Ventura Offshore Holding Ltd.

December 31, 2024

CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED): Page

Ventura Offshore Holding Ltd.
Consolidated Statement of Operations (unaudited)
All figures in USD '000, except number of shares and per share amount

	Note	Three months ended December 31, 2024	February 24, 2024 – December 31, 2024 (YTD)
Revenues			
Operating Revenues	4	95,208	238,193
Management Fee Income	4	823	3,732
Total Revenues		**96,031**	**241,925**
Operating Expenses			
Rig Operating and Maintenance Expenses	4	(48,476)	(120,898)
Depreciation and Amortization Expenses	5	(8,159)	(21,397)
General and Administrative Expenses	3	(7,283)	(21,133)
Total Operating Expenses		**(63,918)**	**(163,428)**
Operating Income		**32,113**	**78,497**
Financial Income (Expenses)			
Interest Income		453	1,264
Interest Expenses	3,6	(5,180)	(12,928)
Total Financial Income (Expenses), net		**(4,727)**	**(11,664)**
Net Income Before Income Taxes		**27,386**	**66,833**
Income Tax Expense	4	(3,861)	(9,168)
Net Income		**23,525**	**57,665**
Other Comprehensive Income / (Loss)		(231)	142
Total Comprehensive Income		**23,294**	**57,807**
Basic Income per Share	8	0.22	0.75
Diluted Income per Share	8	0.22	0.74
Weighted Average Number of Shares Outstanding – Basic		107,442,717	76,452,125
Weighted-Average Number of Shares Outstanding – Diluted		108,856,958	77,870,481

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

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

Assets	**Note**	**As of December 31, 2024**
Current Assets		
Cash and Cash Equivalents	12	46,458
Restricted Cash	11,12	12,117
Accounts Receivable, Net		39,120
Deferred Mobilization Cost		2,127
Prepaid Expenses and Other Current Assets	11	20,075
Total Current Assets		**119,897**
Non-Current Assets		
Vessels and Equipment	5	508,870
Deferred Tax Assets	4	13,225
Intangible Assets	3	12,400
Other Non- Current Assets		558
Right-of-Use Assets		7,072
Total Non-Current Assets		**542,125**
Total Assets		**662,022**
Liabilities and Shareholders' Equity		
Current Liabilities		
Accounts Payable		17,274
Lease Liabilities	9	4,596
Other Current Liabilities		36,967
Deferred Mobilization Revenue		5,666
Unfavourable Contracts	4	90,896
Current Portion of Long-Term Debt	6,12	38,427
Total Current Liabilities		**193,826**
Non-Current Liabilities		
Long-Term Debt	6,12	143,476
Unfavourable Contracts	4	27,184
Lease Liabilities	9	2,476
Other Non-Current Liabilities	5	13,780
Total Non-Current Liabilities		**186,916**
Commitments and Contingencies	11	-
Shareholders' Equity		
Common Stock, par value $0.01 per share 170,000,000 authorized, 105,712,360 shares issued and outstanding as of December 31, 2024	7	1,057
Additional Paid-In Capital	7	222,416
Other Comprehensive Income		142
Retained Earnings		57,665
Total Shareholders' Equity		**281,280**
Total Liabilities and Equity		**662,022**

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

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

	Number of Shares	Common Stock	Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Total Shareholders’ Equity
Balance as of February 24, 2024 (inception)	**1**	**-**	**-**	**-**	**-**	**-**
Net Income	-	-	-	-	7,867	7,867
Common Shares and Warrants Issued	85,000,000	850	166,317	-	-	167,167
Share-based Compensation	-	-	2,647	-	-	2,647
Balance as of June 30, 2024	**85,000,001**	**850**	**168,964**	**-**	**7,867**	**177,681**
Net Income	-	-	-	-	26,273	26,273
Common Shares Issued	19,609,383	196	53,322	-	-	53,518
Share -based Compensation	-	-	33	-	-	33
Other Comprehensive Income (Loss)	-	-	-	373	-	373
Balance as of September 30, 2024	**104,609,384**	**1,046**	**222,319**	**373**	**34,140**	**257,878**
Net Income	-	-	-	-	23,525	23,525
Common Shares Issued	1,102,976	11	-	-	-	11
Share -based Compensation	-	-	97	-	-	97
Other Comprehensive Income (Loss)	-	-	-	(231)	-	(231)
Balance as of December 31, 2024	**105,712,360**	**1,057**	**222,416**	**142**	**57,665**	**281,280**

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

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

	Three months ended December 31, 2024	February 24, 2024 – December 31, 2024 (YTD)
Cash Flows from Operating Activities		
Net Income	23,525	57,665
Adjustments to Reconcile Net Income to Net Cash Provided by / (Used In) Operating Activities		
Amortization of Contract Liabilities	(22,911)	(59,020)
Share Based Compensation	97	2,777
Income Tax	2,353	6,397
Amortization of Deferred Financing Cost	457	1,023
Depreciation and Amortization Expense	8,159	21,397
Amortization of Deferred Mobilization Fee	(2,864)	(4,234)
Changes in Assets and Liabilities:		
Accounts Receivable and Accounts Payable	(4,690)	(17,742)
Prepaid Expenses, Other Current Assets and Other Current Liabilities	14,631	7,516
Net Cash Provided by Operating Activities	**18,757**	**15,779**
Cash Flows from Investing Activities		
Acquisition of business (net of cash and restricted cash acquired)	-	(250,016)
Acquisition of Vessel and Additions	(2,304)	(103,907)
Net Cash Used In Investing Activities	**(2,304)**	**(353,923)**
Cash Flows from Financing Activities		
Proceeds from Share Offering, net	11	215,696
Proceeds from Borrowings, net	454	190,881
Repayment of Borrowings	(10,000)	(10,000)
Net Cash Provided by / (Used In) Financing Activities	**(9,535)**	**396,577**
Net Increase / (Decrease) in Cash, Cash Equivalents and Restricted Cash	**6,918**	**58,433**
Cash, Cash Equivalents and Restricted Cash at Beginning of the Period	51,651	0
Effect of foreign exchange on Cash	6	142
Cash, Cash Equivalents and Restricted Cash at End of the Period	**58,575**	**58,575**
Supplementary Disclosure of Cash Flow Information		
Cash and Cash Equivalents	46,458	46,458
Restricted Cash	12,117	12,117
Total Cash, Cash Equivalents and Restricted Cash	**58,575**	**58,575**
Cash Paid for Interest	4,932	8,182
Cash Paid for Taxes	720	720

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

Ventura Offshore Holding Ltd.

Notes to the Consolidated Interim Financial Statements

Note 1 General Information and Business Operations

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

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

Note 2 Basis of Preparation of Accounting Policies

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

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

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

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

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

Receivables and Allowance for Expected Credit Losses
Accounts receivable and other receivables are presented net of allowance for expected credit losses. The Company determines an asset is impaired when, based on current information and events, it is probable that the Company will be unable to recover amounts due according to original contractual terms. No allowance of significance has been made as of December 31, 2024.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Contingencies
A liability is recognized when a loss or a liability is considered probable and the amount can be reasonably estimated, based upon the information available before the issuance of the financial statements.

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

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

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

Income Taxes
The Company is a Bermuda registered entity and under current Bermuda law, the Company is not subject to corporate income taxes. The Company has several subsidiaries and branches in various jurisdictions subject to different tax regimes. The vessel owning entities are registered in British Virgin Islands, which is exempt from taxes. The Company's Brazilian operating company, Ventura Petroleo, is subject to Brazilian taxes and has incurred significant net operating losses since its inception, and therefore has no tax liability nor recognized a deferred tax assets due to uncertainty related to future utilization. Our income tax expense is based on the tax laws and statutory enacted tax rates in effect in the various jurisdictions in which we operate.

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

Recently Adopted Accounting Standards and Recent Accounting Pronouncements

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

Note 3 Acquisition of shares in Universal Energy Resources Inc

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

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

in USD millions	**Purchase Price Allocation**
Assets:	
Cash and Cash Equivalents	15.3
Net Working Capital	8.1
Vessels and Equipment	402.7
Deferred Tax Assets, net	18.4
Intangible Assets	14.3
Less liabilities:	
Unfavourable Contract Liability and Contingencies	(177.9)
= Acquisition price paid	**280.9**

Acquired receivables are towards an oil major and no allowance for credit losses has been made as these are expected to be immaterial. No adjustments have been made to lease liabilities and right-of-use assets as these contracts are of shorter duration and have been considered to be at market terms. Contingent liabilities from claims and litigations are included in the PPA analysis with $0.8 million.

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

We refer to note 4 for information related to the Unfavourable contracts liability and associated deferred tax assets and note 5 for Vessels and equipment.

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

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

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

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

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

Note 4 Revenues and segment information

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

On July 23, 2024, the Company completed the acquisition of SSV Catarina and simultaneously the operating agreement with the previous owner of the vessel was terminated. The delivery of the vessel took place during transit from Vietnam to Indonesia, and the vessel commenced a well-based drilling contract with the oil major ENI on August 17 with an initial expected duration of about 300 days, plus an optional five wells that could extend the contract period into Q2 2026, if exercised. As the drilling contract is well-based, the initial period may be extended beyond the initial expected duration of 300 days based on the progress of the drilling.

After the acquisition of SSV Catarina, the Company has one operating and marketing agreement left that generates management income related to the vessel DS Zonda, owned by a third party. For DS Zonda, the Company has been awarded a three-year contract, plus three optional years, with Petrobras. DS Zonda arrived in Brazilian waters in the latter part of 4Q24 and is in process of final commissioning and testing before expected commencement of operations in 1Q 2025. The operating and marketing agreements have been signed with the owners of Zonda for the operation of the vessel. Further, the owner of the vessel assumes the operational risks and rewards related to revenues and expenses under the contract period and the Company is expected to earn a management fee that is subject to the operational performance of the vessel during the period.

For the three months period ending December 31, 2024:

in USD thousands	**Operations of Owned Vessels**	**Operations of Managed Vessels**	**Unallocated items**	**Total**
Operating Revenues	59,216	13,081	22,911	95,208
Management Fee Income	-	823	-	823
Sub-total revenues	**59,216**	**13,904**	**22,911**	**96,031**
Rig Operating and Maintenance Expenses	(35,381)	(13,095)	-	(48,476)
Depreciation and amortization	(8,169)	-	-	(8,169)
General and Administrative expenses	-	-	(7,283)	(7,283)
Operating Income	**15,666**	**809**	**15,628**	**32,103**

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

	Operations of Owned Vessels	**Operations of Managed Vessels**	**Unallocated items**	**Total**
Operating Revenues	128,619	50,554	59,020	238,193
Management Fee Income	-	3,732	-	3,732
Sub-total revenues	**128,619**	**54,286**	**59,020**	**241,925**
Rig Operating and Maintenance Expenses	(70,171)	(50,727)	-	(120,898)
Depreciation and amortization	(19,497)	(1,900)	-	(21,397)
General and Administrative expenses	-	-	(21,133)	(21,133)
Operating Income	**38,951**	**1,659**	**37,887**	**78,497**

Unallocated general and administrative expenses of $21.1 million in the year-to-date table above, includes expenses of about $1.0 million associated with the stock exchange listing of the parent company in June 2024 and $3.8 million in expenses related to the acquisition of UER that includes a non-cash expense of $2.6 million related to warrants issued for services (we refer to note 7 for further information). Further, the Company has performed a purchase price allocation related to the UER acquisition, see note 3, where an unfavourable contract liability was identified as a result of current charter contracts in Brazil being below the prevailing market rates for similar vessels. The identified unfavourable contract liability of $177.1 million is amortized over the remaining duration of the contracts for the two drilling units acquired in the UER acquisition. For the three months and year-to-date periods ending December 31, 2024, the Company has recognized a non-cash revenue of $22.9 million and $59.0 million, respectively, related to this and the amortization is presented in the unallocated items in the table above. Further, an associated deferred tax asset of $19.8 million was recognized related to the unfavourable contract liability that is recognized in the same manner as the unfavourable contract liability, and the Company has recognized an income tax expense of $2.6 million and $6.6 million for the three months and year-to-date periods ending December 31, 2024, respectively. Total tax expense of $3.9 million and $9.2 million for the three months and year-to-date periods ending December 31, 2024, further includes $1.3 million and $2.6 million related to income taxes incurred related to the operations of SSV Catarina in Indonesia.

Note 5 Vessels and Equipment

Vessels and equipment consist of the cost price and capital expenditure for the vessels, SSV Victoria, DS Carolina and SSV Catarina and accumulated depreciation. The two first vessels were acquired in the UER Acquisition as described in note 3 and the value of the vessels have been determined in a Purchase Price Allocation. The valuation of the vessels was based on a combination of broker estimates and a discounted cash flow valuation model using estimated market rates for the remaining useful life of the vessels on an "as is where is" basis. We refer to further information in note 3 related to the Purchase Price Allocation that has been performed and note 4 regarding unfavourable contracts.

On July 23, 2024, the Company acquired the asset SSV Catarina for a consideration of $100.0 million in cash, $5.0 million in new shares in the Company and certain costs associated with delivery of the drilling unit, plus an earnout agreement that encompasses 17.5% of the free cash flow generated by the vessel for the first five years after delivery to be distributed to the sellers.

The Company has estimated the fair value of the earnout agreement as of the acquisition date and included an amount of $17.3 million as part of the cost price of the vessel and with an associated estimated liability of the same amount. The estimation of the fair value includes estimation of assumed dayrates, utilization, operating costs, capital expenditures and taxes during the five-year period. Future payments under the earnout agreement are payable on a quarterly basis and will be recorded as a reduction of the estimated liability. The estimated liability is presented in the Company's balance sheet as part of Other Current Liabilities and Other Non-Current Liabilities. On February 10, 2025, the Company announced that it had agreed with the sellers of SSV Catarina to pay a lump sum of $8.0 million to acquire the earnout agreement and settle all other amounts outstanding related to the termination of the terminated management agreement for the vessel. The agreement will be fully reflected in the Company's 2025 first quarter interim report.

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

in USD thousands	
DS Carolina	217,937
SSV Victoria	167,757
SSV Catarina	123,045
Other Property and Equipment	131
Total	**508,870**

Depreciation expense for the three months and year-to-date periods ending December 31, 2024, totalled $8.2 million and $19.5 million, respectively.

Note 6 Interest Bearing Debt

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

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

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

Interest expenses of $5.2 million and $12.9 million in the three months’ and for the year-to-date period ending December 31, 2024, include interest expense incurred on the senior secured bond loan and the RCF, plus amortization of deferred financing cost of $0.5 million and $1.0 million, respectively.

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

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

Note 7 Shareholders' Equity and Warrants

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

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

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

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

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

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

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

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

The warrants are exercisable within 3 years, if the share price of the Company exceeds the following set of hurdles:
- 1/3 at 20% premium to the Offer Price of $2.0 per Share over a period of five consecutive days.
- 1/3 at 40% premium to the Offer Price of $2.0 per Share over a period of five consecutive days.
- 1/3 at 60% premium to the Offer Price of $2.0 per Share over a period of five consecutive days.

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

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

Note 8 Earnings per Share

Basic earnings per share ("EPS") are computed by dividing net income by the weighted-average number of common shares outstanding for the period. The basic EPS denominator includes warrants vested, where no or little consideration is required, and are included in the calculation from their vesting date. Further information regarding shares outstanding and issued in the quarter can be found in note 7.

Diluted EPS is computed by dividing net income by the weighted-average number of common shares and dilutive common stock equivalents (warrants) outstanding during the period. Dilutive common stock equivalents have been included from their issuance date.

In USD thousands, except shares and per share data	**Three months period ending December 31, 2024**	**February 24, 2024 – December 31, 2024 (YTD)**
Numerator for earnings per share		
Net Income (Loss)	23,525	57,665
Denominator for earnings per share		
Basic weighted average number of common shares	107,442,717	76,452,125
Diluted weighted average number of common shares	108,856,958	77,870,481
Income per share – basic	0.22	0.75
Income per share - diluted	0.22	0.74

Note 9 Leases

The Company's future minimum lease payments related to the operating leases are as follows:

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

The weighted average remaining lease term is 1.5 years and the average discount rate is 10.15%.

Note 10 Share-based compensation

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

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

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

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

Note 11 Commitment and contingencies

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

The Company is providing bank guarantees and performance bonds to counterparties as part of its regular operations. As of December 31, 2024, the Company has issued guarantees and performance bonds totalling $10.8 million in relation to the operations of SSV Catarina. The restricted cash balance of $12.1 million includes $1.3 million of cash held as security for guarantees and performance bonds. Further, we have deposited $9.5 million as a time deposit with a local bank in Indonesia as security, which is presented in Other Current Assets in our balance sheet.

We refer to footnote 5 in relation to the contingent consideration related to the acquisition of SSV Catarina.

In 2008, 2009, 2017 and 2023, the Company received tax assessments from the Brazilian Federal Revenue Service that remain unsettled as of December 31, 2024. Management and its legal counsel are defending the assessments and do not believe payment of the assessments is probable. Therefore, 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.

Note 12 Financial instruments and risks

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

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

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

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

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

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

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

For the year-to-date period ending December 31, 2024, three customers accounted for 59.4%, 18.2% and 13.1% of the revenues, respectively.

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

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

Note 13 Subsequent events

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

On February 25, 2025, the Company announced that DS Carolina has been subject to an order of interdiction from ANP (the regulatory body for oil, natural gas and biofuels industries in Brazil). ANP is of the view that certain emergency procedures used by the industry should be improved. The Company is in constructive dialogue with Petrobras and expects the order of interdiction to be lifted within short time. The Company's position is that the financial impact of the suspension should not be material and is in ongoing discussions with its client.

Responsibility statement

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

The Board of Directors of Ventura Offshore Holding Ltd.,

February 28, 2025

s/Gunnar W Eliassen

____

Gunnar W Eliassen, Chairperson

s/Guilherme Coelho

____

Guilherme Coelho, CEO & Board member

s/Børge Johansen

____

Børge Johansen, Board member

s/Michael Windeler

____

Michael Windeler, Board member