Dolphin Cove Limited
Report to Stockholders
Three months ended March 31, 2025

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Three months ended March 31, 2025

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, 2025.

OPERATIONS

OPERATIONS							
	3 Months Ended March 31, 2025 Unaudited	3 Months Ended March 31, 2024 Unaudited	% var	LTM Ended March 31, 2025 Unaudited	LTM Ended March 31, 2024 Unaudited	% var	Year Ended December 31, 2024 Audited
Overall Revenue (US$mn)	$4.1	$4.9	-16%	$14.5	$17.1	-15%	$15.3
Profit after taxation (US$mn)	$0.9	$1.4	-38%	$1.3	$2.9	-55%	$1.8
Number of shares in issue	392,426,376	392,426,376		392,426,376	392,426,376		392,426,376
Earnings per share after tax (US$)	$0.0022	$0.0035		$0.0033	$0.0070		$0.0047
Dividends declared per share (US$)	$0.0000	$0.0060		$0.0076	$0.0180		$0.0076

In the first quarter of 2025, our parks welcomed approximately 46,000 visitors, reflecting a 25% decrease compared to the same period in 2024. This decline was mainly due to adverse weather conditions and the reduction in cruise arrivals related to the ongoing repairs at the Ocho Rios pier, which is expected to be completed by October 2025. The revenue for the period was $4.1 million, a 16% decline compared to $4.9 million in 2024. However, we mitigated the impact on revenue by increasing overall per capita income by 8% compared to 2024.

The quarterly revenue generated was $4.1 million, 16% lower than Q1 2024.

Given the performance on the top line, the management focused this quarter on reducing direct costs and operating expenses to mitigate the impact on profitability.

Despite rising costs for key inputs such as dolphin food, security, and insurance, the company has effectively managed resources, maintaining stable operating costs, and closing in our expenses +5% (76K) vs 2024, this is because our payroll increased by +9% vs. 2024 due to the increase in the minimum wage.

As a result of these factors, the company generated a net profit of $.9 million, -38% Q1 2024.

Noel Levy
Director

Richard Downer
Director

FINANCIAL POSITION

FINANCIAL POSITION					
	As at March 31, 2025 Unaudited	As at March 31, 2024 Unaudited	% var	As at December 31, 2024 Audited	% var
Working Capital (US$**mn**)	$2.9	$2.5	16%	$2.4	21%
Fixed Assets (US$**mn**)	$29.6	$29.9	-1%	$29.5	0%
Net Assets (US$**mn**)	$31.6	$31.8	-1%	$30.7	3%
Debt to Equity ratio	0.06:1	0.03:1		0.06:1	
Net assets per share (US$)	$0.08	$0.08	-1%	$0.08	3%
Market price (J$)	$16.12	$18.94	-15%	$18.50	-13%
Market price (US$)*	$0.10	$0.12	-17%	$0.12	-13%
Market/Book value	1.26	1.51	-17%	1.49	-15%

Dolphin Cove continues to show a very strong financial position with a solid base of profitable assets. Net working capital increased by US$400,000. as a result of the reduction in accounts payable, increased inventories and slight increase in related party balances, nevertheless, has remained consistent with year-end 2024 levels. The Company maintains a low debt-to-equity ratio in spite of the 3-year loan for the GCT assessment.

Despite the lower-than-expected performance for the reasons given earlier, the Company has been able to accommodate Capital expenditures of US$307,794.

DOLPHIN COVE LIMITED
Group Interim Statement of Financial Position
As At March 31, 2025

	DCL March 31, 2025 Unaudited US$	DCL March 31, 2024 Unaudited US$	DCL December 31, 2024 Audited US$
CURRENT ASSETS			
Cash and cash equivalents	1,390,526	2,084,371	1,420,805
Investments	2,713	2,665	2,713
Trade and Other receivables	1,509,064	1,969,515	1,524,425
Taxation recoverable	339,440	285,165	204,910
Due from related companies	2,050,185	782,365	1,870,146
Due from parent company	1,134,720	898,606	848,648
Inventories	581,895	544,872	454,713
	7,008,542	6,567,558	6,326,361
NON-CURRENT ASSETS			
Property, plant and equipment	26,411,779	26,341,033	26,257,321
Rights of use asset	256,867	390,294	288,198
Live Assets	3,163,632	3,538,038	3,207,028
Advance to related company	1,110,012	1,110,012	1,110,012
	30,942,290	31,379,377	30,862,559
TOTAL ASSETS	37,950,832	37,946,935	37,188,921
CURRENT LIABILITIES			
Bank overdrafts	979,518	616,288	869,801
Current portion of lease liabilities	306,810	192,518	210,408
Accounts payable	2,308,905	3,157,362	2,468,351
Due to other related parties	-	7,356	-
Current portion of long-term liabilities	476,216	-	397,048
Taxation Payable	-	117,559	-
	4,071,448	4,091,083	3,945,608
NON-CURRENT LIABILITY			
Deferred tax liability	1,575,096	1,587,546	1,581,427
Lease liabilities	218,297	478,744	261,155
Long-term liabilities	490,267	-	664,298
	2,283,660	2,066,289	2,506,879
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	11,423,417	11,617,256	10,564,127
	31,595,724	31,789,562	30,736,433
TOTAL EQUITY AND LIABILITIES	37,950,832	37,946,935	37,188,920

Noel Levy
Director

Richard Downer
Director

DOLPHIN COVE LIMITED
Group Interim Statement of Profit & Loss
Three months ended March 31, 2025

	3 Months Ended March 31, 2025 Unaudited US$	3 Months Ended March 31, 2024 Unaudited US$	Year Ended December 31, 2024 Audited US$
OPERATING REVENUE:			
Dolphin Attraction Revenue	1,995,762	2,589,238	7,510,952
Ancillary Services Revenue	2,088,829	2,315,385	7,785,500
Overall Revenue	4,084,591	4,904,622	15,296,452
Less: Direct Costs	(542,884)	(553,505)	(2,354,515)
Gross Profit	3,541,707	4,351,118	12,941,936
Gain / (loss) on disposal of property, plant & equipment	-	-	(22,659)
Other income	365	876	(16,974)
	3,542,072	4,351,994	12,766,268
OPERATING EXPENSES:			
Selling	(856,822)	(1,061,004)	(3,079,994)
Other operations	(990,658)	(985,917)	(4,663,198)
Administrative	(599,489)	(678,181)	(2,124,241)
	(2,446,969)	(2,725,101)	(9,867,433)
(Increase)/decrease in allowance for impairment loss on trade receivables	-	136,544	43,581
Profit before finance income and costs	1,095,103	1,763,437	2,942,416
Finance income	27,234	48,737	56,639
Finance costs	(145,931)	(136,386)	(651,382)
Profit Before taxation	976,406	1,675,788	2,347,673
Taxation	(117,115)	(295,499)	(520,795)
Profit for the period	859,290	1,380,289	1,826,878
Earnings per stock unit	**US 0.0022**	**US 0.0035**	**US 0.0047**

DOLPHIN COVE LIMITED
Group Interim Statement of Cash Flow
Three months ended March 31, 2025

	3 Months Ended March 31, 2025 Unaudited US$	3 Months Ended March 31, 2024 Unaudited US$	Year Ended December 31, 2024 Audited US$
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the period	859,290	1,380,289	1,826,878
Adjustments for:			
Depreciation and amortization	252,832	251,804	1,356,094
Loss /(Gain) on disposal of property, plant and equipment	-	-	22,659
Loss on disposal of live assets	-	-	131,630
Loss on lease modification	-	-	-
Interest income	(15,644)	(672)	(56,615)
Interest expense	45,938	44,858	231,456
Impairment losses	-	(136,544)	(43,581)
Taxation	117,115	292,712	520,795
Operating profit before changes in working capital	1,259,531	1,832,447	3,989,316
Accounts receivable	15,361	(251,871)	548,010
Inventories	(127,182)	(166,742)	(76,583)
Accounts payable	(159,446)	264,021	(732,997)
Due from related parties	(195,110)	427,818	(724,519)
Cash generated from operations	793,154	2,105,673	3,003,227
Interest paid	(45,938)	(44,858)	(231,456)
Income tax paid	(257,976)	(508,477)	(779,983)
Net cash provided by operating activities	489,241	1,552,338	1,991,789
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	15,644	672	2,569
Additions to property, plant and equipment	(307,794)	(88,874)	(795,496)
Proceeds from disposal of property, plant and equipment	-	-	(131,630)
Additions to live assets	(811)	(1,592)	133,355
Advances to parent company	(271,000)	(664,300)	(1,807,875)
Repayment by parent company	-	700,000	1,947,530
Investments	-	-	(48)
Net cash provided/(used) by investing activities	(563,960)	(54,094)	(651,595)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long-term loans net	(94,863)	-	1,115,392
Payment of lease liabilities	29,586	7,182	(288,343)
Drawdowns of bank overdraft	167,076	3,771,087	3,497,477
Repayment of bank overdraft	(57,359)	(3,544,380)	(3,096,434)
Dividend Paid	-	(1,499,719)	(2,999,437)
Net cash (used)/provided by financing activities	44,440	(1,265,830)	(1,771,345)
Net increase in cash resources	(30,280)	232,415	(431,152)
Cash resources at beginning of the period	1,420,805	1,851,957	1,851,957
CASH AND CASH EQUIVALENTS AT END OF PERIOD	1,390,526	2,084,371	1,420,805

DOLPHIN COVE LIMITED
Group Interim Statement of Changes in Stockholders´ Equity
Three months ended March 31, 2025

	3 Months Ended March 31, 2025 Audited	3 Months Ended March 31, 2024 Unaudited	Year Ended December 31, 2024 Audited
Balances at beginning of period	30,736,433	31,908,992	31,908,992
Transactions with owners of the company:			
Dividends	-	(1,499,719)	(2,999,437)
Total comprehensive income:			
Profit for the period	859,290	1,380,289	1,826,878
Other comprehensive income:			
Surplus on revaluation of assets, net of taxe	-	-	-
Balance at end of period	31,595,724	31,789,562	30,736,433

Selected Explanatory Notes
Three months ended March 31, 2025

1. Corporate structure and principal activities
(a) Dolphin Cove Limited (the company) is incorporated and domiciled in Jamaica and its registered office and principal place of business is located at Belmont Road, Ocho Rios, St. Ann, Jamaica, W.I.

The principal activities of the company are the operation of marine parks and ancillary operations such as adventure programs, restaurants, gift shops and photography at several locations in Jamaica.

The company's shares were listed on the Junior Market of the Jamaica Stock Exchange on December 21, 2010.

(b) The company and its wholly-owned subsidiaries, as listed below, are collectively referred to as "the Group".

(i) Dolphin Cove (Negril) Limited was incorporated in Jamaica, on May 11, 2010, and commenced operations in September 2010. Its principal place of business is located at Point, Lucea, Hanover, Jamaica W.I. and it owns the real estate in Hanover which is now leased to the company.
(ii) Too Cool Limited is incorporated in the Cayman Islands and owns land and buildings from which the company operates.
(iii) Cheshire Hall Limited was incorporated on June 22, 2012 as a St. Lucian International Business Company (IBC), controlled by the company through a deed. Its wholly-owned subsidiary, DCTCI Limited was incorporated in the Turks and Caicos Islands and owns land on which the Group intends to develop an attraction.
(iv) Balmoral Dolphins Limited is a St. Lucian IBC, incorporated on April 5, 2012.Its wholly-owned subsidiary, Dolphin Cove TCI Limited, was incorporated in the Turks & Caicos Islands for the intended purpose of operating the attraction to be developed by DCTCI Limited.
(v) SB Holdings Limited was incorporated on November 4, 2013, as a St. Lucian IBC. Its wholly-owned subsidiary, Marine Adventure Park Limited, was also incorporated in St. Lucia and purchased land in St. Lucia on which the Group intends to develop an attraction.
(c) Effective January 8, 2016, World of Dolphins Inc. holds 79.99% of shares issued by Dolphin Cove Limited. World of Dolphins, Inc., a company incorporated and domiciled in Barbados, is a subsidiary of Controladora Dolphin SA de C.V. (intermediate holding company), which is in turn a subsidiary of Dolphin Capital Company, S. de RL de C.V. (ultimate holding company), referred to as "The Dolphin Company" or "the Wider Group". Both companies are incorporated and domiciled in Mexico.

2. Statement of compliance and basis of preparation
These unaudited interim financial statements are prepared in accordance with IAS 34 "Interim Financial Reporting" and comply with International Financial Reporting Standards (IFRS) and their interpretations adopted by the International Accounting Standards Board and comply with the provisions of the Jamaican Companies Act. The condensed interim financial information should be read in conjunction with the annual audited financial statements of the Group and the company. The statements are expressed in United States dollars which is the functional currency of the Group.
Property, Plant and equipment and live assets are included in the balance sheet at revalued amounts from time to time.

3. Accounting policies
The principal accounting policies applied in the preparation of these unaudited financial statements are consistent with those used in the IFRS compliant audited financial statements for the year ended 31 December 2024 as set out in Note 2 thereof. During the prior year, the Company discovered that the classification or presentation of some items in the statements of profit or loss and other comprehensive income and cash flows were not in line with the requirements of the applicable financial reporting framework. The nature of the reclassifications are as follows:

Selected Explanatory Notes
Three months ended March 31, 2025

3. Accounting policies (continued)

(a) *Statement of profit or loss:* As required by IAS1.82(ba), movement in ECL is required to be shown separately on the face of the statement of profit or loss and other comprehensive income. During the prior period, ECL movement on trade receivables was presented as part of 'operating expenses – selling'.

(b) *Statement of cash flows:* IAS 7 requires an entity applying IFRS to present its cash flows from operating, investing and financing activities in a manner which is most appropriate to its business. The reclassifications were:
- Due from related parties, in the corresponding figures, was reclassified from investing activities to operating activities as the balance resulted from ordinary trading activities.
- Bank overdraft was previously presented as a component of cash and cash equivalents. As this overdraft was not deemed to form an integral part of the Group and Company's cash management, overdraft is included in financing activities – split between inflows and outflows.

4. Seasonality of operations
The Group earns revenues mainly from visitors to the country the number of which is higher in the winter months of the Northern hemisphere. Accordingly, the results of the first portions of the calendar year cannot be taken to be indicative of the likely performance of the entire year. As a result, the Group has adopted the practice recommended in IAS 34 that the results of operations should also be disclosed on a rolling twelve-month ("LTM") basis as well as disclosing the calendar quarterly and year to date results in the summary information in Operations.

5. Related parties
Due from
This amount represents amounts collected by the Wider Group and payable to the Group for bookings of visitors to the Group's parks and advances.

The amount as "Due from Parent Company" represents the balance of advances made less repayments, and is unsecured, bearing interest at 6% per annum and repayable on demand.

The parent company has given the Company the right to offset any dividends payable in satisfaction of the above balances. The parent company has pledged its 79.99% shareholding in the Company as collateral for debt obligations of Controladora/Dolphin Discovery. On January 29, 2025, the Company's intermediate parent company, Controladora Dolphin S.A. de C.V. (Dolphin Discovery), initiated voluntary concurso mercantil proceedings in Mexico, a corporate restructuring and insolvency process that provides for an initial conciliation phase of up to 18 months. On March 31, 2025, the ultimate parent company filed for Chapter 11 bankruptcy protection in Delaware. If the proceedings move to a liquidation phase, this may affect the collectability of related party receivables and could impact ownership of the Company's shares, over which the Company has no control.

The amount in non-current assets represented a deposit paid to the Wider Group in respect of a construction project in St. Lucia on behalf of the Group which has been deferred.

Due to
The amount included in current liabilities represents accrued fees unpaid in respect of central services provided to the group by the Wider Group that have been approved by a committee of the board of directors comprised of the independent directors.

Selected Explanatory Notes
Three months ended March 31, 2025

The parent company has pledged its 79.99% shareholding in the Company as collateral for debt obligations of Controladora/Dolphin Discovery. The Company has not provided any guarantees or pledged assets in relation to these proceedings. The Company's operations continue unaffected and it maintains independent operational status.

If the proceedings move to liquidation phase, this may affect the collectability of related party receivables and could impact ownership of the Company's shares, over which the Company has no control

6. Earnings per share
The calculation of the earnings per share is based on the net profit and the 392,426,376 shares in issue during all of the periods.

7.- Asset revaluations.
Fair value of land and buildings
Land and buildings are revalued periodically to fair market value, and the last valuation done was in October 2023. These valuations are conducted by independent professional valuators, using recent selling prices of comparable properties.

However, as no two properties are exactly alike, adjustments are made to reflect differences between properties. Consequently, the determination of fair market value of the property requires that the valuers analyze the differences in relation to age and physical condition, time of sale, land to building ratio, the advantages and disadvantages of the location and other functional gains to be derived from the property, and make necessary adjustments.

Fair value of dolphins
All dolphins are carried at fair value. The fair values are determined based on the market price of dolphins similar age and recent transactions relating to the purchase and sale of dolphins within the wider group.