

Unaudited Consolidated Financial Report

for Q4 2025 and the year ended
31 December 2025



Telford Finco

Unaudited Consolidated Financial Report for Q4 2025 and the year ended 31 December 2025

Note 1 General information

Telford Finco (the “Group”) is an owner and operator of a fleet of DP3 multipurpose support vessels (MPSV's) providing accommodation, construction and pipelay services to the offshore oil & gas industry.

The registered office of Telford Finco (the “Company”) is c/o Appleby Global Services (Cayman) Limited, 71 Fort Street, PO Box 500, Grand Cayman, KYL-1006, Cayman Islands. Head office for the Group is located at Office 3001 Jumeirah Business Centre 5, Jumeirah Lake Towers, Dubai, United Arab Emirates.

The comparative information for the unaudited condensed consolidated statement of financial position, unaudited condensed consolidated statement of comprehensive income, unaudited condensed consolidated statement of changes in equity, unaudited condensed consolidated statement of cash flows, and other explanatory notes is based on the audited financial statements for the year ended 31 December 2024.

Note 2 Summary of material accounting policy information

The accounting policies adopted are consistent with those followed in preparation of the Group's audited annual consolidated financial statements for the period ended 31 December 2024, except for the adoption of new and amended IFRS Accounting Standards as set out below.

(a) New and amended IFRS Accounting Standards adopted by the Group

The Group has applied the following amendments for the first time from 1 January 2025:

- Amendments to IAS 21 – Lack of Exchangeability

These amendments are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

(b) Impact of IFRS Accounting Standards issued but not yet applied by the Group.

Certain new accounting standards and interpretations have been published that are not mandatory for reporting periods commencing 1 January 2025 and have not been early adopted by the Group. These standards, amendments or interpretations are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

Note 3 Basis of preparation

This unaudited consolidated financial report does not include all the notes normally included in the annual consolidated financial statements and should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2024 and the annual consolidated financial statements for the year ended 31 December 2025 once published.

Unaudited condensed consolidated statement of financial position

USD 000s'	Note	Balance at 31 December 2025 (unaudited)	Balance at 31 December 2024 (audited)
ASSETS			
Non-current assets			
Property, plant, and equipment	5	176,426	199,153
Intangible assets	5	48	18
Right-of-use assets	6a	29,619	214
Financial assets at fair value through profit or loss	6a	3,200	-
Total non-current assets		209,293	199,385
Current assets			
Inventories		1,030	1,664
Trade receivables		34,344	20,591
Other current assets		6,010	9,927
Unbilled revenue and other receivables		11,910	12,317
Due from a related party	12a	578	-
Cash at bank – restricted	7	5,102	9,675
Cash and cash equivalents	7	27,276	30,463
Total current assets		86,250	84,637
TOTAL ASSETS		295,543	284,022
EQUITY AND LIABILITIES			
EQUITY			
Share capital		-	-
Additional capital contribution		101,008	101,008
Accumulated losses		(54,304)	(65,295)
Total equity		46,704	35,713
LIABILITIES			
Non-current liabilities			
Borrowing	8	129,430	163,548
Lease liabilities	6b	18,990	-
Due to a related party	12b	2,448	-
Provision for employees' end-of-service benefits		704	571
Provision for decommissioning obligations	6b	2,900	-
Total non-current liabilities		154,472	164,119
Current liabilities			
Trade and other payables		37,142	43,041
Borrowing	8	33,449	32,755
Due to a related party	12c	13,579	7,488
Lease liabilities	6b	8,416	147
Income tax liabilities	13	1,781	759
Total current liabilities		94,367	84,190
Total liabilities		248,839	248,309
TOTAL EQUITY AND LIABILITIES		295,543	284,022

Unaudited condensed consolidated statement of comprehensive income

USD 000s'	Note	3 months ended 31 December 2025 (unaudited)	Year ended 31 December 2025 (unaudited)	Year ended 31 December 2024 (audited)
Revenue	4,9,10	56,928	195,163	135,586
Cost of sales	4,10	(34,325)	(123,171)	(80,824)
Gross profit	10	22,603	71,992	54,762
General and administrative expenses	4	(2,419)	(25,692)	(18,376)
Impairment loss on financial assets	4	(10,830)	(649)	(5,678)
Operating profit	4	9,354	45,651	30,708
Finance income	11	578	647	256
Finance costs	11	(6,362)	(27,900)	(4,360)
Finance costs – net	11	(5,784)	(27,253)	(4,104)
Profit before income taxes		3,570	18,398	26,604
Income tax expense	13	(3,517)	(9,223)	(2,768)
Profit for the period		53	9,175	23,836
Other comprehensive income		-	-	-
Total comprehensive income for the period		53	9,175	23,838

Unaudited condensed consolidated statement of changes in equity

USD 000s'	Share capital ¹	Additional capital contributed	Accumulated losses	Total
Balance at 1 January 2024	-	321,008	(90,947)	230,061
Total comprehensive income for the year	-	-	23,836	23,836
Dividend distribution	-	(220,000)	-	(220,000)
Share based payment	-	-	1,816	1,816
As at 31 December 2024 (audited)	-	101,008	(65,295)	35,713
As at 1 January 2025	-	101,008	(65,295)	35,713
Share based payment	-	-	1,816	1,816
Total comprehensive income for the year	-	-	9,175	9,175
As at 31 December 2025 (unaudited)	-	101,008	(54,304)	46,704

¹Allotted, issued and unpaid share capital of 1 ordinary share of USD 1 each.

Unaudited condensed consolidated statement of cash flows

USD 000s'	Note	3 months ended 31 December 2025 (unaudited)	Year ended 31 December 2025 (unaudited)	Year ended 31 December 2024 (audited)
Cash flows from operating activities				
Profit before income taxes		3,570	18,398	26,604
<i>Adjustments to reconcile profit before income taxes to net cash provided by operating activities:</i>				
Depreciation of property, plant and equipment	5	13,473	50,181	41,442
Depreciation of right-of-use assets	6a	2,403	7,194	186
Amortisation charge on intangible assets	5	3	10	99
Employees' end-of-service charge		48	223	439
Borrowing cost	8	5,344	24,052	3,769
Interest on super senior working capital revolving facility	12c	26	310	-
Interest expense on lease liability	11	988	2,541	34
Share-based expense		454	1,816	1,816
Impairment losses on financial assets		649	(5,029)	5,678
Interest accrued on decommissioning liability		73	148	-
Interest on financial asset	11	(32)	(94)	-
Finance income	11	(578)	(647)	(256)
Operating profit before working capital changes		26,421	99,103	79,811
Decrease in inventories		531	634	519
Decrease/(Increase) in trade receivables		1,896	(14,397)	50
Decrease in other current assets		2,072	3,917	(8,988)
Decrease in unbilled revenue and other receivables		10,439	154	(10,389)
(Increase) in long term receivables		(1,940)	(1,940)	-
Increase in decommissioning liability	6b	-	2,900	-
(Decrease)/Increase in related party balances	12a,b	(578)	(2,349)	-
(Decrease) in trade and other payables		(9,816)	(5,646)	10,970
Cash generated from operating activities		29,025	82,376	71,973
Income tax paid		(3,430)	(8,201)	(3,312)
Finance income received		546	553	256
Employees' end-of-service benefits paid		(35)	(90)	(418)
Net cash generated from operating activities		26,106	74,638	68,499
Cash flows from investing activities				
Payment for intangible assets		(40)	(40)	(22)
Payment for property, plant and equipment		(3,989)	(27,454)	(46,471)
Payment for long term lease deposit	6a	-	(1,166)	-
Net cash used in investing activities		(4,029)	(28,660)	(46,493)
Cash flows from financing activities				
Movement in restricted bank account	7	13,463	4,573	(9,675)
Payment of bond borrowing cost	8	-	(388)	-
Repayment of bond borrowing	8	(28,063)	(57,088)	192,534
Distribution to shareholders		-	-	(212,512)
Proceeds from working capital revolver	12c	-	10,000	-
Principal of lease payment	6b	(1,951)	(3,721)	(223)
Interest element of lease payment	6b	(850)	(2,541)	-
Net cash used in financing activities		(17,401)	(49,165)	(29,876)
Net decrease in cash and cash equivalents		4,676	(3,187)	(7,870)
Cash and cash equivalents at the beginning of the period	7	22,600	30,463	38,333
Cash and cash equivalents as at end of the period	7	27,276	27,276	30,463

Note 4 Operating results

USD 000s'	3 months ended 31 December 2025 (unaudited)	Year ended 31 December 2025 (unaudited)	Year ended 31 December 2024 (audited)
Revenue	56,928	195,163	135,586
Cost of sales	(34,325)	(123,171)	(80,824)
General and administrative expenses	(2,419)	(25,692)	(18,376)
Impairment loss on financial assets	(10,830)	(649)	(5,678)
Operating profit	9,354	45,651	30,708
Add back: finance charges included in SG&A	65	246	203
Add back: depreciation (COS)	15,542	56,783	41,349
Add back: depreciation (SG&A)	337	602	379
EBITDA	25,298	103,282	72,639
Add back: non-recurring items	10,831	9,454	5,678
Add back: non-cash items	454	1,816	1,816
Adjusted EBITDA¹	36,583	114,552	80,133

- 1) Adjusted EBITDA represents operating profit after adding back depreciation and amortisation, impairment charges and any other non-recurring and/or non-cash items. This measure provides additional information in assessing the Group's underlying performance that management is more directly able to influence in the short term and on a basis comparable between each reporting period.

Non-cash items added back to EBITDA for the three months ending 31 December 2025 and the full year ended 31 December 2025 relate to the recordable expense associated with the share-based payment (Management Incentive Plan – MIP) scheme, which was introduced by MAM Telford Holdings Limited (the “Parent Company”) for the eligible employees of the Group. Further disclosures surrounding this scheme can be found in the 2024 Telford Finco Consolidated Financial Statements. The corresponding credit has been recognised within “Accumulated losses” in the statement of changes in equity.

Non-recurring items added back to EBITDA for the three months ending 31 December 2025 and the full year ended 31 December 2025 relate to arbitration settlements both in favour and against Telford and impairment charges on receivables to reflect recovery uncertainty.

Note 5 Property, plant, and equipment (including intangible assets)

USD 000s'	Balance at 31 December 2025 (unaudited)	Balance at 31 December 2024 (audited)
Acquisition cost:		
Opening balance	431,279	384,786
Fleet additions	27,950	40,636
Other assets additions	5,253	83
Capital work in progress movements	(5,709)	5,774
Closing balance	458,773	431,279
Accumulated depreciation:		
Opening balance	232,108	190,567
Depreciation charge for the year	50,191	41,541
Closing balance	282,299	232,108
Opening net book value	199,171	194,219
Closing net book value	176,474	199,171

Additions during the year ended 31 December 2025 include USD 9.6 million relating to costs associated with 5-year special survey programmes for Telford 31 and Telford 34, along with USD 19.2 million for vessel upgrades across the fleet.

The carrying value of the fleet amounting to USD 163.2 million (2024: USD 183.2 million) consists of five Dynamic Positioning (DP3) vessels owned by the Group, being Telford 25, Telford 28, Telford 30, Telford 31 and Telford 34.

All vessels, including the equipment therein, serve as collateral against the bonds issued by the Group in November 2024.

Note 6a Right-of-use assets

USD 000s'	Balance at 31 December 2025 (unaudited)	Balance at 31 December 2024 (audited)
Acquisition cost:		
Opening balance	859	758
Additions	36,681	101
Disposal	(758)	-
Closing balance	36,782	859
Accumulated depreciation and impairment:		
Opening balance	645	459
Depreciation charge for the year	7,194	186
Disposal	(676)	-
Closing balance	7,163	645
Opening net book value	214	299
Closing net book value	29,619	214

The Group has leases for its head office and various regional office premises, with lease terms ranging from two to five years. In addition, the Group leases the Telford 33 vessel for a fixed period and has extension options which could be used to maximise operational flexibility. All extension and termination options held are exercisable only by the Group and not the respective lessors. Lease liabilities are disclosed within Note 6b 'Lease liabilities'.

In connection with the T33 lease, the Group has recognised a financial asset representing the deposits paid to the lessor at the commencement of the lease, totalling USD 3.2 million (2024: USD nil). These deposits will be returned at the end of the contract and have therefore been classified as a financial asset at amortised cost.

Note 6b Lease liabilities

USD 000s'	Balance at 31 December 2025 (unaudited)	Balance at 31 December 2024 (audited)
Within one year	10,885	157
Within two to five years	21,329	-
After five years	-	-
Total undiscounted lease liabilities	32,214	157
Effect of discounting	(4,808)	(10)
Discounted lease liabilities	27,406	147
Consisting of:		
Non-current liabilities	18,990	-
Current liabilities	8,416	147
Total discounted lease liabilities	27,406	147

Payments related to lease liabilities disclosed within the unaudited condensed consolidated statement of cash flows for year ended 31 December 2025 totalled USD 6.3 million (2024: USD 0.2 million).

A decommissioning liability of USD 2.9 million (2024: nil) has been recognised for the estimated costs associated with the vessel's redelivery obligations at the end of the lease term, consistent with the requirements of IAS 37 – Provisions, Contingent Liabilities and Contingent Assets.

Note 7 Cash and cash equivalents

USD 000s'	Balance at 31 December 2025 (unaudited)	Balance at 31 December 2024 (audited)
Unrestricted cash	27,276	30,463
Restricted cash	5,102	9,675
Total	32,378	40,138

As per the bond agreement, under which the Group raised funds from the bond market in 2024, the Group is required to maintain a Debt Service Retention Account (DSRA); a bank account established jointly with the Bond Trustee. Each month, the Group must transfer an amount equal to one-sixth of the interest, principal, and call premium payable on the upcoming bond repayment date.

The balance of the DSRA for the year ended 31 December 2025 decreased by USD 4.6 million from the prior year.

Note 8 Borrowing

USD 000s'	Balance at 31 December 2025 (unaudited)	Balance at 31 December 2024 (audited)
Balance at beginning of the period	196,303	-
Bonds issued	-	200,000
Interest accrued	24,052	3,769
Less: Repayment of bond borrowing	(57,088)	-
Less: Initial borrowing cost	-	(7,466)
Less: Additional borrowing cost	(388)	-
Closing	162,879	196,303

The Group issued 11% senior secured bonds amounting to USD 200 million under a bond agreement dated 4 November 2024, with Nordic Trustee as the Bond Trustee. The bonds were issued at a 2% discount and are repayable semi-annually over five years in instalments, with a 3% premium on repayment. The net proceeds from the issuance were allocated toward an initial distribution to shareholders and the Group's general corporate purposes.

The Group has incurred total borrowing costs related to the discount on bond and legal fees, amounting to USD 7.9 million. The effective interest rate (EIR) on the bond borrowing as at 31 December 2025 is 13%.

Bond repayment

As per the bond agreement, the Group may redeem bonds before maturity as follows:

Early redemption options	Repayment value
Before 6 May 2027	Present value of nominal amount and remaining interest payments – defined in the bond terms as the 'Make whole amount'
Between 6 May 2027 to 5 November 2027	105.50% of par value
Between 6 November 2027 to 5 May 2028	104.40% of par value
Between 6 May 2028 to 5 November 2028	103.30% of par value
Between 6 November 2028 to Maturity	103.00% of par value

As of 31 December 2025, the management estimates that the bond will be repaid on maturity date, i.e. will not take the route of early redemption option.

Therefore, the future undiscounted cash outflows, based on the fixed amortisation element of the bonds, are as follows:

All amounts in USD millions	Principal	Interest amount	Call premium	Total
2025	35.0	21.1	1.0	57.1
2026	35.0	17.2	1.0	53.2
2027	25.0	13.6	0.8	39.4
2028	25.0	10.9	0.8	36.7
2029	80.0	8.1	2.4	90.5
	200.0	70.9	6.0	276.9

Financial covenants

The Group is required to comply with the following financial covenants at each test date:

1. Cash and cash equivalents of at least USD 15 million during the tenure of the bond holdings.
2. A maximum leverage ratio of:

Period of bond terms	Maximum leverage ratio
Between Nov 2024 to Nov 2025	3.50 times
Between Dec 2025 to Nov 2026	3.25 times
Between Dec 2026 to Nov 2027	3.00 times
Between Dec 2027 to Nov 2028	2.75 times
Between Dec 2028 to Nov 2029	2.50 times

The leverage ratio is defined as the ratio of the net interest-bearing debt to the adjusted earnings before interest, taxation, depreciation, and amortisation (Adjusted EBITDA) as defined in the bond terms. The Group has complied with these covenants throughout the reporting period.

As at 31 December 2025, the ratio of interest-bearing debt to adjusted EBITDA was 1.5 times (2024: 2.0 times). The Group fully expects to comply with these covenants throughout the next reporting period.

Note 9 Revenue

USD 000s'	3 months ended 31 December 2025 (unaudited)	Year ended 31 December 2025 (unaudited)	Year ended 31 December 2024 (audited)
Time charter	43,336	148,334	107,819
Mobilisation and demobilisation	1,795	7,731	5,700
Catering, crew, and others	11,797	39,098	22,067
Total revenue	56,928	195,163	135,586

Note 10 Segment reporting

Three months ended 31 December 2025 (unaudited)

USD 000s'	Telford 25	Telford 28	Telford 30	Telford 31	Telford 33	Telford 34	Other	Total
Revenue	9,204	14,676	10,826	6,031	8,444	7,555	192	56,928
Less: Operating costs	(2,717)	(3,493)	(4,283)	(2,814)	(3,319)	(2,157)	-	(18,783)
Less: Depreciation	(2,586)	(2,617)	(2,558)	(2,205)	(3,097)	(2,479)	-	(15,542)
Gross profit	3,901	8,566	3,985	1,012	2,028	2,919	192	22,603

Year ended 31 December 2025 (unaudited)

USD 000s'	Telford 25	Telford 28	Telford 30	Telford 31	Telford 33	Telford 34	Other	Total
Revenue	36,547	43,350	43,237	30,998	9,010	31,470	551	195,163
Less: Operating costs	(11,995)	(15,366)	(16,619)	(9,619)	(3,155)	(9,634)	-	(66,388)
Less: Depreciation	(9,897)	(9,514)	(10,424)	(8,638)	(7,182)	(11,128)	-	(56,783)
Gross profit/(loss)	14,655	18,470	16,194	12,741	(1,327)	10,708	551	71,992

Other revenue sources consist of a contract secured in Q1 2025 for the rental of temporary living quarters to a client. This contract is for less than a year (inclusive of options), has no purchase option and is deemed as low value and therefore the contract is not classified as a finance lease under IFRS 16.

Year ended 31 December 2024 (audited)

USD 000s'	Telford 25	Telford 28	Telford 30	Telford 31	Telford 34	Other	Total
Revenue	27,034	43,066	26,823	12,272	26,391	-	135,586
Less: Operating costs	(6,693)	(11,902)	(8,805)	(6,045)	(6,030)	-	(39,475)
Less: Depreciation	(8,950)	(7,868)	(8,184)	(7,971)	(8,376)	-	(41,349)
Gross profit/(loss)	11,391	23,296	9,834	(1,744)	11,985	-	54,762

Note 11 Finance costs – net

USD 000s'	3 months ended 31 December 2025 (unaudited)	Year ended 31 December 2025 (unaudited)	Year ended 31 December 2024 (audited)
Finance income	(578)	(647)	(256)
Interest expense on lease liability	988	2,541	34
Interest on working capital revolving facility	26	310	-
Interest on bond borrowing	5,344	24,052	3,769
Other finance costs	-	261	-
Foreign exchange loss – net	4	736	557
Net finance costs	5,784	27,253	4,104

Note 12 Related party balances

a) Due from a related party - current

USD 000s'	Balance at 31 December 2025 (unaudited)	Balance at 31 December 2024 (audited)
Balance at beginning of the period	-	-
Repurchase of shares	578	-
Payment during the year	-	-
Closing balance	578	-

During the year certain employees exited the Group's MIP scheme and in accordance with the scheme rules, their shares were repurchased by the Primary Investor. The cash settlement was paid to the departing employees from an entity within the Group and as a result, a related party receivable has been recognised.

b) Due to a related party – non-current

USD 000s'	Balance at 31 December 2025 (unaudited)	Balance at 31 December 2024 (audited)
Balance at beginning of the period	-	-
Management incentive plan	-	-
Movement within current and non-current related to MIP	2,448	-
Closing balance	2,448	-

During the year, certain balances relating to the Group's MIP scheme (presented as non-current liabilities as at 31 December 2024) have been reclassified to non-current liabilities and reflects future distributions based on the scheme vesting periods, greater than 12 months. This reclassification affects balance sheet presentation only and has no impact on total equity or profit for the year.

c) Due to a related party - current

USD 000s'	Balance at 31 December 2025 (unaudited)	Balance at 31 December 2024 (audited)
Balance at beginning of the period	7,488	-
Management incentive plan	-	7,488
Movement within current and non-current related to MIP	(2,448)	-
Payment during the year	(1,771)	-
Super senior working capital facility issued	10,000	-
Interest accrued on working capital loan	310	-
Closing balance	13,579	7,488

The Group entered into a Super Senior Working Capital Revolving Facility agreement on 15 July 2025 with the Group's shareholders, to provide support to settle the liabilities due by the Group following the outcome of the concurrent arbitration case, concluded in June 2025. The facility was established for a total commitment of USD 10.0 million and carries an interest rate that represents 6-month SOFR plus an annual margin set at 2.50%, total interest therefore equivalent to a monthly rate of approximately 0.56%. The facility is classified as a non-current liability in the consolidated statement of financial position as it is reasonably expected to be repaid in full, within

the next twelve months. Interest on the Super Senior Working Capital Revolving Facility (reference note 12 (b)) is accrued on the outstanding balance and payable every six months, starting from the initial drawdown date.

Also included are balances relating to the MIP distributions which will vest and fall due for payment within the next twelve months.

Note 13 Income tax liability

USD 000s'	Balance at 31 December 2025 (unaudited)	Balance at 31 December 2024 (audited)
Balance at beginning of the period	759	1,303
Provided during the year	9,223	2,768
Payment during the year	(8,201)	(3,312)
Closing balance	1,781	759

The Group is subject to taxation in the jurisdictions where it operates. The major operating and holding entities are incorporated in nil or low-tax jurisdictions and are not considered subject to tax outside their countries of incorporation. Differences in interpretation of tax residency and permanent establishment rules may create potential exposure in higher-tax jurisdictions. All known tax liabilities have been appropriately recognised based on applicable legislation and interpretations.

Note 14 Significant events

No material significant events have occurred following this financial report date.

Directors on behalf of Telford Finco.



Robert William Duncan
Director



Christoph Bausch
Director

Learn more about Telford Offshore at:
telfordoffshore.com

