the outstanding loan balance as part of Current Portion of Long-Term Debt.

Interest expenses of \$3.9 million and \$5.0 million for the three months periods ended March 31, 2026, and March 31, 2025, include interest expense incurred on the senior secured bond loan and the RCF, plus amortization of deferred financing cost of \$0.4 million and \$0.5 million, respectively.

Note 5 Interest Bearing Debt and Financing (continued)

Non-Current and Current portion of long-term debt consists of the following:

<i>in USD thousands</i>	March 31, 2026	December 31, 2025
Bond Loan	125,000	135,000
Revolving Credit Facility	9,300	9,300
Unamortized debt issuance cost	(1,649)	(2,055)
Total Debt, net of debt issuance cost	132,651	142,245
Unamortized debt issuance cost (non-current portion)	(1,649)	(470)
Bond Loan (Non-Current)	125,000	115,000
Revolving Credit Facility (Non-Current)	-	-
Total Long-Term Debt, net of unamortized debt issuance cost	123,351	114,530
Unamortized debt issuance cost (current portion)	-	(1,585)
Bond Loan (Current)	-	20,000
Revolving Credit Facility (Current)	9,300	9,300
Total Current Portion of Long-Term Debt, net of unamortized debt issuance	9,300	27,715

The annual principal repayments required to be made under the outstanding bond loan as of March 31, 2026, are as follows, after the agreed amendments to the bond loan agreement in April 2026 as discussed above:

<i>in USD thousands</i>	
2026	-
2027*	125,000
2028	-
2029	-
2030	-
Total outstanding as of March 31, 2026	125,000

*the table does not include repayment of the \$75.0 million tap issue drawn in April 2026

Factors impacting liquidity

As discussed in note 3, the Company announced on December 17, 2024, a new contract of 911 firm days for DS Carolina upon expiry of the current contract and followed by contract preparation works, overhaul and class inspections. On April 2, 2026, the Company announced that SSV Victoria had been awarded a contract extension of 1,455 firm days offshore Brazil and with expected commencement in January 2027 after contract preparations works, overhaul and class inspections. It was further announced estimated expenditure in the range of \$125 million to \$130 million, net of mobilization fee, related to capital expenditure and spare parts for the two vessels combined.

On April 10, 2026, the Company announced that DS Carolina had been awarded an extension of its current contract by approximately four months and further that the earlier announced new contract of 911 firm days is expected to commence in January 2027.

On April 15, 2026, the Company announced that it had called for a bondholders' meeting to allow for a tap issue of \$75 million, increasing the outstanding balance of the bond loan from \$115 million to \$190 million, together with deferral of the remaining instalments in July 2026, October 2026 and January 2027, under the bond loan that matures in April 2027. On April 16, 2026, the Company announced that the bondholders had adopted the proposal and further announced that it had successfully raised \$75 million as a tap issue. As part of the tap issue, it has been agreed an extended maturity date for the revolving credit facility of \$30 million from July 18, 2026 to December 31, 2026, including no reduction of the facility upon an expiry of a charter contract for SSV Catarina.

The tap issue together with deferral of instalments and an extended maturity date for the RCF is expected to cover the liquidity needs of the Company into Q4-2026 and to cover a majority of the necessary expenditure needed to prepare the two vessels for their next contract periods that are expected to commence in January 2027. Given the total expected expenditure needed for the two vessels and expected payment of the mobilization fee for DS Carolina after contract commencement in 2027, the Company is expecting to raise the necessary remaining funding requirements closer to completion of the vessel preparation projects through a refinancing of the currently outstanding loan facilities.

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 then 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 contractual end of the contracts in 2026.

Following are the details of the remaining balances of the unfavourable contract liability including amortization that is recognized as non-cash revenues in our income statement:

<i>in USD thousands</i>	Three months ended March 31, 2026	Twelve months ended December 31, 2025
Balance, beginning of period	32,819	118,080
Additions	-	-
Amortization	(20,406)	(85,261)
Balance, end of period	12,413	32,819

The presentation of the unfavourable contract liability is as follows in our balance sheet:

<i>in USD thousands</i>	March 31, 2026	December 31, 2025
Unfavourable contract liability (current portion)	12,413	32,819
Unfavourable contract liability (non - current portion)	-	-
Remaining balance	12,413	32,819

The Company recognized an intangible asset of \$12.4 million from the UER acquisition related to customer relationships for the managed vessel owned by a third party that is amortized over the life of the contract. Amortization commenced in April 2025 when the vessel commenced its three (plus three) year contract and the remaining balance as of March 31, 2026, is amortized by \$3.1 million, \$4.1 million and \$1.2 million for the years 2026, 2027 and 2028, respectively. Further, the Company has capitalized \$1.3 million related to internal-use software development.

Following are the details of the intangible assets:

<i>in USD thousands</i>	Three months ended March 31, 2026	Twelve months ended December 31, 2025
Balance, beginning of period	10,764	12,400
Additions	50	1,275
Amortization	(1,019)	(2,911)
Balance, end of period	9,795	10,764

Note 7 Shareholders' Equity

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 March 15, 2024	-	-	-
Incorporation of the Company	1,000,000	1	\$0
Balance as of December 31, 2025	1,000,000	1	\$0
Shares issued			
Balance as of March 31, 2026	1,000,000	1	\$0

The authorized share capital of the Company is \$10,000 with a nominal amount of \$0.01 per share.

In 2025, the Company converted and transferred a subordinated loan of \$215.9 million contributed from the parent company to the Contributed Surplus account. The Contributed Surplus account can be used for distribution to shareholders or other purposes. See further comments in note 10.

Note 8 Restricted Cash

The Company is holding \$22.1 million of restricted cash that includes cash held on behalf of the owners of the managed vessel Atlantic Zonda for payment of upcoming capital expenditures and operating expenses as of March 31, 2026.

Note 9 Share-based compensation

The Company has implemented a stock option incentives for its board members, management and key employees. The Company has 1,216,000 options outstanding with grant date in 2024 and 662,250 stock options with grant date in 2025. We refer to the 2025 annual report for further details. The Company has expensed approximately \$0.1 million in the three-months periods ended March 31, 2026, and March 31, 2025, and \$0.4 million for the twelve months period ended December 31, 2025 related to the above, and with a remaining compensation cost of \$0.2 million as of March 31, 2026.

The parent company granted 1,311,500 stock options to management and key employees in April 2026. These stock options will be accounted for in the second quarter report of 2026.

Note 10 Loan, related parties

The Company has borrowed \$0.9 million and \$0.5 million from its parent company as of March 31, 2026, and December 31, 2025, respectively. The loan has been repaid subsequent to the balance sheet date.

Note 11 Income Tax

The Company is incorporated and domiciled 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 operations are a combination among several jurisdictions and methods of taxation. The correlation between the income tax expense and the net income before taxes for the year may accordingly vary from period to period. Our income tax expense is a function of a deferred tax balance recognized as part of the PPA assessment related to identified unfavourable customer contracts and intangible assets from acquiring UER and income tax expense incurred in Indonesia for the operations of SSV Catarina.

Below are the details of the Company's income before income taxes and the components of the income tax expense for the following periods:

<i>in USD thousands</i>	Three months ended March 31, 2026	Three months ended March 31, 2025	Twelve months ended December 31, 2025
Income tax expense			
- Bermuda	-	-	-
- Foreign jurisdictions (Indonesia)	1,405	1,407	5,978
Changes in deferred tax			
- Bermuda	-	-	-
- Foreign jurisdictions (Brazil)	2,172	2,510	9,223
Total	3,577	3,917	15,201

Income tax rates and taxation systems in the jurisdictions in which our subsidiaries operate do vary and can be based on gross revenues, statutory deemed profits or on a net income basis. Income taxes related to operations in Indonesia are based on deemed profit.

Our effective tax rate for the three months periods ended March 31, 2026 and March 31, 2025 was 12.09% and 14.69%, respectively.

Note 11 Income Tax (continued)

Following are the details of the deferred tax asset and reversal of the temporary differences related to the recognized unfavourable contract liability described in note 6:

<i>in USD thousands</i>	Three months ended March 31, 2026	Three months ended March 31, 2025	Twelve months ended December 31, 2025
Balance, beginning of period	3,676	13,225	13,225
Recognition	-	-	-
Reversal of temporary differences	(2,286)	(2,510)	(9,549)
Balance, end of period	1,390	10,715	3,676

Following are the details of the deferred tax liability and reversal of the temporary differences related to the intangible asset recognized for customer relationship described in note 6:

<i>in USD thousands</i>	Three months ended March 31, 2026	Three months ended March 31, 2025	Twelve months ended December 31, 2025
Balance, beginning of period	1,063	1,389	1,389
Recognition	-	-	-
Reversal of temporary differences	(114)	-	(326)
Balance, end of period	949	1,389	1,063

We also refer to information in note 12 regarding prior year tax assessments in Brazil.

Note 12 Commitment and contingencies

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

Further, the Company has received tax assessments from the Brazilian Federal Revenue Service in 2008, 2009, 2017 and 2023, in connection with corporate income tax (IRPJ), social contribution on net profits (CSLL) and certain social contributions levied on gross revenue (PIS and Cofins) for the years of 2003, 2004, 2012 and 2018, respectively. These four cases are being challenged at the administrative level (Taxpayer's Council). As of March 31, 2026, and December 31, 2025, the estimated amount involved for these four cases was \$11.5 million and \$10.9 million, respectively, with the change being related to strengthening of the Brazilian Real during the first quarter. Management do not believe that payment of the assessments is probable. Consequently, no provision has been raised in the consolidated financial statements of the Company.

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

The Company is providing bank guarantees and performance bonds to counterparties as part of its regular operations. We refer to note 5 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. Based on observed transactions we have applied a valuation of 101.3% 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:

<i>in USD thousands</i>	Level	March 31, 2026 Fair Value	March 31, 2026 Carrying Value	December 31, 2025 Fair Value	December 31, 2025 Carrying Value
Cash and Cash Equivalents	1	36,187	36,187	41,323	41,323
Restricted Cash	1	22,097	22,097	22,264	22,264
Revolving Credit Facility	2	9,300	9,300	9,300	9,287
Senior secured bond loan	2	126,651	123,351	137,245	132,958

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 2, 2026, the Company announced that the vessel SSV Victoria has been awarded a new contract of 1,455 firm days offshore Brazil with expected commencement in January 2027, after contract preparations works, periodical overhaul and class inspections, similar to the project preparation for DS Carolina. Further, it was announced that the contract for the managed rig, Atlantic Zonda, had been extended by one year to Q2-2029.

On April 2, 2026, the Company further announced estimated expenditure in the range of \$125 million to \$130 million, net of mobilization fee, related to contract preparations works, periodical overhaul class inspections and spare parts for the two vessels combined.

On April 10, 2026, the Company announced that DS Carolina has been awarded an extension of its current contract by approximately four months and further that the earlier announced new contract of 911 firm days is expected to commence in January 2027.

On April 15, 2026, the Company announced that it had called for a bondholders' meeting to allow for a tap issue of \$75 million, increasing the outstanding balance of its bond loan from \$115 million to \$190 million, together with deferral of the remaining instalments in July 2026, October 2026 and January 2027 to address capital commitments arising in connection with the preparation of SSV Victoria and DS Carolina for the long-term contracts discussed above commencing in January 2027.

On April 16, 2026, the Company announced that the bondholders had adopted the proposal and further announced that it had successfully raised \$75 million as a tap issue. As part of the tap issue, it has been agreed an extended maturity date for the revolving credit facility of \$30 million to December 31, 2026. Further information can be found in note 5.