

Dolphin Cove Limited
Report to Stockholders
 Three months ended March 31, 2026



Dolphin Cove limited
Report to Stockholders

Three months ended March 31, 2026

On behalf of the Board of Directors, we are pleased to present the unaudited consolidated financial statements of Dolphin Cove Limited for the three months ended March 31, 2026.

OPERATIONS

OPERATIONS							
	3 Months Ended March 31, 2026 <u>Unaudited</u>	3 Months Ended March 31, 2025 <u>Unaudited</u>	% var	LTM Ended March 31, 2026 <u>Unaudited</u>	LTM Ended March 31, 2025 <u>Unaudited</u>	% var	Year Ended December 31, 2025 <u>Audited</u>
Overall Revenue (US\$mn)	\$2.5	\$4.1	-39%	\$11.5	\$14.5	-21%	\$13.1
Profit after taxation (US\$mn)	\$0.14	\$0.9	-83%	-\$3.1	\$1.3	-334%	-\$2.3
Number of shares in issue	392,426,376	392,426,376		392,426,376	392,426,376		392,426,376
Earnings per share after tax (US\$)	\$0.0004	\$0.0022		-\$0.0078	\$0.0033		-\$0.0060
Dividends declared per share (US\$)	\$0.0000	\$0.0000		\$0.0038	\$0.0076		\$0.0038

The first quarter of 2026 continued to reflect the effects of Jamaica's gradual tourism recovery following Hurricane Melissa. Visitor arrivals remained below prior-year levels due to reduced airlift capacity, delayed reopening of certain hotels and lower room inventory across key resort areas. These factors contributed to lower attendance levels at Dolphin Cove and Yaaman Adventure Park and, consequently, reduced revenues compared to the corresponding period of 2025.

Encouragingly, we continue to see positive trends from Latin American markets, strong conversion performance within the cruise segment and resilient demand from local and direct consumers supported by targeted marketing initiatives.

The Group remained profitable during the quarter, recording profit after taxation of approximately US\$0.14 million, and generated positive operating cash flows. The result was supported by a partial reversal of impairment allowances recognised in prior periods of approximately US\$0.17 million. Excluding that reversal, the quarter would have been close to breakeven, reflecting the lower revenue base largely offset by reductions in direct and operating costs and continued working capital discipline.

On a rolling twelve-month basis the Group recorded a loss, reflecting principally the impairment of related-party receivables recognised during 2025 in connection with the restructuring of the wider group described in Note 5, rather than the performance of the Jamaican operations, which remained cash generative throughout the period.

As destination recovery progresses, we remain confident in Jamaica's long-term tourism fundamentals and are focused on strengthening market diversification, enhancing guest experiences and positioning the business to capitalize on the expected improvement in visitor arrivals throughout the remainder of 2026.



Financial Position and Liquidity

FINANCIAL POSITION					
	As at March 31, 2026 <u>Unaudited</u>	As at March 31, 2025 <u>Unaudited</u>	% var	As at December 31, 2025 <u>Audited</u>	% var
Working Capital (US\$mn)	-\$0.4	\$2.9	-114%	-\$0.6	-33%
Fixed Assets (US\$mn)	\$29.5	\$29.6	0%	\$29.4	0.34%
Net Assets (US\$mn)	\$27.4	\$31.6	-13%	\$27.2	1%
Debt to Equity ratio	0.06:1	0.06:1		0.06:1	
Net assets per share (US\$)	\$0.07	\$0.08	-13%	\$0.07	0%
Market price (J\$)	\$10.73	\$16.12	-33%	\$12.00	-11%
Market price (US\$)*	\$0.07	\$0.10	-33%	\$0.08	-10%
Market/Book value	0.97	1.26	-23%	1.09	-11%

Dolphin Cove continues to maintain a substantial asset base and a conservative debt position, with a debt-to-equity ratio of 0.06:1, notwithstanding the temporary impact of post-hurricane market conditions and the slower recovery of Jamaica's tourism sector during the first quarter of 2026.

Working capital remained marginally negative at approximately negative US\$0.4 million at March 31, 2026, an improvement from negative US\$0.6 million at December 31, 2025. The movement reflected lower accounts payable balances and a significant reduction in trade receivables following improved collections during the quarter, partly offset by higher inventory levels.

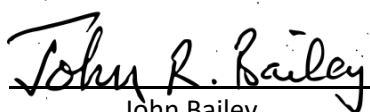
During the period, the Company successfully collected approximately US\$1.5 million relating to a long-outstanding receivable balance. This collection contributed significantly to the reduction in accounts receivable, enhanced liquidity and supported positive operating cash flows.

As a result, cash and cash equivalents increased from US\$0.4 million at December 31, 2025 to US\$1.7 million at March 31, 2026. Net cash generated from operating activities totaled approximately US\$1.6 million during the quarter, reflecting the effectiveness of the Company's collection efforts and prudent working capital management.

The Company continues to maintain a conservative debt-to-equity ratio of 0.06:1, including the three-year financing arrangement related to the GCT assessment.

Despite the softer operating performance during the quarter, the Company funded capital expenditure of US\$311,834 while improving its overall liquidity position and maintaining the financial flexibility to support future operations.

The Group remained profitable during the quarter and generated positive operating cash flows, while continuing to manage the effects of the slower tourism recovery on revenue.


 John Bailey
 Director


 Richard Downer
 Director

Dolphin Cove Limited

Report to Stockholders

Three months ended March 31, 2026



DOLPHIN COVE LIMITED
Group Interim Statement of Financial Position
As At March 31, 2026

	DCL March 31, 2026 <u>Unaudited</u> <u>US\$</u>	DCL March 31, 2025 <u>Unaudited</u> <u>US\$</u>	DCL December 31, 2025 <u>Audited</u> <u>US\$</u>
CURRENT ASSETS			
Cash and cash equivalents	1,711,207	1,390,526	380,346
Investments	2,713	2,713	2,713
Trade and Other receivables	1,134,570	1,509,064	2,104,615
Taxation recoverable	337,767	339,440	337,758
Due from related companies	36,993	2,050,185	535,940
Due from parent company	-	1,134,720	-
Inventories	513,728	581,895	412,563
	<u>3,736,978</u>	<u>7,008,542</u>	<u>3,773,935</u>
NON-CURRENT ASSETS			
Property, plant and equipment	26,649,665	26,411,779	26,490,518
Rights of use asset	124,790	256,867	157,469
Live Assets	2,875,788	3,163,632	2,918,397
Advance to related company	-	1,110,012	-
	<u>29,650,243</u>	<u>30,942,290</u>	<u>29,566,384</u>
TOTAL ASSETS	<u><u>33,387,221</u></u>	<u><u>37,950,832</u></u>	<u><u>33,340,319</u></u>
CURRENT LIABILITIES			
Bank overdrafts	1,018,600	979,518	971,841
Current portion of lease liabilities	332,538	306,810	229,680
Accounts payable	2,110,278	2,308,905	2,449,201
Due to other related parties	201,003	-	-
Current portion of long-term liabilities	463,810	476,216	723,731
Taxation Payable	-	-	-
	<u>4,126,229</u>	<u>4,071,448</u>	<u>4,374,453</u>
NON-CURRENT LIABILITY			
Deferred tax liability	1,680,667	1,575,096	1,691,545
Lease liabilities	2,759	218,297	30,831
Long-term liabilities	191,275	490,267	-
	<u>1,874,700</u>	<u>2,283,660</u>	<u>1,722,376</u>
SHAREHOLDERS' EQUITY			
Share capital	3,654,390	3,654,390	3,654,390
Capital Reserves	16,517,917	16,517,917	16,517,917
Retained Earnings	7,213,985	11,423,417	7,071,183
	<u>27,386,292</u>	<u>31,595,724</u>	<u>27,243,490</u>
TOTAL EQUITY AND LIABILITIES	<u><u>33,387,221</u></u>	<u><u>37,950,832</u></u>	<u><u>33,340,319</u></u>

John R. Bailey

John Bailey
 Director

Richard Downer

Richard Downer
 Director

Dolphin Cove Limited

Report to Stockholders

Three months ended March 31, 2026



DOLPHIN COVE LIMITED

Group Interim Statement of Profit & Loss

Three months ended March 31, 2026

	3 Months Ended March 31, 2026 <u>Unaudited</u> <u>US\$</u>	3 Months Ended March 31, 2025 <u>Unaudited</u> <u>US\$</u>	Year Ended December 31, 2025 <u>Audited</u> <u>US\$</u>
OPERATING REVENUE:			
Dolphin Attraction Revenue	1,111,902	1,995,762	5,916,090
Ancillary Services Revenue	1,434,996	2,088,829	7,169,407
Overall Revenue	<u>2,546,898</u>	<u>4,084,591</u>	<u>13,085,497</u>
Less: Direct Costs	<u>(280,262)</u>	<u>(542,884)</u>	<u>(2,077,989)</u>
Gross Profit	2,266,636	3,541,707	11,007,508
Gain / (loss) on disposal of property, plant & equipment	-	-	(181,786)
Gain / (loss) on disposal of live assets	-	-	(46,597)
Other income	39,190	365	105,540
	<u>2,305,826</u>	<u>3,542,072</u>	<u>10,884,665</u>
OPERATING EXPENSES:			
Selling	(595,393)	(856,822)	(2,759,710)
Other operations	(961,928)	(990,658)	(4,310,571)
Administrative	(582,804)	(599,489)	(2,720,209)
	<u>(2,140,125)</u>	<u>(2,446,969)</u>	<u>(9,790,490)</u>
(Increase)/decrease in allowance for impairment loss on trade receivables	<u>167,548</u>	-	<u>(2,889,871)</u>
Profit before finance income and costs	333,249	1,095,103	(1,795,696)
Finance income	0	27,234	89,160
Finance costs	(134,837)	(145,931)	(519,970)
Profit Before taxation	198,412	976,406	(2,226,506)
Taxation	(55,611)	(117,115)	(118,159)
Profit for the period	<u>142,801</u>	<u>859,290</u>	<u>(2,344,665)</u>
Earnings per stock unit	US 0.0004	US 0.0022	US -0.006

Dolphin Cove Limited

Report to Stockholders

Three months ended March 31, 2026



DOLPHIN COVE LIMITED

Group Interim Statement of Cash Flow

Three months ended March 31, 2026

	3 Months Ended March 31, 2026 Unaudited <u>US\$</u>	3 Months Ended March 31, 2025 Unaudited <u>US\$</u>	Year Ended December 31, 2025 Audited <u>US\$</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the period	142,801	859,290	(2,344,665)
Adjustments for:			
Depreciation and amortization	253,346	252,832	1,295,855
Loss /(Gain) on disposal of property, plant and equipment	-	-	181,787
Loss on disposal of live assets	-	-	46,597
Loss on lease modification	-	-	-
Interest income	-	(15,644)	(33,511)
Interest expense	68,287	45,938	194,150
Increase in impairment allowance for related parties	-	-	2,818,698
Increase/ (decrease) in allowance for impairment loss	(167,548)	-	71,173
Taxation	<u>55,611</u>	<u>117,115</u>	<u>118,159</u>
Operating profit before changes in working capital	352,497	1,259,531	2,348,243
Accounts receivable	1,137,593	15,361	(2,907,186)
Inventories	(101,165)	(127,182)	42,150
Accounts payable	(338,923)	(159,446)	678,805
Due from related parties	<u>699,950</u>	<u>(195,110)</u>	<u>1,183,389</u>
Cash generated from operations	1,749,952	793,154	1,345,402
Interest paid	(68,287)	(45,938)	(194,150)
Income tax paid	<u>(66,498)</u>	<u>(257,976)</u>	<u>(251,748)</u>
Net cash provided by operating activities	1,615,167	489,241	899,504
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	-	15,644	1,142
Additions to property, plant and equipment	(311,834)	(307,794)	(893,649)
Proceeds from disposal of property, plant and equipment	-	-	-
Additions to live assets	(1,412)	(811)	(990)
Advances to parent company	-	(271,000)	(271,000)
Repayment by parent company	-	-	1,152,016
Investments	<u>-</u>	<u>-</u>	<u>-</u>
Net cash provided/(used) by investing activities	(313,246)	(563,960)	(12,480)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long-term loans net	(68,647)	(94,863)	(337,615)
Payment of lease liabilities	50,826	29,586	(211,053)
Drawdowns of bank overdraft	46,759	167,076	1,877,008
Repayment of bank overdraft	-	(57,359)	(1,774,968)
Dividend Paid	<u>-</u>	<u>-</u>	<u>(1,480,854)</u>
Net cash (used)/provided by financing activities	28,939	44,440	(1,927,482)
Net increase in cash resources	1,330,860	(30,280)	(1,040,459)
Cash resources at beginning of the period	<u>380,346</u>	<u>1,420,805</u>	<u>1,420,805</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u><u>1,711,206</u></u>	<u><u>1,390,526</u></u>	<u><u>380,346</u></u>

Dolphin Cove Limited
 Report to Stockholders
 Three months ended March 31, 2026



DOLPHIN COVE LIMITED
Group Interim Statement of Changes in Stockholders' Equity
Three months ended March 31, 2026

	3 Months Ended March 31, 2026 <u>Unaudited</u>	3 Months Ended March 31, 2025 <u>Unaudited</u>	Year Ended December 31, 2025 <u>Audited</u>
Balances at beginning of period	27,243,490	30,736,433	31,069,009
Transactions with owners of the company:			
Dividends	-	-	(1,480,854)
Total comprehensive income:			
Profit for the period	142,801	859,290	(2,344,665)
Other comprehensive income:			
Surplus on revaluation of assets, net of taxes	-	-	-
Balance at end of period	<u>27,386,291</u>	<u>31,595,724</u>	<u>27,243,490</u>

During the audit of the financial statements for the year ended December 31, 2025, certain prior-period adjustments were identified and recorded. As a result, the opening equity balance as at January 1, 2025 was revised and is reflected in the audited financial statements for the year ended December 31, 2025.

Accordingly, the opening balance presented in the audited year-ended December 31, 2025 column differs from the opening balance presented in the unaudited comparative period ended March 31, 2025, which reflects the balances previously reported at that date.



Selected Explanatory Notes

Three months ended March 31, 2026

1 Corporate Structure and Principal Activities

Dolphin Cove Limited is incorporated and domiciled in Jamaica, operating marine parks and related businesses including adventure programs, restaurants, gift shops, and photography at multiple Jamaican locations. Listed on the Junior Market of the Jamaica Stock Exchange since December 21, 2010, the Company is part of a group that includes:

1. **Dolphin Cove (Negril) Limited** – Jamaica-based; owns leased Hanover real estate.
2. **Too Cool Limited** – Cayman Islands; owns operational land and buildings.
3. **Cheshire Hall Limited** – St. Lucia (with subsidiary **DCTCI Limited** in Turks & Caicos) holding development land.
4. **Balmoral Dolphins Limited** – St. Lucia (with subsidiary **Dolphin Cove TCI Limited**) for future attraction development.
5. **SB Holdings Limited** – St. Lucia (with subsidiary **Marine Adventure Park Limited**) holding land in St. Lucia.

Ownership – Since January 8, 2016, **World of Dolphins Inc.** has held 79.99% of the Company. It is a subsidiary of **Controladora Dolphin S.A. de C.V.** (“Dolphin Discovery”), itself owned by **Leisure Investments Holdings LLC.** (ultimate parent), incorporated in USA

2. Statement of compliance and basis of preparation

Prepared in accordance with **IAS 34**, these unaudited financial statements comply with IFRS and the Jamaican Companies Act. All figures are in US dollars, the Group’s functional currency. Property, plant, equipment, and live assets are recorded at periodically revalued amounts.

3. Accounting Policies and Reclassifications

Policies are consistent with the audited statements for the year ended December 31, 2025. Prior-year adjustments included:

- **Profit or Loss Statement** – ECL movements on trade receivables now presented separately, per IAS 1.82(ba).
- **Cash Flow Statement** – Amounts due from related parties reclassified to operating activities; bank overdrafts moved to financing flows, separated into inflows and outflows.

4. Seasonality of operations

Visitor arrivals peak in the Northern Hemisphere winter. First-half results are therefore not indicative of full-year performance. Results are presented on both a quarterly/year-to-date and rolling twelve-month basis.



Selected Explanatory Notes
Three months ended March 31, 2026

5. Related parties

Due From Related Parties – Amounts collected by the Wider Group for park bookings, plus advances. “Due from Parent Company” is unsecured, interest-bearing at 6%, and repayable on demand, with dividends offset rights.

Corporate Proceedings –

- Jan 29, 2025: Dolphin Discovery entered *concurso mercantil* restructuring in Mexico, dismissed April 15, 2025 (possible appeals pending).
- Mar 31, 2025: **Leisure Investments Holdings LLC** (ultimate parent) filed for Chapter 11 in Delaware.
- Apr 16, 2025: Dolphin Discovery also filed for Chapter 11 in Delaware.

Controladora Dolphin and its affiliates, in coordination with the team of executives responsible for operations and management, are continuing to work with their largest creditors to address Controladora Dolphin’s financial obligations in the context of Chapter 11 proceedings. At the reporting date, the extent of the Chapter 11 proceedings’ effect on the collectability of related party receivables remains uncertain.

The company’s operations continue unaffected, and management expects that it will maintain its independent operational status for the foreseeable future.

6. Earnings per share

Calculated using net profit and 392,426,376 shares in issue for all periods presented.

7.- Asset revaluations.

Land and Buildings – Fair value assessed using independent valuations and comparable property sales, adjusted for age, condition, timing, land/building ratio, location, and functional benefits. Last revalued October 2023.

Dolphins – Carried at fair value, determined using market prices for comparable animals and recent group transactions.



John Bailey
Director



Richard Downer
Director