HEA Energy TopCo Limited (formerly HEA Holdings Limited)

Annual Report and Consolidated Financial Statements

For the period from 11 September 2023 to 31 December 2024

Registered Number: 20828

HEA Energy TopCo Limited (formerly HEA Holdings Limited)
Registered Number: 20828
Contents
For the period from 11 September 2023 to 31 December 2024

Director	Omar Elali
Registered Office	Workspace 4, Floor 18 Al Khatem Tower Abu Dhabi Global Market Square Al Maryah Island Abu Dhabi United Arab Emirates
Registered Number	20828 (ADGM, UAE)
Independent Auditors	Ernst & Young Middle East (ADGM Branch) P.O. Box 136 Tamouh Tower, 16th Floor, Office No. 1603 Al Reem Island, Emirate of Abu Dhabi United Arab Emirates
Principal Bankers	Barclays Bank PLC London Branch 1 Churchill Place Canary Wharf London E14 5HP United Kingdom First Abu Dhabi Bank FAB Building, Khalifa Business Park, 1 P.O Box 6316 Abu Dhabi, United Arab Emirates

The Director presents their annual report and audited financial statements of HEA Energy TopCo Limited (formerly HEA Holdings Limited) (the "Company") and its subsidiary undertakings (together the "Group"), for the period from 11 September 2023 to 31 December 2024.

The director, in preparing this director's report, has complied with section 402 of the Abu Dhabi Global Market (“ADGM”) Companies Regulations 2020, as amended.

Principal activities

The principal activity of the Group is the chartering and operation of marine vessels, including jack-up barges, primarily supporting offshore energy infrastructure and related marine logistics services. The subsidiary undertakings principally affecting the profits or net assets of the Group in the period under review are listed in note 4 to the consolidated financial statements.

Change of name

Following the passing of a special resolution on 12 August 2025, the Company’s name was officially changed from HEA Holdings Limited to HEA Energy TopCo Limited.

Director

The director of the Company who held office throughout the financial period and up to the date of signing the consolidated financial statements, was as follows:

- Omar Elali (appointed 27 September 2024)

Going concern

In preparing the consolidated financial statements, the director has considered the ability of the Group to continue as a going concern and continue to monitor the impact of the challenges in the market demand, liquidity, operations and workforce to inform their decisions for the assessment period of 12 months from the date of the approval of these consolidated financial statements.

The Group demonstrates adaptability and resilience in the current macroeconomic environment, operating effectively, providing chartering and operation of marine vessels, including jack-up barges, primarily supporting offshore energy infrastructure and related marine logistics services to its customers and meeting new client needs, whilst maintaining a healthy working capital position. The Group delivered its period of planned growth, in line with its business plan and underpinned by a number of strategic growth areas, placing the Group in a strong financial position at 31 December 2024, with a high level of liquidity.

In the assessment of going concern, management has considered the economic environment in the markets in which the Group operates. The Group's financial model shows that the position remains manageable in all scenarios with adequate levels of headroom being maintained even in the downside scenario.

The Director has confirmed that there are no material uncertainties that cast doubt on the Group's going concern status and are satisfied that the Group has adequate resources to meet its obligations for the foreseeable future. Accordingly, these consolidated financial statements have been prepared on a going concern basis.

Dividends paid and declared

During the period under review, no dividend was paid or proposed.

Employees

Our employees are key to the success of the Group and recruiting, retaining and developing our team is one of the Group's most important priorities. The Group expects a high standard of integrity and accountability from its employees. In return, the Group rewards and incentivises its staff on the basis of merit, ability and performance.

The Group is committed to promoting diversity and equal opportunities and is a supportive employer, providing training and development where required.

Issue of shares

The issued share capital of the Company for the period ended 31 December 2024 consists of 10,000 fully paid ordinary shares of $1.00 each. See note 21 for more information.

Results and performance

The results for the financial period are set out on page 12. The Group generated a pre-tax profit of $13,804,790. Net assets stood at $13,488,261 at the end of the financial period under review.

The director considers that the Group's financial position at the end of the financial period is adequate.

Review of the business

HEA Energy TopCo Limited (formerly HEA Holdings Limited) (the "Company") is a private entity, limited by shares. It operates primarily as a holding company, established with the purpose of raising capital through the issuance of share capital and equity funding to support its holding activities.

The Group is engaged in the global offshore energy and maritime services sector. The Group is focused on the chartering and operation of marine vessels, including jack-up barges, primarily supporting offshore energy infrastructure and related marine logistics services.

Group Reorganisation

During 2024, the group went through a full legal and operational reorganisation. This resulted in transfer of certain assets, liabilities and operations under common control being transferred. Please refer to note 2.2 for more information.

Key performance indicators ("KPI's")

The key operational performance indicators for the Group are net interest income, profit before tax and net income as disclosed in the consolidated statement of profit or loss and the net asset position as disclosed in the consolidated statement of financial position. During the period under review, the Group's operating performance was in line with the expectations.

The key financial performance indicators for the Group are as follows:

- Profit before tax: $13,804,790
- Equity: $13,488,261
- Net income: $13,478,261
- Net profit margin: 20.6%

Future outlook

The Group will continue to evaluate offshore market trends and chartering demand to ensure its vessel deployment strategy remains commercially aligned with industry needs and evolving project specifications. In line with this, the Group has now adopted a strategy to own its vessels, reflecting a long-term commitment to operational control and asset optimisation. With strong visibility on market demand, the Group intends to address emerging opportunities by expanding its fleet with state-of-the-art vessels. Strategic priorities include optimising asset utilisation, strengthening relationships with key stakeholders, and enhancing cost efficiency.

The Group focused on establishing a solid commercial and governance foundation. The Board considered the long-term implications of key decisions, including capital deployment, the selection of offshore infrastructure projects, and the implementation of cost controls aimed at maintaining liquidity and achieving early profitability.

The Director maintained open and regular engagement with key stakeholders, including service providers, strategic advisors, regulatory authorities, and related parties, to ensure alignment with operational priorities and compliance obligations.

Environmental and community impacts were considered in the context of the Group's planned offshore infrastructure investments, with future frameworks under exploration to support sustainable project development and responsible business conduct.

The Director fostered transparent relationships with the shareholder and advisors, and implemented robust financial reporting and audit processes that reflect high standards of corporate governance. All Board decisions were made with a focus on fairness among members and on maintaining the integrity of the Group's operations.

Treasury Policies

The objectives of the Group are to manage the Group's financial risk, secure cost-effective funding for the Group's operations, and to minimise the adverse effects of fluctuations in the financial markets on the Group's financial assets and liabilities, on reported profitability and on the cash flows of the Group.

The Group finances its activities with its shareholders' equity, related-party support and strategic financing arrangements to maintain operations and fund future investment opportunities . Other financial assets and liabilities arise directly from the Group's operating activities.

Sustainability-related reporting

Governance of Sustainability-Related Risks and Opportunities

The Director of the Group has overall responsibility for overseeing the management of sustainability- related risks and opportunities. The Group's governance framework integrates sustainability considerations into decision- making processes, with regular reviews by the Board and key committees, including the Audit and Risk Committee and the Sustainability Committee. These committees ensure that sustainability is embedded within the Group's strategic planning and risk management.

The Board is responsible for setting the tone on sustainability, providing strategic direction, and overseeing the progress of sustainability goals across all subsidiaries.

Material Sustainability Risks and Opportunities

The Group has identified a number of material sustainability-related risks that could impact its business operations, financial position, and long-term performance:

Sustainability-related reporting - continued

Material Sustainability Risks and Opportunities - continued

- **Climate-related risks**: Including both physical (acute and chronic) and transition risks related to climate change, which could affect assets (e.g. through increased credit risks) and regulatory compliance.

- **Environmental risks:** Pertaining to natural resource consumption, waste management, and pollution control across the Group's operations.

- **Social factors:** Addressing issues such as employee well-being, health and safety, diversity, and community engagement.

- **Governance-related risks:** Relating to compliance with laws, ethical standards, anti-corruption policies, and effective management of ESG practices across the company and its subsidiaries.

The Group evaluates these risks and opportunities in terms of their financial materiality, considering both their immediate and long-term implications for the Group’s operations and financial outcomes.

Risk Management and Strategy

The Group has implemented a comprehensive sustainability strategy that aligns with its long-term business goals. This strategy is designed to manage identified sustainability-related risks and capitalise on emerging opportunities, including in areas such as climate change mitigation, resource efficiency, social responsibility, and corporate governance. The sustainability strategy is reviewed regularly at the Board level to ensure it remains aligned with the Group’s objectives and external developments.

Risk Management of Climate-Related Risks

The Group’s approach to managing climate-related risks is integrated into its enterprise risk management framework, which is overseen by the Board and senior management. The Group identifies, assesses, and prioritizes climate-related risks and opportunities as part of its regular risk assessments.

Climate-related risks are considered across all levels of the organisation, from strategic planning through to operational execution. Creditor payment policy and practice.

It is the Group's policy that payments to suppliers are made in accordance with those terms and conditions agreed between the Companies within the Group and its suppliers providing that all trading terms and conditions have been complied with.

Stakeholder engagement

It is the Board's view that the Company's main stakeholders are its clients, its parent company and other entities within the Group. There is a high level of engagement between the business managed by the Company and the other businesses in the Group to ensure that any decisions made are in the best interests of the Company, the clients serviced by the Company's operations and the Group as a whole. This includes periodic attendance by representatives of the business at Group board meetings and regular senior management meetings.

Independent auditors

For the period ended 31 December 2024, Ernst & Young Middle East (ADGM Branch) were appointed as auditor of the Company. Pursuant to Section 459(2) of the ADGM Companies Regulations 2020, as amended, the auditor will be deemed to be reappointed and Ernst & Young Middle East (ADGM Branch) will therefore continue in office for the year ending 31 December 2025.

Directors' statement as to disclosure of information to auditors

So far as the Director is aware, there is no relevant audit information (as defined by section 403 of the ADGM Companies Regulations 2020, as amended) of which the Company's auditor is unaware, and each Director has taken all the steps that he/she ought to have taken as a Director in order to make him/herself aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

Approved and signed on behalf of the Board:

Omar Elali
Director
Date: 25 November 2025

Statement of Director's Responsibilities

The Director is responsible for preparing the Director's report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has prepared the Group financial statements in accordance with International Financial Reporting Standards ("IFRS"). Under company law, the director must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and of the profit or loss of the Group for that period. In preparing the financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently, subject to any changes disclosed and explained in the financial statements;
- state whether applicable IFRS have been followed for the Group financial statements, subject to any material departures disclosed and explained in the financial statements;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to assume that the Group will continue in business.

The director is also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the financial statements comply with the ADGM Companies Regulations 2020, as amended, and, as regards the financial statements, ADGM Companies Regulations (International Accounting Standards) Rules 2015.

These responsibilities are fulfilled by the director. The director confirms that they have complied with the above requirements in preparing these consolidated financial statements.

Director's statements

The Director makes the following statements:

- so far as the Director is aware, there is no relevant audit information of which the Group's auditor is unaware; and

- They have taken all the steps they ought to have taken as the Director, to make themselves aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

- The Director has reasonable expectation that the Group has adequate resources and support to continue its operational existence for a period of at least 12 months from date of approval of consolidated financial statements. For this reason, they continue to adopt the going concern basis in preparing the consolidated financial statements for the period ended 31 December 2024.

- The consolidated financial statements disclose related party transactions and balances in note 22. All transactions are carried out as part of our normal course of business and in compliance with applicable laws and regulations.

Approved and signed on behalf of the Board:

Omar Elali
Director
Date: 25 November 2025

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF HEA ENERGY TOPCO LIMITED (FORMERLY HEA HOLDINGS LIMITED)

Report on the Audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of HEA Energy Topco Limited (formerly HEA Holdings Limited) (the "Company") and its subsidiaries (together referred as the "Group"), which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss, consolidated statements of changes in equity and cash flows for the period from 11 September 2023 to 31 December 2024 (the "period") then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, consolidated financial position of the Group as at 31 December 2024 and its consolidated financial performance and its consolidated cash flows for the period then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA) together with the ethical requirements that are relevant to our audit of the financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Other information consists of the information included in the Director's report, other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF
HEA ENERGY TOPCO LIMITED (FORMERLY HEA HOLDINGS LIMITED) (continued)
Report on the audit of the consolidated financial statements (continued)

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 2.2 to the consolidated financial statements which states that the accompanying consolidated financial statements have been prepared based on a business combination under common control transaction during the period using the principles of predecessor accounting and subsequent to the period end the Group completed the legal transfer of 100% of the share capital of the entities involved in the business combination.

Responsibilities of management and Director for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards and in compliance with the applicable provisions of the Companies Regulation 2020 of Abu Dhabi Global Market ("ADGM"), and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Director is responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF HEA ENERGY TOPCO LIMITED (FORMERLY HEA HOLDINGS LIMITED) (continued)

Report on the audit of the consolidated financial statements (continued)
Auditor's responsibilities for the audit of the consolidated financial statements (continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Director regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other legal and regulatory requirements

Further, as required by the Companies Regulations 2020 of ADGM, we report that, in our opinion:

i. the consolidated financial statements include, in all material respects, the applicable requirements of the Companies Regulations 2020 of ADGM; and
ii. the financial information included in the report of the Director is consistent with the books of account and records of the Group.

For Ernst & Young – Middle East (ADGM Branch)

James Potter
25 November 2025

Abu Dhabi, United Arab Emirates

HEA Energy TopCo Limited (formerly HEA Holdings Limited)
Registered Number: 20828
Consolidated Statement of Profit or Loss
For the period from 11 September 2023 to 31 December 2024

	Notes	Period ended 31 December 2024 $
Revenue	5	65,586,071
Direct operating costs	6	(45,758,297)
Gross profit		**19,827,774**
Staff costs	7	(1,713,267)
General and administrative expenses	10	(2,541,879)
Depreciation on right of use assets	14	(830,907)
Interest income	11	318,631
Finance cost	11	(1,202,360)
Foreign exchange loss		(53,202)
Profit for the period before tax		**13,804,790**
Income tax expense	12	(326,529)
Profit for the period		**13,478,261**

All of the amounts above are in respect of continuing operations.

There was no other comprehensive income for the period from 11 September 2023 to 31 December 2024.

The accompanying notes on pages 17 to 48 form an integral part of these consolidated financial statements.

HEA Energy TopCo Limited (formerly HEA Holdings Limited)
Registered Number: 20828
Consolidated Statement of Financial Position
As at 31 December 2024

	Notes	31 December 2024 $
Non-current assets		
Property, plant and equipment	13	211,799,291
Right-of-use assets	14	13,294,510
Total non-current assets		**225,093,801**
Current assets		
Inventories	15	2,067,235
Trade and other receivables	16	15,244,256
Cash and cash equivalents	17	69,206,304
Total current assets		**86,517,795**
Total assets		**311,611,596**
Current liabilities		
Trade and other payables	18	(3,442,335)
Due to related parties	22	(41,793,375)
Corporate tax payable		(326,529)
Lease liabilities	14	(183,554)
Total current liabilities		**(45,745,793)**
Non-current liabilities		
Provision for employees' end of service benefit	19	(62,900)
Loans from related parties	20	(238,552,313)
Lease liabilities	14	(13,762,329)
Total Non-current liabilities		**(252,377,542)**
Total liabilities		**(298,123,335)**
Net assets		**13,488,261**
Equity		
Share capital	21	10,000
Retained earnings		13,478,261
Shareholders' Equity		**13,488,261**

The financial statements were approved by the Board and authorised for issue on 25 November 2025.

Omar Elali
Director
Date: 25 November 2025

Registered number: 20828

The accompanying notes on pages 17 to 48 form an integral part of these consolidated financial statements.

HEA Energy TopCo Limited (formerly HEA Holdings Limited)
Registered Number: 20828
Consolidated Statement of Changes in Equity
For the period from 11 September 2023 to 31 December 2024

	Share capital	**Retained earnings**	**Total Equity**
	$	**$**	**$**
Balance as at 11 September 2023	-	-	-
Comprehensive income for the period			
Profit for the period	-	13,478,261	13,478,261
Total comprehensive income for the period	**-**	**13,478,261**	**13,478,261**
Transaction with owner			
Issuance of share capital (Note 21)	10,000	-	10,000
Total transaction with owner	**10,000**	**-**	**10,000**
Balance as at 31 December 2024	**10,000**	**13,478,261**	**13,488,261**

The accompanying notes on pages 17 to 48 form an integral part of these consolidated financial statements.

HEA Energy TopCo Limited (formerly HEA Holdings Limited)
Registered Number: 20828
Consolidated Statement of Cashflows
For the period from 11 September 2023 to 31 December 2024

	Notes	Period ended 31 December 2024 $
Cash flows from operating activities		
Profit for the period before tax		13,804,790
Adjustment for non-cash items:		
Depreciation on right of use assets		830,907
Interest income		(318,631)
Finance costs		359,719
Interest expense on lease liabilities		842,641
Changes in operating assets and liabilities		
Change in inventories	**15**	(2,067,235)
Change in trade and other receivables	**16**	(15,244,256)
Change in due to related parties (net)	**22**	16,994,084
Change in trade and other payables	**18**	3,442,335
Provision for employees' end of service benefits	**19**	62,900
Net cash flows generated from operations		**18,707,254**
Cash flows from Investing activities		
Interest received		318,631
Net cash generated from investing activities		**318,631**
Cash flows from financing activities		
Issue of share capital	**21**	10,000
Payment of lease liabilities		(1,022,175)
Loans received from related parties	**20**	51,552,313
Finance cost		(359,719)
Net cash generated from financing activities		**50,180,419**
Change in cash and cash equivalents		69,206,304
Cash and cash equivalents at the beginning of the period		-
Cash and cash equivalents at the end of the period	**17**	**69,206,304**

The accompanying notes on pages 17 to 48 form an integral part of these consolidated financial statements.

		2024
Non-cash transactions		**$**
Issue of share capital	**21**	10,000
Acquisition of property, plant and equipment	**13**	(211,799,291)
Loans received from related parties	**20**	187,000,000
Addition to right-of-use assets and lease liabilities	**14**	14,125,417
Management fees	**10**	817,651
Income tax	**12**	326,529
Due to related parties	**22**	(10,949,620)

The accompanying notes on pages 17 to 48 form an integral part of these consolidated financial statements.

1. General information

HEA Energy TopCo Limited (formerly HEA Holdings Limited) ("the Company") was incorporated and registered in Abu Dhabi Global Market ("ADGM") as a private company limited by shares under the terms of Registration No. 20828 issued on 27 September 2024 by ADGM, United Arab Emirates ("UAE"). The Company is wholly owned by Hassan Elali ("the Ultimate Beneficial Owner" and the "Shareholder"), who is a UAE resident and Sweden national. The address of the registered office is Workspace 4, Floor 18, AI Khatem Tower, Abu Dhabi Global Market Square, Al Maryah Island, Abu Dhabi, UAE.

The Group is engaged in the chartering and operation of marine vessels, including jack-up barges, primarily supporting offshore energy infrastructure and related marine logistics services. The Group is committed to supporting the energy and marine logistics sectors in their transition towards more sustainable and efficient operations.

The Company is a holding entity and was established to raise funding through issuance of share capital and capital contribution to finance its holding activities including.

Items included in the financial statements of each of the Group’s entities are measured using the currency of the primary economic environment in which the entity operates (‘the functional currency’). As the Company is incorporated under ADGM, the financial information is required to be presented in USD (“$”) in accordance with Section 442(1) of the ADGM Companies Regulations 2020, as amended.

All amounts in the consolidated financial statements are rounded to the nearest US dollar (“$”).

These are the Group’s first financial statements and cover the period from incorporation to 31 December 2024.

Accounting policies that relate to the financial statements as a whole are set out below, while those that relate to specific areas of the financial statements are shown in the corresponding note.

The consolidated financial statements were approved by the Director and authorised for issue on 25 November 2025.

2. Material accounting policy information

The principal accounting policies are summarised below. They have all been applied consistently throughout the period.

2.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards and interpretations issued by the IFRS Interpretations Committee applicable to companies reporting under IFRS Accounting Standards and the applicable provisions of Abu Dhabi Global Market ("ADGM") Companies Regulations 2020 (as amended) and ADGM Companies Regulations (International Accounting Standards) Rules 2015. These financial statements comply with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

These consolidated financial statements present the statement of cash flows using the indirect method. All entities within the Group have coterminous reporting dates.

Standards, interpretations and amendments to published standards that are not yet effective

The following new accounting standards and amendments to new accounting standards have been issued but are not yet effective and unless otherwise indicated, have been endorsed:

- Amendments to IAS 21 ’Lack of exchangeability’;

2. Material accounting policy information - continued

2.1 Basis of preparation - consolidation

Standards, interpretations and amendments to published standards that are not yet effective - continued

- Amendment to IFRS 9 and IFRS 7 'Classification and measurement of financial instruments' (not yet endorsed);
- IFRS 18 'Presentation and disclosure in financial statements' (not yet endorsed); and
- IFRS 19 'Subsidiaries without Public Accountability: Disclosures (not yet endorsed).

IFRS 18 will replace IAS 1 'Presentation of financial statements' for the period beginning 1 January 2027. The main new requirements in the standard will be a change in presentation of the income statement with new categories and new sub-totals, management-defined performance measures being presented in a single note in the financial statements, the cash flow statement using the operating profit sub-total as the starting point, and certain other changes to how information is grouped in the financial statements. The Group is still assessing the impact of the new standard but expects that there will be no impact on its net assets or profit.

The Group is currently assessing the impact of the remaining changes to other standards, interpretations and amendments, but they are not expected to have a material impact. The Group does not plan to early adopt any of the above new accounting standards or amendments. The Group has not adopted any other standard, amendment or interpretation that has been issued but is not yet effective.

2.2 Basis of consolidation

Subsidiaries are those investees, including structured entities, that the Group controls because the Group

(i) has power to direct relevant activities of the investees that significantly affect their returns,
(ii) has exposure, or rights, to variable returns from its involvement with the investees, and
(iii) has the ability to use its power over the investees to affect the amount of investor's returns.

Subsidiaries are consolidated from the date on which control is transferred to the Group (acquisition date) and are deconsolidated from the date on which control ceases. The acquisition method of accounting is used to account for the acquisition of businesses other than those acquired from parties under common control.

The consideration transferred is measured at the fair value of the assets given up, equity instruments issued and liabilities incurred or assumed at the date of exchange, including fair value of assets or liabilities from contingent consideration arrangements but excludes acquisition related costs such as advisory, legal, valuation and similar professional services.

Transaction costs related to the acquisition and incurred for issuing equity instruments are deducted from equity; transaction costs incurred for issuing debt as part of the business combination are deducted from the carrying amount of the debt and all other transaction costs associated with the acquisition are expensed.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured at their fair values at the acquisition date. Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed).

If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the acquisition gain (bargain gain under IFRS 3) is recognised in profit or loss.

2. Material accounting policy information - continued

2.2 Basis of consolidation - continued

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated; unrealised losses are also eliminated unless the cost cannot be recovered. The Company and all of its subsidiaries use uniform accounting policies consistent with the Group's policies.

During 2024, the Group initiated a legal reorganisation to align its operating structure under a newly incorporated holding company. The primary objectives of the reorganisation were to streamline external reporting, enhance corporate governance, and provide a platform to support future capital-raising or strategic initiatives.

HEA Energy Holdings Limited previously served as the Group's holding company. A new parent entity, HEA Energy TopCo Limited (formerly HEA Holdings Limited) (the "Company"), was incorporated on 27 September 2024.

As part of the reorganisation:

- On 1 October 2024, the Group acquired the beneficial ownership interest in the following entities.

  i) HEA Energy Holdings Limited
  ii) Novastar Energy Holdings Limited
  iii) HEA 1 Industrial Construction of Drilling Platforms Floating or Submersible – L.L.C

HEA Energy Holdings was formed on 25 July 2024, and its business activities focus on the third-party jack-up barges/vessel leasing business in the Middle East area. Prior to the formation of this company, the business was conducted through contracts recorded in other entities which were fully owned by the same UBO. This business started in October 2023. During the period vessels/jack-up barges were leased from Pegasus Propco Limited, a related party. The revenue of this business reported in the period is $34.8 million. The net assets at the date of transfer of the business was $14.0 million with an associated consideration recorded as due to related party of the same amount. The Net assets at acquisition mainly comprise of due from related party of $14.2 million.

Novastar Energy Holdings Limited was formed on 11 September 2023 with the business starting at the same date. Business activities focus on the third-party jack-up barges/vessel leasing business in the UK area with vessels/jack-up barges being leased from Pegasus Propco Limited, a related party, during the period. The revenue of this business reported in the period is $30.8 million. The net assets at the date of transfer were $3.6 million with an associated consideration recorded as due to related party of the same amount. The Net assets at acquisition mainly comprise of cash of $4.1 million, trade payables of $7.7 million and due from related party of $7.2 million.

HEA 1 Industrial Construction of Drilling Platforms Floating or Submersible – L.L.C is a non-trading entity holding a land lease (see note 14) in UAE and CWIP (see note 13) relating to the construction of dry dock facilities. The entity did not generate revenue during the reporting period. However, it incurred expenses associated with its lease liabilities and right-of-use assets, which were recognised in the consolidated statement of profit or loss in accordance with IFRS 16 (See note 1). The net assets at the date of transfer were $0.3 million with an associated consideration recorded as due to related party of the same amount. The lease right and the majority of the CWIP were acquired from an unrelated third party with effect from February 2024. Net assets at acquisition were mainly comprised of CWIP of $13.7 million, ROU Asset of $14.1 million, lease liability of $14.1 million and payable to related party of $14.7 million.

Subsequent to year, the Group completed the legal formalities of the transfer of ownership of the above entities as further detailed in Note 26.

2. Material accounting policy information - continued

2.2 Basis of consolidation - continued

All entities involved in the reorganisation have been under 100% common ownership throughout the relevant period. As such, the reorganisation has been accounted for as a business combination under common control transaction.

Given the nature of the restructuring, as a combination of entities under common control, the Group has presented its consolidated financial statements using the principles of predecessor accounting. Under this basis:

- Assets and liabilities of the acquired entities have been stated at predecessor carrying values. Fair value measurements have not been made;
- No goodwill has been recognised; and
- There were no differences between the consideration given and aggregate carrying value of the assets and liabilities of the acquired entities at the date of the transaction.

The Group has also elected to present the consolidated financial position and results using the retrospective presentation method. Under this method:

- The acquired entities' results and balance sheet have been incorporated as if both entities (acquirer and acquiree) had always been combined.

On 31 December 2024, the Group acquired the beneficial ownership interest in Pegasus Propco Limited from a related party under common control. Pegasus Propco Limited is a holding company with 10 subsidiaries which are non trading vessel owning entities. As this group does not trade, and primarily just holds assets, this transfer has been treated as an asset transfer. The assets of the Pegasus Propco Limited group were acquired for an agreed value of $197.9 million, comprising vessels, jack-up barges, and other property, plant and equipment. The acquisition was financed through a related party loan balance of $187.0 million and amounts due to a related party of $10.9 million.

2.3 Going concern

In preparing the consolidated financial statements, the director has considered the ability of the Group to continue as a going concern and continue to monitor the impact of the challenges in the market demand, liquidity, operations and workforce to inform their decisions for the assessment period of 12 months from the date of the approval of these consolidated financial statements.

The Group demonstrates adaptability and resilience in the current macroeconomic environment, operating effectively, providing chartering and operation of marine vessels, including jack-up barges, primarily supporting offshore energy infrastructure and related marine logistics services to its customers and meeting new client needs, whilst maintaining a healthy working capital position. The Group delivered its period of planned growth, in line with its business plan and underpinned by a number of strategic growth areas, placing the Group in a strong financial position at 31 December 2024, with a high level of liquidity.

In the assessment of going concern, management has considered the economic environment in the markets in which the Group operates. The Group's financial model shows that the position remains manageable in all scenarios with adequate levels of headroom being maintained even in the downside scenario.

The Director has confirmed that there are no material uncertainties that cast doubt on the Group's going concern status and are satisfied that the Group has adequate resources to meet its obligations for the foreseeable future. Accordingly, these consolidated financial statements have been prepared on a going concern basis.

2. Material accounting policy information - continued

2.4 Foreign currencies

In preparing the financial statements of the individual companies, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate).

2.5 Revenue Recognition

Revenue is recognised in accordance with the provisions of IFRS 15 – Revenue from Contracts with Customers. Revenue is recognised when control of the promised services is transferred to the customer, and it is probable that economic benefits will flow to the Group.

Revenue is measured at the transaction price, which represents the amount of consideration to which the Group expects to be entitled in exchange for the services provided, excluding value-added tax ("VAT") and other sales-related taxes.

Revenue is recognised based on the nature and timing of the services rendered, reflecting the Group’s performance obligations under the contract with the customer.

The Group's main revenue streams are as follows:

(a) Time Charter Revenue

The Group provides vessels under charter party agreements to customers in the offshore energy and marine logistics sector. Revenue from these contracts is earned based on a daily hire rate and is recognised over time, as the customer simultaneously receives and consumes the benefits of the services provided.

(b) Mobilisation and Demobilisation Revenue

Mobilisation and demobilisation services are considered distinct performance obligations when separately identifiable in the contract. Revenue is recognised at a point in time, typically upon completion of the delivery or redelivery of the vessel, in accordance with the contract terms.

(c) Additional Services and Backcharges including other operating income

The Group may provide additional services or incur third-party costs in fulfilling customer-specific requirements outside the scope of the original charter agreement.

Where the Group controls the service before it is transferred to the customer, and especially where a markup is applied, these amounts are recognised as revenue.

2. Material accounting policy information - continued

2.6 Expenses

Expenses are recognised on an accrual basis, when goods or services are received, regardless of the timing of payment.

The Group presents expenses in the statement of profit or loss by function, including:

- **Direct costs**: costs directly attributable to the operation and chartering of marine vessels;
- **General and administrative expenses:** costs related to the overall administration of the business, including personnel, office, and professional fees;
- **Finance costs:** primarily comprising borrowing-related costs, if any.

Expenses are presented net of recoverable VAT, where applicable.

2.7 Loans from related parties

The Group borrowings include a related party loan issued for the acquisition of certain marine vessels.

Borrowings are initially recognised at their fair value, net of transaction costs, and are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated statement of profit or loss over the period of the borrowings using the effective interest method.

After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the effective interest ("EIR") method. Gains and losses are recognised in the consolidated statement of profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on issuance and fees or costs that are an integral part of the EIR.

Finance costs related to the loans are recorded in the consolidated statement of profit or loss.

2.8 Taxation

The income tax expense or credit for the period is the ta x payable on the current period's taxable income, based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Group and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty. Current tax is recognised in the consolidated statement of profit or loss except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2. Material accounting policy information - continued

2.8 Taxation - continued

On 9 December 2022 UAE Federal Decree-Law no 47 of 2022 was published setting in place a general corporate income tax for the first time. The profit threshold of AED 375,000 (USD 102,110) at which the 9% tax will apply was set in place by Cabinet Decision No 116 of 2022 which was published on 16 January 2023 and at this point the tax law was considered enacted and substantively enacted for accounting purposes. While current taxes are not payable on profits generated before the Company's financial year commencing on 1 January 2024, the existence of an enacted tax law results in the need to immediately record deferred taxes on assets and liabilities where the carrying amount differs from the tax base.

Current income tax

Income taxes have been provided for in the consolidated financial statements in accordance with legislation enacted or substantively enacted by the end of the reporting period. The income tax charge comprises current tax and is recognised in profit or loss for the period, except if it is recognised in other comprehensive income or directly in equity because it relates to transactions that are also recognised, in the same or a different period, in other comprehensive income or directly in equity.

Taxable profits or losses are based on estimates if the consolidated financial statements are authorised prior to filing relevant tax returns. Taxes other than on income are recorded within operating expenses.

Deferred tax

Deferred income tax is provided using the balance sheet liability method for tax loss carry forwards and temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. In accordance with the initial recognition exemption, deferred taxes are not recorded for temporary differences on initial recognition of an asset or a liability in a transaction other than a business combination if the transaction, when initially recorded, affects neither accounting nor taxable profit and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.

Deferred tax liabilities are not recorded for temporary differences on initial recognition of goodwill, and subsequently for goodwill which is not deductible for tax purposes. Deferred taxes are recorded on temporary differences arising after initial recognition of goodwill, including those arising on initial introduction of the tax law in the UAE. Deferred tax balances are measured at tax rates enacted or substantively enacted at the end of the reporting period, which are expected to apply to the period when the temporary differences will reverse or the tax loss carry forwards will be utilised.

Deferred tax assets for deductible temporary differences and tax loss carry forwards are recorded only to the extent that it is probable that the temporary difference will reverse in the future and there is sufficient future taxable profit available against which the deductions can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

The Group controls the reversal of temporary differences relating to taxes chargeable on dividends from subsidiaries or on gains upon their disposal. The Group does not recognise deferred tax liabilities on such temporary differences except to the extent that management expects the temporary differences to reverse in the foreseeable future.

2. Material accounting policy information - continued

2.9 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditures that are directly attributable to the acquisition of the items.

The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to consolidated statement of profit or loss during the financial period in which they are incurred.

■ Plant and machinery	5 - 30 years
■ Jack-up barges	40 years
■ Vessels	25 years
■ Dry docking (repairs and maintenance)	5 years

Depreciation is calculated based on remaining useful life of assets from the date of the purchase of these vessels and jack-up barges by the Group. The estimated residual values of vessels and related equipment are determined taking into consideration the expected scrap value of the vessel, which is calculated based on the weight and the market rate of steel at the time of asset purchase. If the price per unit of steel at the balance sheet date varies significantly from that on date of purchase, the residual value is reassessed to reflect changes in market value. The estimated useful life depends on the type and nature of the vessel. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Any depreciation related to the assets that have been transferred during the year in relation to the reorganisation have also been transferred.

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Any depreciation related to the assets that have been transferred during the period in relation to the reorganisation have also been transferred.

Assets in the course of construction are capitalised and carried at cost as capital work-in progress. The asset under construction is transferred to the appropriate category in vessels, plant and equipment when available for use. All costs directly attributable to bringing the asset to the location and condition necessary for it to be used in the manner intended by management are included in the construction cost. No depreciation is charged on such assets until available for use. Capital work-in-progress is stated at cost. When commissioned, capital work-in-progress is transferred to the appropriate property and equipment category and depreciated in accordance with Group's policy.

Gains and losses arising on disposal of property and equipment are determined by comparing the proceeds with the carrying amounts and are recognised in the consolidated statement of profit or loss.

2. Material accounting policy information - continued

2.9 Property, plant and equipment - continued

The Group leases land for the development of its industrial yard in Industrial City of Abu Dhabi ("ICAD"), Mussaffah, Abu Dhabi. Until the yard becomes operational, all land-lease payments are capitalised as capital work in progress (“CWIP”), as they relate directly to preparing the site for its intended use. Once the yard is ready for use, the land lease will be accounted for in accordance with IFRS 16. At that point, a right-of-use asset will be recognised and depreciated over the lease term, together with the recognition of a corresponding lease liability.

2.10 Capital work-in-progress

Capital work-in-progress is included in property, plant and equipment at cost. Capital work-in-progress is transferred to the appropriate asset category and depreciated in accordance with the Group’s policies when construction of the asset is completed and the asset is commissioned and available for use.

2.11 Cash and cash equivalents

Cash and cash equivalents as referred to in the cash flow statement comprises cash on hand, non–restricted current accounts with central banks and amounts due from banks on demand or with an original maturity of three months or less.

2.12 Due from/to related parties

Amounts due from or to related parties are measured at amortised cost. The Group has assessed and concluded that the amounts owed by subsidiaries will be fully recovered. Therefore, credit losses are considered to be immaterial.

2.13 Financial assets

(a) Classification

The Group classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss); or

- Those to be measured at amortised cost.

By default, all other financial assets are measured subsequently at fair value through profit or loss ("FVTPL"). Despite the foregoing, the Group may make the following irrevocable election / designation at initial recognition of a financial asset:

- The Group may irrevocably elect to present subsequent changes in fair value of an equity investment in profit & loss and other comprehensive income if certain criteria are met.

- The Group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

2. Material accounting policy information - continued

2.13 Financial assets - continued

The Group classifies its financial assets as those measured at amortised cost. The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in income or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income ("FVOCI").

(b) Recognition and derecognition

Regular purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(c) Measurement

Financial instruments at FVTPL:

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.

- Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called ‘accounting mismatch’) that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Interest income from these financial assets is included in finance income using the effective interest rate method. Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship.

Expected credit losses (ECL)

The Group recognises loss allowances for ECLs on financial assets measured at amortised cost and bank balances. The Group measures loss allowances at an amount equal to lifetime ECLs, except for bank balances for which credit risk has not increased significantly since initial recognition.

Loss allowances for trade receivables and due from related parties are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort.

2. Material accounting policy information - continued

2.13 Financial assets - continued

(c) Measurement - continued

Financial instruments at FVTPL: - continued

This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information. The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

2.14 Financial liabilities

All financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument. A financial liability is initially measured at fair value plus or minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non cash assets transferred or liabilities assumed) is recognised in profit or loss.

Financial liabilities are classified as measured at amortised cost. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

2.15 Trade and other receivables

Trade and other receivables include prepayments and trade receivables, which are carried at amounts expected to be received whether through cash or services less provision for any uncollectible amounts as per the expected credit loss model. Trade receivables are amounts due from customers for services performed in the ordinary course of business.

Payables are financial liabilities with fixed or determinable values that are not quoted in an active market. They arise when the Group either receives services from another entity or purchases any security the settlement of which remains outstanding as at the financial position date. Payables are recognised initially at fair value less transaction costs, if any.

These are subsequently measured at amortised cost using the effective interest method. Given the nature of payables, however, and the short length of time involved between their origination and settlement, their amortised cost is the same as their fair value at the date of origination.

2.17 Share capital

Ordinary shares are classified as equity.

2. Material accounting policy information - continued

2.18 Value Added Tax ("VAT")

- When VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable

- When receivables and payables are stated with the amount of VAT included. The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated statement of financial position.

2.19 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

2.20 Inventories

Inventories are stated at the lower of cost and net realisable value and are held for consumption in the vessels. Inventories consist of bunkers, lubes, raw materials, finished goods and spare parts. Cost of lubes, raw materials, finished goods and spare parts are determined using the weighted average method. Fuel inventory will be evaluated based on the published prices of ADNOC Logistics & Services as a price reference. Net realisable value is based on estimated selling price less any further costs expected to be incurred on disposal.

2.21 Provision for employees' end of service benefit

Provision is made for employees based in the UAE for the estimated liability relating to their entitlement to annual leave and leave passage arising from services rendered up to the end of the reporting date. A provision is also recognised for the full amount of end-of-service benefits due to non-UAE nationals, in accordance with Section 59 of the ADGM Employment Regulations 2019 and is presented as a non-current liability in the consolidated statement of financial position.

2.22 Leases

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable

- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date

- amounts expected to be payable by the Group under residual value guarantees

- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and

2. Material accounting policy information - continued

2.22 Leases - continued

- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received

- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by Group, which does not have recent third-party financing, and

- makes adjustments specific to the lease, e.g. term, country, currency and security.

Potential future increases in variable lease payments based on an index or rate are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to consolidated statement of profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;

- any lease payments made at or before the commencement date less any lease incentives received;

- any initial direct costs; and

- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

2. Material accounting policy information - continued

2.22 Leases - continued

Right-of-use assets are measured at cost comprising the following: - continued

Extension and termination options

Extension and termination options are included in the lease. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The extension and termination option held are exercisable by mutual consent of the Group and respective lessor.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the consolidated statement of comprehensive income on a straight-line basis over the period of the lease.

2.23 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns to its shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Group consists solely of equity contributed by the shareholder, interest bearing loan due to a related party and non- interest-bearing amounts due to related parties, which are repayable on demand.

The Group is not subject to any externally imposed capital requirements and does not maintain any gearing or leverage targets. The capital structure is reviewed periodically based on the funding needs of the business. As at 31 December 2024, the Group had an interest-bearing loan.

2.24 Fair Value Estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Other operating income

The Group has not made any investments hence no fair value estimation is required.

The fair value of all other financial assets and financial liabilities approximates the carrying values in the consolidated statement of financial position as of 31 December 2024.

3. Critical accounting judgements and estimates

The Group makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on management's experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Management also makes certain judgements, apart from those involving estimations, in the process of applying accounting policies.

Judgements that have the most significant effect on the amounts recognised in the consolidated financial statements and estimates that can cause a significant adjustment to the carrying amount of assets and liabilities include:

3.1 Expected credit loss provisions

In determining the expected credit losses, the Group makes the following judgments and estimates:

Significant increase in credit risk ("SICR")

In assessing whether a significant increase in credit risk ("SICR") has occurred for an exposure since initial recognition, the Group considers both quantitative and qualitative information and analysis. In doing so, the Group makes judgements about the appropriate indicators used as SICR triggers. The triggers that the Bank has determined as appropriate include the 30-day backstop, movement in PD and other qualitative factors, such as moving a customer/facility to the watch list, or the account becoming forborne.

Definition of Default

Significant judgement exists with regards to when an asset is considered to have defaulted, and the resulting definition of default against which parameters of ECL model such as PD, LGD and EAD are evaluated.

In determining the expected credit losses, the Group makes the following judgments and estimates: - continued

Post-model adjustments

In assessment of expected credit loss allowance for loans at amortised cost the Group applies post-model adjustments (management overlays) to provide an additional buffer to mitigate potential adverse impacts arising from prevailing macroeconomic and geopolitical uncertainties that the ECL impairment model may not fully

Other judgements in the determination of ECL include:

Development of ECL models, including the segmentation of products, the various formulas and the choice of inputs, for example which inputs are relevant for the particular exposures in particular shipping segment.

Estimated Useful lives of Property, plant and equipment

The Group management determines the estimated useful lives of its Property, plant and equipment for calculating depreciation. The cost of Property, plant and equipment is depreciated over the estimated useful life, which is based on the expected usage of the asset, expected physical wear and tear, and the repairs and maintenance program and the residual value. The Group reviews the estimated useful life of Property, plant and equipment at the end of each reporting period. The management has not considered any residual value as it is deemed immaterial.

3. Critical accounting judgements and estimates - continued

3.2 Determination of functional currency

In preparing the financial statements, management is required to make judgments regarding the functional currency of each subsidiary of the Group. The functional currency is the currency of the primary economic environment in which the Group's subsidiaries operate, and it reflects the currency that influences the Group's financial transactions, costs and financing activities. Management has assessed the primary economic environment in which its entities operate and has determined that the functional currency for the Company and each of its subsidiaries is United States Dollars ("USD"). Management continually evaluates the appropriateness of the functional currency and will reassess this judgment if there are significant changes in the underlying economic factors or the nature of the Group's subsidiaries operations.

3.3 Impairment of trade receivables and due from related parties

The Group makes an estimate of the recoverable value of trade receivables and due from related parties. When assessing impairment of trade receivables and due from related parties, management considers factors including the current credit rating of the debtor, the ageing profile of the debtors and historical experience.

3.4 Discounting of lease payments

The lease payments are discounted using the incremental borrowing rate ("IBR"), which is equal to 6%, due to the absence of implicit rates in the lease contracts.

Management has applied judgments and estimates to determine the IBR at the commencement of lease, using borrowing rates that certain financial institutions would charge the Group against financing the different types of assets it leased over different terms and different ranges of values. All the leases are present in the UAE and accordingly no adjustment for the economic environment was deemed required.

4. Subsidiaries

The Group's direct and indirect subsidiaries as at 31 December 2024 are listed below. Unless otherwise indicated, each subsidiary has share capital comprising solely of ordinary shares held directly or indirectly by the Group. The Group's ownership interest in each subsidiary is equal to its voting rights. The country of incorporation or registration also represents the subsidiary's principal place of business.

4. Subsidiaries - continued

Name and registered address	Principal activity	Country of incorporation	Proportion of beneficial ownership Interest 2024	Proportion of beneficial ownership Interest 2023
Direct subsidiaries				
HEA Energy Holdings Limited Workspace 3, Floor 18, AI Khatem Tower, Abu Dhabi Global Market Square, Al Maryah Island, Abu Dhabi, UAE	Chartering and operation of marine vessels, including jack-up barges, primarily supporting offshore energy infrastructure and related marine logistics services	United Arab Emirates	100%	–
HEA 1 Industrial Construction of Drilling Platforms Floating or Submersible – L.L.C Musaffah, ICAD 2, (352MR2A), Abu Dhabi, UAE	Currently dormant. Planned actions - Pipe Systems Manufacturing and Construction of Drilling Platforms, Floating or Submersible	United Arab Emirates	100%	–
Pegasus Propco Limited Walkers Corporate Limited, 190 Elgin Avenue, George Town, Grand Cayman KY 1-9008, Cayman Islands	Holding company and Asset Owning	Cayman Islands	100%	–
Novastar Energy Holdings Limited C/O Csc Cls (Uk) Limited 5 Churchill Place, 10th Floor, London, United Kingdom, E14 5HU	Chartering and operation of marine vessels, including jack-up barges	United Kingdom	100%	–
Indirect subsidiaries				
Pegasus JB 1 Limited Walkers Corporate Limited, 190 Elgin Avenue, George Town, Grand Cayman KY 1-9008, Cayman Islands	Asset Owning	Cayman Islands	100%	–

4. Subsidiaries - continued

Name and registered address	Principal activity	Country of incorporation	Proportion of beneficial ownership Interest 2024	Proportion of beneficial ownership Interest 2023
Indirect subsidiaries - continued				
Pegasus JB 2 Limited Walkers Corporate Limited, 190 Elgin Avenue, George Town, Grand Cayman KY 1-9008, Cayman Islands	Asset Owning	Cayman Islands	100%	–
Pegasus JB 3 Limited Walkers Corporate Limited, 190 Elgin Avenue, George Town, Grand Cayman KY 1-9008, Cayman Islands	Asset Owning	Cayman Islands	100%	–
Pegasus JB 4 Limited Walkers Corporate Limited, 190 Elgin Avenue, George Town, Grand Cayman KY 1-9008, Cayman Islands	Asset Owning	Cayman Islands	100%	–
Pegasus JB 5 Limited Walkers Corporate Limited, 190 Elgin Avenue, George Town, Grand Cayman KY 1-9008, Cayman Islands	Dormant	Cayman Islands	100%	–
Pegasus FT 1 Limited Walkers Corporate Limited, 190 Elgin Avenue, George Town, Grand Cayman KY 1-9008, Cayman Islands	Dormant	Cayman Islands	100%	–
Pegasus FT 2 Limited Walkers Corporate Limited, 190 Elgin Avenue, George Town, Grand Cayman KY 1-9008, Cayman Islands	Dormant	Cayman Islands	100%	–
Pegasus FT 3 Limited Walkers Corporate Limited, 190 Elgin Avenue, George Town, Grand Cayman KY 1-9008, Cayman Islands	Dormant	Cayman Islands	100%	–
Pegasus FT 4 Limited Walkers Corporate Limited, 190 Elgin Avenue, George Town, Grand Cayman KY 1-9008, Cayman Islands	Dormant	Cayman Islands	100%	–

4. Subsidiaries - continued

Name and registered address	Principal activity	Country of incorporation	Proportion of beneficial ownership Interest 2024	Proportion of beneficial ownership Interest 2023
Indirect subsidiaries - continued				
Pegasus FT 5 Limited Walkers Corporate Limited, 190 Elgin Avenue, George Town, Grand Cayman KY 1-9008, Cayman Islands	Dormant	Cayman Islands	100%	–

These financial statements consolidate the results and financial position of the Group, including all subsidiary undertakings which are listed above. Therefore, the investments in subsidiaries, including the additions during the period have all been eliminated on consolidation.

5. Revenue

	Period ended 31 December 2024 $
Revenue from chartered jack-up barges	63,317,636
Revenue from oil sale	766,769
Other operating revenue	1,501,666
Total revenue	**65,586,071**

Timing of revenue:

Timing of revenue recognition:	**Period ended 31 December 2024 $**
Services transferred over time	50,969,280
Services transferred at a point in time	14,616,791
Total revenue	**65,586,071**

6. Direct operating costs

	Period ended 31 December 2024 $
Hire charges - bareboat charter	13,299,130
Crew and crew related cost	9,496,064
Other direct operating expenses	7,336,989
Mobilization cost	5,694,103
Catering and food provision	2,814,856
Fuel	2,437,467
Demobilization	1,947,123
Repair and Maintenance	1,355,411
Vessel insurance	798,214
Communication	578,940
Total	**45,758,297**

During the period, the Group received certain services and benefits from a related party, Pegasus First Holdings Limited, including support and cost coverage relating to bareboat or management charges, for which no charge was levied. The arrangement is in accordance with mutually agreed terms between the parties.

7. Staff costs

	Period ended 31 December 2024 $
Analysed as:	
Salaries and allowances (direct hire and sub-contracted)	1,486,334
Medical Insurance	48,763
Employees' end of service benefits (Note 19)	62,900
Other benefits	115,270
Total staff costs	**1,713,267**

The average number of employees in the Group as at 31 December 2024 is as follows:

	2024 Number
Executive officers	4
Technical staff and intermediate managers	13
Administrative staff	3
Total employees	**20**

8. Key management and director's remuneration

The Group's number key management personnel consist of 1 individual who received remuneration in the reporting period

	Period ended 31 December 2024 $
Remuneration to the key management personnel (Note 22)	136,147
Total remuneration	**136,147**

9. Auditors' remuneration

Auditor's remuneration is included within General and administrative expenses and comprises:

	Period ended 31 December 2024 $
Fees payable to the entity's auditors for the audit of the entity's financial statements	41,600
Fees payable to the entity's auditors for the audit of the subsidiaries' financial statements	55,400
Total auditors' remuneration for the Group	**97,000**

No services were provided pursuant to contingent fee arrangements.

10. General and administrative expenses

	Period ended 31 December 2024 $
Strategic management and support fee (Note 22)	377,811
Management fees (Note 22)	817,651
Other general and administrative expenses (includes auditors' remuneration)	1,346,417
Total	**2,541,879**

The Group incurred charges from related parties for the provision of strategic, administrative, and operational support services. See note 22.

11. Interest income and finance costs

	Period ended 31 December 2024 $
Interest income	318,631
Finance costs	(359,719)
Interest expense on lease liabilities (Note 14)	(842,641)
Net finance costs	**(883,729)**

12. Income tax expense

(a) Income tax - UAE Corporate Tax Law

On 9 December 2022, the UAE Ministry of Finance released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (Corporate Tax Law or the Law) to enact a Federal corporate tax (CT) regime in the UAE. The CT regime has become effective for accounting periods beginning on or after 1 June 2023. The Cabinet of Ministers Decision No. 116 of 2022 (widely accepted to be effective from 16 January 2023) specified the threshold of taxable income to which the 0% UAE CT rate would apply, and above which the 9% UAE CT rate would apply. It is widely considered that this would constitute 'substantive enactment' of the UAE CT Law for the purposes of IAS 12, the objective of which is to prescribe the basis for accounting for Income Taxes.

Current taxes should be measured at the amount expected to be paid to or recovered from the tax authorities by reference to tax rates and laws that have been enacted or substantively enacted, by the end of the any reporting period.

12. Income tax expense - continued

(a) Income tax - UAE Corporate Tax Law **-** continued

Since the UAE entity operates in a Free Zone, it has conducted an impact assessment for corporate income tax liability for the year ending 2024 and has identified itself as a Qualifying Free Zone Person. Accordingly, it will benefit from the preferential tax rate of 0% on Qualifying income in accordance with the provisions of Article 18 (read in conjunction with Cabinet Decision No. 100 of 2023 and Ministerial Decision No. 265) and Article 3 of the UAE CT Law.

Management believes that the Company is eligible for Free Zone exemption under the UAE corporate tax law, as it is complying with all the conditions of Free Zone exemption specified in Article 18 of 2023 and its operations align with the exemption criteria established for free zone entities.

Accordingly, the qualifying income of the Company will be subject to 0% Corporate tax rate in the UAE and no current and deferred tax has been accounted for in the current reporting period.

(b) Global minimum tax

To address concerns around uneven profit distribution and tax contributions of large multinational corporations, various agreements have been reached at the global level, including an agreement by over 135 jurisdictions to introduce a global minimum tax rate of 15%. In December 2021, the Organization for Economic Co-operation and Development ("OECD") released a draft legislative framework, followed by detailed and implementation guidance released between March 2022 and July 2023, respectively, that is expected to be used by individual jurisdictions, including the UAE, that signed the agreement to amend their local tax laws. Once changes to the tax laws in any jurisdiction in which the Group operates are enacted, the Group may be subject to the top-up tax. In line with IAS 12 (as amended), the Group has applied the exception with regards to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

It is unclear if the Pillar Two model rules create additional temporary differences, whether to remeasure deferred taxes for the Pillar Two model rules and which tax rate to use to measure deferred taxes. In response to this uncertainty, on 23 May 2023, the International Accounting Standards Board ("IASB") issued amendments to IAS 12 ‘Income taxes’ introducing a mandatory temporary exception to the requirements of IAS 12 under which an entity does not recognise or disclose information about deferred tax assets and liabilities related to the proposed OECD/G20 BEPS Pillar Two model rules.

Considering the disclosure above, the Group has applied this mandatory exception to recognizing and disclosing information on deferred tax assets and liabilities arising from Pillar Two income taxes. Due to the uncertainty highlighted above, no further work has been undertaken on Pillar Two.

The major components of income tax expense for the period ended 31 December 2024:

Consolidated statement of profit or loss

The major components of income tax expense for the period from 11 September 2023 to 31 December 2024:

	Period ended 31 December 2024
Current income tax:	**$**
- Current income tax expense/charge	326,529
Income tax expense reported in the consolidated statement of profit or loss	**326,529**

12. Income tax expense - continued

Tax reconciliation:

	Period ended 31 December 2024 $
Profit before tax	**13,804,790**
Adjustments	
At United Arab Emirates' statutory income tax rate of 0% (Qualifying Free Zone Person)	-
Effect of other jurisdiction taxes	268,705
Effect of other UAE entity	57,639
Effect of disallowable expenditure	185
Income tax on profits	**326,529**
Effective Tax Rate ("ETR")	**2%**

Factors that may affect future tax charges

On 24 November 2023, the UAE MoF published Federal Decree Law No. (60) of 2023, amending specific provisions of the UAE CT Law to facilitate the future introduction of domestic minimum taxes of 15% under Organisation for Economic Cooperation and Development ("OECD") Pillar Two rules. On 15 March 2024, MoF issued a public consultation document on the potential framework that the UAE will introduce to implement Pillar Two. On 8 February 2025, MoF issued Cabinet Decision No.142 of 2024, which includes detailed provisions for the application of the Pillar Two domestic minimum top-up tax in the UAE. As of 31 December 2024, the Pillar Two legislation has not been yet substantively enacted in the UAE. The Group is however closely reviewing the legislative developments and will provide necessary disclosures following the release of any further announcements.

13. Property, plant and equipment

Reconciliation of carrying value

	Machinery, Equipment and Containers	Vessels	Jack-up barges	Capital Work in progress	Total
Cost	$	$	$	$	$
At 11 September 2023	-	-	-	-	-
Additions	2,411,577	14,000,001	181,538,042	13,849,671	211,799,291
At 31 December 2024	**2,411,577**	**14,000,001**	**181,538,042**	**13,849,671**	**211,799,291**
Accumulated depreciation					
At 11 September 2023	-	-	-	-	-
Depreciation charge for the period	-	-	-	-	-
At 31 December 2024	**-**	**-**	**-**	**-**	**-**
Net book value					
At 31 December 2024	**2,411,577**	**14,000,001**	**181,538,042**	**13,849,671**	**211,799,291**

13. Property, plant and equipment

Capital Work in Progress ("CWIP") represents the development costs related to the construction of the Group's fabrication and maintenance yard located in Industrial City of Abu Dhabi ("ICAD"). The project is being developed and recorded in the books of HEA 1 Industrial Construction of Drilling Platforms Floating or Submersible – L.L.C, a subsidiary within the Group.

The CWIP balance includes expenditures incurred on site development, infrastructure works, and related construction activities. Upon completion and readiness for use, the cost will be transferred to the appropriate asset category (such as buildings, leasehold improvements, or infrastructure) and depreciated over its estimated useful life in accordance with IAS 16 - Property, Plant and Equipment.

All expenditures have been funded internally through group resources, with no external financing arrangements in place.

During the period, the Group undertook a comprehensive legal and operational reorganisation. As part of this process, several marine assets, specifically HEA Kraken, HEA Leviathan, HEA Hydra, and HEA Atlas and Dry docks and Containers, were transferred on 31 December 2024 to the Group at an agreed-upon price from related parties, amounting to $197.9 million.

14. Right-of-use assets and lease liabilities

Group as a lessee

The Group leases leasehold land under non-cancellable lease agreements with an average remaining lease term of approximately 17 years. In accordance with IFRS 16 Leases, the Group recognises a right-of-use ("ROU") asset and a corresponding lease liability at the commencement date of each lease.

(a) Right-of-use assets

	2024
	$
At 11 September 2023	-
Additions related to land lease	14,125,417
Depreciation charge during the period	(830,907)
At 31 December 2024	**13,294,510**

(b) Impact on consolidated statement of profit or loss

	2024
	$
Depreciation charge for the period	830,907
Interest on lease liabilities	842,641
At 31 December 2024	**1,673,548**

14. Right-of-use assets and lease liabilities - continued

(c) Lease liabilities - movement

	2024
	$
At 11 September 2023	-
Additions during the period	(14,125,417)
Interest on lease liabilities	(842,641)
Payments during the period	1,022,175
At 31 December 2024	**(13,945,883)**

(d) Lease liabilities - classification

	2024
	$
Current	(183,554)
Non-current	(13,762,329)
At 31 December 2024	**(13,945,883)**

(e) Lease liabilities - maturity analysis

	2024
	$
Maturity Analysis - contractual undiscounted cashflows	
Not later than 1 year	(1,191,850)
Later than 1 year and not later than 5 years	(5,604,171)
Later than 5 years	(16,172,849)
Total undiscounted cashflows	**(22,968,870)**

HEA 1 Industrial Construction of Drilling Platforms Floating or Submersible – L.L.C, a subsidiary of the Group, entered into a 17 year lease agreement for the yard located in the Industrial City of Abu Dhabi (“ICAD”), commencing in February 2024. The lease provides the subsidiary with long-term access to land for operational and development purposes and does not contain any purchase option at the end of the lease term. The lease liability has been measured using the Group’s incremental borrowing rate of 6%.

The Group does not face a significant liquidity risk with regard to its liabilities. Lease liabilities are monitored within the Group’s finance function.

15. Inventories

	31 December 2024
Current:	**$**
Spare Parts and Equipment Inventory	1,734,249
Fuel Inventory	288,771
Lubricants Inventory	44,215
Total	**2,067,235**

16. Trade and other receivables

	31 December 2024
Current:	**$**
Trade receivables	13,489,191
Prepayments	1,744,391
Advances	10,674
Total	**15,244,256**

16. Trade and other receivables - continued

Trade receivables are unsecured and interest-free and has average credit period of 30-60 days. Prepayments and advances represent advance paid to the supplier for acquisition of jack-up barges as per the agreement.

The Group has performed ECL assessment and observed it to be immaterial.

17. Cash and cash equivalents

	31 December 2024
	$
Fixed deposits	62,750,000
Cash at bank	6,340,567
Cash in hand	115,737
Total cash and cash equivalents	**69,206,304**

The rate of interest on deposits held during the period ended 31 December 2024 ranged from 0.05% to 5.45% per annum. Cash and deposits with banks include fixed deposits amounting to $62.7 million, held with First Abu Dhabi Bank, with a maturity period of up to nine days from the date of placement.

The Group held cash and cash equivalent with financial institutions that are rated at least AA- to A based on rating agency ratings. Accordingly, the ECL provision amount calculated by applying the general approach is considered to be immaterial.

18. Trade and other payables

	31 December 2024
Current:	$
Trade payables	(2,149,927)
Accruals and other payables	(1,292,408)
Total	**(3,442,335)**

The average credit period for trade payables is 30-90 days. No interest is charged on the trade payables.

19. Provision for employees' end of service benefits

	31 December 2024
Non-current:	$
At 1 January 2024	-
Charge for the period (Note 7)	(62,900)
At 31 December 2024	**(62,900)**

20. Loans from related parties

	31 December 2024
Non-current:	$
Loans from related parties (Note 22)	(238,552,313)
Total	**(238,552,313)**

A loan amounting to $187 million was granted by Pegasus First Holdings Limited in connection with the transfer of vessels and jack-up barges to the Group at an agreed-upon price from related parties, as disclosed in Note 13. The loan carries a five-year term and bears interest at an annual rate of 10.5%. Interest will accrue over the duration of the loan and is payable in full upon maturity.

20. Loans from related parties - continued

A loan amounting to $51.6 million was granted by HEA Investments. The loan carries a five-year term and bears interest at an annual rate of 10.5%. Interest will accrue over the duration of the loan and is payable in full upon maturity. See note 26 for further details.

21. Share capital

	31 December 2024
	$
Authorised	
10,000 Ordinary shares of $1 each	10,000
Total authorised share capital	**10,000**
Issued and not fully paid	
On 27 September 2024, 10,000 ordinary shares of $1.00 each issued	10,000
At 31 December 2024, 10,000 ordinary shares of $1.00 each	**10,000**

The Company has one class of ordinary shares which carries no right to fixed income. There are no restrictions on the distribution of dividends or the repayment of capital.

22. Related party transactions and balances

The Company has no immediate and ultimate parent company. The ultimate controlling party is Hassan Elali.

The following table provides the total amount of transactions and balances that have been entered into with related parties for the financial period.

	Transactions with related parties (Net)	Amounts owed by related parties (Net)	Amounts owed to related parties (Net)
	31 December 2024	**31 December 2024**	**31 December 2024**
Consolidated statement of profit or loss	**$**	**$**	**$**
Cost recharges from related parties (Note 6)	45,758,297	-	-
Key management compensation (Note 8)	136,147	-	-
General and administrative expenses (Note 10)	2,541,879	-	-
Consolidated statement of financial position			
Due to related parties (sister companies)	-	-	(41,793,375)

	principal	Interest
	31 December 2024	**31 December 2024**
Related parties:	**$**	**$**
Loans from related parties (Note 20)	(238,552,313)	-

22. Related party transactions and balances - continued

The Group acquired vessels and jack-up barges with a total value of $197.9 million (see Note 13) from a related party under common control, Pegasus First Holdings Limited. The acquisition was financed through (i) a loan consideration of $187.0 million (see note 20) and (ii) related party balances amounting to $10.9 million.

Balances and transactions between the Group and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

During the period, the Group entered into transactions in the ordinary course of business, with related parties. No guarantees have been given or received. Due from related parties receivables and due to related party payables are payable on demand, unsecured and have no interest charge. The Group assessed the expected credit loss provision on these due from related party receivables is insignificant.

During the period, the Group received certain services and benefits from its related party, Pegasus First Holdings Limited, including support and cost coverage relating to bareboat or management charges, for which no charge was levied. The arrangement is in accordance with mutually agreed terms between the parties.

The loans issued mature in 2030, are denominated in United State dollars, and carry a nominal interest rate of 10.5%. Refer to Note 20 for further details.

Remuneration of key management personnel is disclosed in Note 8.

23. Financial instruments

The Group's principal financial instruments comprise of cash, amounts owed to related parties and accruals. The main purpose of these financial instruments is to finance the Group's operations which consist of direct investment in equity of the group companies as well as inter-company balance provisions to same group companies.

Financial instruments are initially measured at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Group financial assets and liabilities by category:

	Financial assets measured at amortised cost	Total carrying amount
	$	$
As at 31 December 2024		
Trade and other receivables (excluding prepayments) (Note 16)	13,499,865	13,499,865
Total Financial assets	**13,499,865**	**13,499,865**

23. Financial instruments - continued

Group financial assets and liabilities by category: - continued

	Financial liabilities measured at amortised cost	Total carrying amount
	$	$
As at 31 December 2024		
Trade and other payables (Note 18)	(3,442,335)	(3,442,335)
Due to related parties (Note 22)	(41,793,375)	(41,793,375)
Loans from related parties (Note 20)	(238,552,313)	(238,552,313)
Lease liabilities (Note 14)	(13,945,883)	(13,945,883)
Total Financial liabilities	**(297,733,906)**	**(297,733,906)**

Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, cash flow fair value interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group reviews and agrees policies for managing each of these risks and these policies are summarised below:

(a) Market risk

The Group's management reviews and agrees policies for managing each of these risks which are summarised below:

i) Currency risk

The Group does not have any significant foreign currency exposure, as a significant proportion of the receivable and payable balances are denominated in USD, which is the functional currency.

ii) Cash flow and fair value interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. For remaining interest-bearing financials assets and liabilities, the Group has no exposure to interest rate risks as these interest rates are independent of changes in market interest rates.

(b) Credit risk

Credit risk refers to the risk that a counterparty may default on its contractual obligations, resulting in a financial loss to the Group. The Group is exposed to credit risk primarily through its bank balances and trade and other receivables. For banks and financial institutions, the Group limits its exposure by transacting only with counterparties that are independently rated with strong credit standings or have been subject to the Group's internal vetting process. In relation to customers, the Group's risk control procedures involve an assessment of credit quality based on various factors, including the customer's financial position, historical performance, and other relevant information. Individual credit limits are established based on internal or external credit ratings and are approved in accordance with thresholds set by management. The Group's maximum exposure to credit risk, including balances with related parties, is limited to the carrying amounts presented in the balance sheet. Expected credit losses from potential non-performance by these counterparties have been considered in determining the reported values.

The carrying amount of financial assets represents the maximum exposure to credit risk at the reporting date. No significant credit losses have been recognised.

23. Financial instruments - continued

Financial risk factors - continued

(c) Price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all the instruments traded in the market. The Group has no exposure to price risk.

(d) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding support from the shareholder and the ability to close out market positions. Cash flow forecasting is performed by the management which monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs.

(d) Liquidity risk - continued

The Group analyses its financial liabilities into relevant maturity groupings based on the remaining period at the consolidated statement of financial position date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

The following table analyses the contractual maturities of the Group's financial liabilities (undiscounted cash flows) and including the future contractual interest:

	2024			
	On demand or within 1 year	**Between 1 and 5 years**	**Over 5 years**	**Total carrying amount**
	$	**$**	**$**	**$**
Due to related parties (Note 22)	(41,793,375)	-	-	(41,793,375)
Trade payables (Note 18)	(2,149,927)	-	-	(2,149,927)
Accruals and other payables (Note 18)	(1,292,408)	-	-	(1,292,408)
Loans from related parties (including interest)	-	(366,916,188)	-	(366,916,188)
Lease liabilities	(1,191,850)	(5,604,171)	(16,172,849)	(22,968,870)
Total financial liabilities	**(46,427,560)**	**(372,520,360)**	**(16,172,849)**	**(435,120,768)**

24. Capital risk management

The Group's objectives, when managing capital, are to safeguard the Group's ability to continue as a going concern in order to provide returns for its shareholder and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital. While the Group does not have any formally defined internal or externally imposed target ratios for assessing compliance with its capital management policy, it monitors the adequacy of its capital using a gearing ratio calculated in accordance with internal management policies.

Gearing ratio as of 31 December 2024:

	31 December 2024
At 31 December 2024	**$**
Loans from related parties	238,552,313
Lease liabilities	13,945,883
Cash and bank balances	(69,206,304)
Net debt	**183,291,892**
Net debt	183,291,892
Equity	13,488,261
Net debt plus equity	**196,780,153**
Gearing ratio	93.1%

25. Commitments and contingencies

The Group does not have any capital commitments or contingent liabilities as at 31 December 2024.

26. Events after the reporting period

During 2025, the Group acquired 100% of the share capital of the following indirect subsidiaries, all incorporated in the Cayman Islands: Pegasus JB 6 Limited, Pegasus JB 7 Limited, Pegasus JB 8 Limited, Pegasus JB 9 Limited, Pegasus OCV 1 Limited and Pegasus OCV 2 Limited. These acquisitions were made as part of the Group's ongoing investment and expansion strategy.

During 2025, the Group acquired four vessels : HEA Survey, HEA Al Sarab, HEA Oceanic, and HEA Titan, from Pegasus First Holdings Limited, a related party under common control. The total consideration for the transaction amounted to $205.5 million, and was financed by a loan consideration of $205.5 million.

On 14 August 2025, the legal ownership of HEA Energy Holdings Limited, a wholly owned subsidiary, was transferred from the UBO to the Group. The beneficial interest and control over HEA Energy Holdings Limited had been transferred to the Group with effect from 1 October 2024. Consequently, the subsequent transfer of legal title represented an administrative formality only and did not result in any change to the Group's control, accounting treatment, or the carrying amount of its investment in the subsidiary.

On 23 September 2025, the legal ownership of HEA 1 Industrial Construction of Drilling Platforms Floating or Submersible LLC, a wholly owned subsidiary, was transferred from HEA Investments Global FZE to the Group. The beneficial interest and control over HEA 1 Industrial Construction of Drilling Platforms Floating or Submersible LLC had been transferred to the Group with effect from 1 October 2024. Consequently, the subsequent transfer of legal title represented an administrative formality only and did not result in any change to the Group's control, accounting treatment, or the carrying amount of its investment in the subsidiary.

26. Events after the reporting period - continued

On 24 September 2025, the legal ownership of Novastar Energy Holdings Limited, a wholly owned subsidiary, was transferred from HEA Investments to the Group. The beneficial interest and control over Novastar Energy Holdings Limited had been transferred to the Group with effect from 1 October 2024. Accordingly, the subsequent transfer of legal title represented an administrative formality only and did not result in any change to the Group's control, accounting treatment, or the carrying amount of its investment in the subsidiary.

On 7 October 2025, the legal ownership of Pegasus PropCo Limited, a wholly owned subsidiary, was transferred from Pegasus First Holdings Limited to the Group. The beneficial interest and control over Pegasus PropCo Limited had been transferred to the Group with effect from 31 December 2024. Accordingly, the subsequent transfer of legal title represented an administrative formality only and did not result in any change to the Group's control, accounting treatment, or the carrying amount of its investment in the subsidiary.

During the period, the Group had an outstanding loan facility amounting to $51.6 million that had been granted by HEA Investments in connection with the purchase of vessels. The loan carried a five-year term and bore interest at an annual rate of 10.5%, with interest accruing over the duration of the loan and payable in full upon maturity.

The loan, together with all accrued interest, was fully repaid by the Group during 2025.