EXCELLENCE LOGGING FINANCE 2 PLC

Annual Report and Financial Statements
for the year ended 31 December 2024

EXLOG
EXCELLENCE LOGGING

Excellence Logging Finance 2 Plc

Company number: 11688050

COMPANY INFORMATION

Registered office address:	45 Gresham Street London United Kingdom EC2V 7BG
Bankers:	HSBC Bank UK PLC 2 Queens Road Aberdeen United Kingdom AB15 4ZT
Company number:	11688050
The Board of Directors:	John Michael Lechner Pierre-Henri Boutant
Independent Auditors:	BDO LLP 55 Baker Street London W1U 7EU
Website:	www.exlog.com

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EXCELLENCE LOGGING FINANCE 2 PLC

STRATEGIC REPORT

The Directors present herewith their Annual Report and audited consolidated financial statements of Excellence Logging Finance 2 plc and its subsidiary companies, together “the Group” or “Excellence Logging Group” or “EXLOG” for the year ended 31 December 2024. Excellence Logging Group’s main shareholder is Blue Water Energy LLP, a private equity firm specialising in energy-related investments.

The statutory accounts for the prior year (2023) were unaudited and not consolidated. These financial statements represent the first year in which consolidated accounts have been prepared and presented in accordance with applicable accounting standards.

ABOUT EXLOG

EXLOG is a premier energy services company providing surface data logging, light well intervention, and data & consulting services for customers in the oil and gas industry. Our technically advanced services provide our customers with the highest levels of operational safety to provide geological data, surface formation evaluation, drilling monitoring and production technologies. The Group operates in five geographical markets (North America, Latin America, Europe & Africa, Asia, and the Middle East).

EXLOG is a growing, specialist company operating in a dynamic industry and is a leader in those businesses where its expertise and focused competence make a material difference to customer performance. Dedicated to innovation and continuously pursuing excellence in action through a people driven organisation, EXLOG delivers superior service backed by operational resilience, high standards and a clear commitment to environmental, social and governance performance that underpins sustainable growth.

Formed in 2015 through the combination of a series of small and medium-sized specialized companies, each with strong regional presence, EXLOG benefits from an experienced management team and innovative research and engineering capabilities that provide a collaborative approach to customer needs. Our heritage has evolved from the individual companies from which our organization was created to combine global expertise with local presence.

Since 2015, and continuing throughout 2024, the principal activity of the company has been to provide surface data logging, well intervention and data and consulting services to oil and gas exploration and production industry while seizing opportunities in wider energy industry as the energy transition proceeds.

BUSINESS DESCRIPTION

The company operates in three business segments: Surface Data Logging, Well Intervention Services and Data and Consulting Services.

EXLOG Surface Data Logging (SDL) provides critical information on the hydrocarbon content and potential extraction properties of a well in a cost-effective way using physical samples of rock and hydrocarbon produced during drilling. Detailed sample analysis, advanced gas detection, and discrete reservoir evaluation services reduce the uncertainty inherent in drilling and completing oil and gas wells. Drilling optimization and hazard mitigation services minimize unexpected events and wellsite risk, while also reducing non-productive time to save cost for our customers.

EXLOG Well Intervention Services (WIN) provide light intervention services and products for oil and gas wells using slickline, wireline, coiled tubing and production enhancement systems. During the life of all oil and gas wells, production hardware requires maintenance, repair or replacement. EXLOG WIN services allow operators to make changes or adjustments to downhole valves, pumps, and completion equipment; acquire data on downhole pressure, temperature and flowrates; minimize mechanical well restrictions; execute heavy fishing operations and perform wellhead maintenance services. In addition, WIN offers a suite of complementary software and data management products and services designed to enhance the productivity and therefore the profitability of wells in producing fields.

EXLOG Data and Consulting (D&C) services offer trained personnel with access to a suite of complementary well-related software and data management products and services designed to enhance the productivity and therefore the profitability of a well in producing fields.

EXLOG has historically provided its services in both conventional hydrocarbon areas as well as specific shale oil and shale gas regions. EXLOG services have now expanded to cover the growing geothermal, gas storage and hydrogen exploration energy transition market segments in onshore Europe, US Land, Africa, Middle East and Asia. EXLOG is both growing share in the markets where it already operates, while also adapting and expanding SDL measurement technologies and processes to meet the specific needs of these newer markets.

EXLOG customers include exploration and production companies as well as other oilfield service companies. Depending on the service line, customer, and location, contracts vary in their terms, provisions, and scope. EXLOG earns revenues under contracts when products are delivered, and when services are performed. Typically, EXLOG provides products and services at a wellsite where personnel and equipment may be located together with the customer's personnel and equipment and third parties such as other service providers. EXLOG services are usually short-term in nature, day-rate based, and flexible should our customers wish to alter their scope of work.

COMPANY BACKGROUND

Excellence Logging Finance 2 PLC (EXLOG) was founded in 2015 through the acquisition of a limited number of carefully selected surface data logging and well intervention companies on each continent to provide a global footprint. Through investment in new product development, the company moved beyond simple measurement and surface data logging activities to add analytical services to help improve customer activity and performance.

Between 2015 and 2024, EXLOG grew inorganically by acquiring a series of specialised small and medium-sized companies to widen regional presence. Revenue critical mass reached in 2019 through the strategic acquisition of the surface data logging business of Weatherford International, which doubled the size of the company and added a strong presence in the Middle East markets with key customers including Saudi Aramco, the Kuwait Oil Company, and the Abu Dhabi National Oil Company.

EXCELLENCE LOGGING FINANCE 2 PLC

STRATEGIC REPORT

In 2023, EXLOG expanded its presence in well intervention services through the strategic acquisition of the well intervention business of Well Services Group in the Netherlands. This acquisition consisted of coiled tubing, slickline and well testing services and the transaction not only expanded EXLOG's market reach and capabilities in Northern Europe, it also adds industry-leading coil tubing and slickline capabilities to the onshore and southern North Sea markets. The acquisition also strengthened EXLOG's well testing capabilities in a market driven by the needs of European natural gas production and storage.

After nine years of strategic growth, full-year revenue of US $ 204.1 million in 2024 was relatively evenly split between the SDL and WIN business segments at 44% for SDL and 56% for WIN.

In 2024, EXLOG undertook a comprehensive financial restructuring, culminating in the issuance of a US $100 million, 11.5% senior secured corporate bond to Nordic and international institutional investors. The proceeds were used to:

- Refinance existing debt
- Pay accrued dividends on senior preferred shares
- Support general corporate purposes

The bond is governed by Norwegian law, with Nordic Trustee acting as bond trustee to represent bondholders' interests. Security includes share pledges, intercompany loan assignments, and guarantees, potentially shared on a super senior basis. Key covenants include:

- Maximum leverage ratio of 3.0x (stepping down over time)
- Minimum liquidity threshold of US $10 million

The bond is listed on the Frankfurt Open Market and is planned to be listed on Oslo Børs within 12 months of the issue date.

As part of the terms and conditions of the 2024 senior secured corporate bond, EXLOG was required to transition to a Public Limited Company (PLC) structure and to list the bond on a regulated exchange within one year of issuance. This change was essential to meet the bondholders' requirements and to facilitate the planned listing on Oslo Børs.

In addition to rising oil and gas activity and strategic company acquisitions, in-house product development and the deployment of new technology in selected markets have contributed to improved financial performance. Focused EXLOG new product development activities are designed to improve and complement basic surface data logging activities by developing digital AI enhanced products and providing technological support to increase drilling efficiency, reduce operational non-productive time, provide innovative formation evaluation and improve drilling safety.

At the end of 2024, EXLOG had operations in over 29 countries, employing more than 1,700 people of 70 nationalities. As of the date of this report, EXLOG is active in Saudi Arabia, Iraq, Kuwait, UAE, India, Argentina, Ecuador, Bolivia, Colombia, Oman, Kazakhstan, Italy, Algeria, Tunisia, Libya, Turkey, Switzerland, Angola, Congo Republic, Uganda, Great-Britain, USA, Canada, Malaysia, Thailand, Indonesia, the Netherlands and Germany.

EXECUTIVE REVIEW

EXLOG delivered strong double-digit growth in 2024 as industry upcycles gathered pace in the SDL and WIN.

In 2024, Group revenue increased by 37% (17% of pure organic growth) to US $ 204.1 million (2023: US $ 148.7 million/ US $ 174.9 million on Proforma basis), driven by higher activity in our SDL and WIN businesses. Group EBITDA of US $ 41.2 million (2023: US $ 28.3 million/ US $ 33.6 million on Proforma basis) resulted in an EBITDA margin of 20.0% (2023: 19%).

Both SDL and WIN businesses experienced continued positive momentum in 2024. Higher tendering activity resulted in a year of strong order intake while tightening fleet capacity supported pricing improvements. The acquisition of the well intervention business of Well Services Group that completed on 23 August 2023 added US $ 46.8 million to Group revenues for the full year (US $ 8.7 million recognized in 2023 from completion date).

Against a backdrop of heightened geopolitical uncertainty and conflict, the world continued to grapple with the energy challenges of addressing the need for secure and affordable energy while simultaneously working to decarbonise global energy sources. In 2024, these challenges were compounded by high inflation, rising interest rates followed by tariffs introduced by USA in 2025 which led US crude oil price fall to less than $60 a barrel that represented significant headwinds to the economics of oil and gas exploration and production.

The year began with a positive view on the outlook for the Group, supported by a solid order intake and increase in tendering activity. The Group benefited from upcycles in demand in both SDL and WIN markets that were supported by the continued drive of the major economies for energy security and decarbonisation. The Group was well placed to benefit from the strong demand for its services with such demand expected to be sustained over several years. The demand trajectory, however, was moderated by the capital discipline of our customers, which was mirrored by EXLOG through limited additions to the fleet due to increased costs and internal capital discipline.

The strategic acquisition of the Well Services Group in the Netherlands, which closed on 23 August 2023, fosters a more balanced portfolio, mitigating dependence on any single business line. This diversification strengthens our market position and enhances our ability to weather potential fluctuations in oil prices. The combined expertise of EXLOG and Well Services Group positions us to capitalize on growth opportunities across both SDL and WIN segments, ultimately driving long-term sustainable development for the company.

While hydrocarbons are likely to remain part of the energy mix in the future, and with lower-carbon gas replacing more highly polluting fuels such as coal, the production of hydrogen and helium from natural accumulations is becoming a reality and will play an important role in the world’s push to achieve net zero. These emerging energy resources offer the Group a valuable source of incremental growth to place EXLOG at the heart of the energy transition. We therefore anticipate sustained demand for our surface data logging and well intervention services into the next decade with a growing emphasis on technology and customer service.

At the same time, EXLOG is focused on supporting the energy transition with a strong offering of advanced technologies across the energy landscape. These include the application of new technologies for geothermal energy development, carbon capture and storage, and future opportunities in hydrogen and helium energy. EXLOG plays a key role in these new applications by supporting customers in seizing opportunities to deliver a diverse range of innovative solutions that, taken together, help decarbonize the world’s economies.

Sustainability is one of our core values and underpins our strategy. Throughout 2024 we made progress towards our ambitions and commitment to environment, social, and governance performance to respond to climate change and other major global development challenges. As part of this, we have placed a major focus on establishing the pathway to decarbonize our own operations and reduce our emissions through the adoption of cleaner fuels as they become more widely available to market. We are also focusing on protecting the environment and supporting the communities in which we work through initiatives for waste management and recycling.

Looking forward, we expect 2025 revenue and EBITDA margins to be higher than those of 2024 as we are focused on harvesting results from prior year CAPEX and technology investments to maximise cash generation and invest for the future to generate increased returns. We will maintain internal capital investment disciplines and therefore anticipate an increase in free cash flow in 2025.

The success of EXLOG is the product of the collective drive of more than 1,700 individuals in collaboration with our customers and suppliers. Our people are the foundation of our business and their strong positive culture within our organisation has enabled us to grow our headcount rapidly in 2024 while continuing to deliver solid performance both financially and operationally.

OPERATING REVIEW

Financial performance

EXLOG SDL and WIN businesses delivered strong growth in 2024 as the Group benefited from the upcycle in the oil and gas business. During the year, the company's contract portfolio began a gradual shift from those won in weaker market conditions to more recent awards with improved pricing and conditions.

The Group's performance was driven by success in new contract awards; growth in advanced services and new technology at higher margins; pursuing contracts at improved terms and conditions; and completing the major acquisition of the Well Services Group in the Netherlands in 2023.

In 2024 Group revenue increased by 37%. This strong performance was driven by:

- SDL: Revenue increased 11%, reaching US $ 90.3 million
- WIN: Revenue improved 70% to US $ 113.8 million, this was mostly driven from Netherland acquisition which accounted for revenue of US $ 46.8 million (2023: US $ 8.7 million).

Both SDL and WIN revenues recorded year-on-year growth in all areas in 2024.

SDL regional highlights:

- Middle East (MEA) region continues to be the largest contributor to SDL revenue, with strong 9% growth in 2024 to reach US $ 41.7 million driven by SDL activity in Saudi Arabia.
- Europe & Africa (EAF) region grew by 46% to reach US $ 19.5 million in 2024, solidifying its position as a key contributor to SDL growth.
- Latin America (LAM) region increased activity and grew revenue 27% to reach US $ 13.0 million.

WIN regional highlights:

- EAF region remained the largest contributor to WIN revenue in 2024, delivering an outstanding 79% growth year on year to reach US $ 94.2 million. This is due to the acquisition of Well Services Group.
- Latin America (LAM) region increase activity and grew revenue by 61% to reach US $ 15.7 million. This positive impact was partially due to hyperinflation.

The acquisition of the Well Services Group well intervention business contributed US $ 46.8 million to Group revenue in 2024 following completion of the acquisition on 23 August 2023. 2024 was the first year which had full year impact post-acquisition.

As stated earlier, the strategic acquisition of the well intervention business of Well Services Group in 2023 has positioned EXLOG for a more-balanced revenue distribution. Previously, the revenue stream leaned towards SDL services, accounting for 57% of the total. With the integration of Well Services Group activity, the SDL and WIN businesses contributing more equally to overall Group revenue.

Cash generated by the Group benefitted from higher activity levels making 2024 a year of re-investment in the business.

Business environment

Commodity prices, including oil and gas, remained volatile throughout 2024, driven by a mix of geopolitical tensions, macroeconomic shifts, and structural forces in energy markets. The Brent crude oil price averaged $87 per barrel for the year, reflecting OPEC+ production cuts that tightened global supplies and offset weakening demand in key economies like China and the United States. Prices fluctuated between $75 and $90 per barrel during the first half of the year before peaking in mid-2024 due to escalating Middle East tensions, including an Iranian missile attack on Israel.

	Brent Oil (i)	**North American Rig Count (ii)**	**International Rig Count (iii)**
31-Dec-24	74.64	787	948
31-Dec-23	77.63	708	948
31-Dec-22	84.71	897	851
31-Dec-21	77.24	606	755
31-Dec-20	51.8	526	825
31-Dec-19	66.23	1079	1098

(i) Price per barrel of Brent crude oil - source: Trading Economics
(ii) Average rig count - source: Baker Hughes Rig Count
(iii) Average rig count - source: Baker Hughes Rig Count

The demand for our services is primarily influenced by the cycles of the oil and gas industry, and in particular, the budgeted spend of oil and gas companies on project operational (OPEX) and capital (CAPEX) expenditure. From the table we can see there is a correlation between higher oil prices and increased rig-count activity. While the market prices for oil and gas fluctuate, our customers continue to base their investment decisions on long-term planning assumptions that remain supportive of oil and gas industry expenditure to maintain and augment current production levels. In addition, the strategic impetus for Europe to remove its reliance on Russian gas, means back-filling existing capacity with new production to protect energy security as well as to develop alternative energy solutions through the energy transition.

Against this positive backdrop, the market for surface data logging strengthened throughout the year as the industry recovered from a ten-year low in global oil demand in 2020 to 101 million barrels per day in 2023. The message from many major oil companies remained one of capital discipline but, after years of under-investment, tendering activity for new developments increased.

Overall, EXLOG order intake in 2024 increased for a fourth consecutive year. As a source of reliable energy, the hydrocarbon industry is likely to remain a key contributor to global production under all probable energy transition scenarios. Achieving this output will require significant on-going investment. Against this backdrop we anticipate continued robust demand for our SDL and WIN services alongside increasing demand to offset the emissions footprint of our customers' developments into the next decade.

EXLOG continues to make progress in reducing the cost of production to help our customers make oil and gas developments viable at significantly lower breakeven prices. Our surface data logging and well intervention activities are intended to provide service throughout the life span of an oil and gas field. We believe, therefore, that the fundamentals for our business remain favourable as the need for longer oil and gas well production is coupled with the deployment of technology applications that hasten the development of new and growing energy resources that are dual drivers of demand for our services.

Competitive landscape

We believe that we have a competitive advantage in terms of performing our services to the oil and gas and wider energy markets efficiently. The company has grown rapidly and has become a specialist leader in its chosen surface data logging, well intervention and data and consulting services markets.

Our multicultural workforce drives our performance by using their cross-disciplinary knowledge and skills to meet or exceed our customers' needs. EXLOG's strong dedication to innovation gives our customers safer, more efficient, integrated and digitally enabled services and solutions in the most complex circumstances and extreme environments. The company's success is built on the impact we achieve by focusing our collective competence, expertise and experience to capture opportunities and deliver global excellence.

EXLOG faces competition from both independent operators and the integrated, international service companies.

While the independents operators compete directly with EXLOG in one or other of our markets, their operating footprint does not match that of EXLOG and their technology portfolio does not offer comparable or higher technology products or services. The SDL market segments of the international integrated companies make up smaller percentages of their overall company revenues and therefore compete for investment budgets against other, larger segments within the same company. This segment, therefore, is usually underdeveloped and almost invisible within these larger groups, leading to little investment in innovation and commoditized service offerings.

In WIN services, the acquisition of Well Services in the Netherlands has brought critical mass and valuable experience in operations in environmentally sensitive areas that gives EXLOG another key differentiation factor.

Technology

EXLOG offers SDL and WIN technologies that enable the company to address customer challenges in surface data logging and well intervention services on a global basis.

EXLOG SDL drilling and formation evaluation technologies are platform-based and use common hardware architecture. Among these technologies, the XView surface data logging core acquisition platform allows SDL crews to deliver standard services as well as acquire and process advanced parameters at the wellsite. The technology enables advanced modules for specific customer demands to be added on demand for ease of deployment.

In a similar manner, the SDL SAFE formation fluid logging service has been designed around a platform that can be upgraded in real time when drilling through reservoir zones for better fluid characterization. This avoids deployment of multiple types of equipment, both standard and advanced and streamlines operator training on a single system. SAFE technology can also detect non-hydrocarbon components in downhole environments and allows the company to deploy technology in alternative energy environments such as natural hydrogen, helium and geothermal wells.

When advanced services are added to basic operations, overall profitability is increased. As market uptake accelerates, advanced services revenue is growing faster than standard revenue, highlighting customer demand for sophisticated data acquisition and analysis. The contribution of advanced services to overall EXLOG revenue has steadily increased, reaching 14% in 2023, 15% in 2024, and a projected 19% in 2025. Such performance is also boosted by technology pull through with standard data logging services being significantly enhanced by advanced offerings. It is estimated that half of EXLOG’s standard surface data logging revenue is enabled by advanced services.

This SDL service model, based on platform architecture common to basic and advanced services, is a strategic advantage for the company. By leveraging this advantage, EXLOG is well positioned for continued financial success. Such focus on technology not only improves profitability but also strengthens the company's competitive advantage through an innovative approach.

EXLOG WIN comprises three main activities in well remediation and abandonment; downhole reservoir logging; and production enhancement. All of these are performed on producing wells and allow diagnosis of well issues and execution of remedial actions ranging from the simplest on mechanical slickline to the most advanced on coiled tubing.

WIN maximizes profitability through a strategic approach to service complexity. Standard operations form the foundation of this approach with the pricing for these services reflecting the technology and resources needed for such operations. The potential for higher margins lies in the more intricate interventions.

These involve deploying more sophisticated tools such as electrical slickline logging equipment to address complex wellbore challenges. The advanced nature of these interventions necessitates specialized equipment and a highly skilled workforce while often carrying a higher risk profile. As a result, pricing is higher for more complex operations to reflect the added value delivered.

Advanced WIN services often require deployment of high capital expenditure equipment. EXLOG WIN, therefore, maintains a rigorous approach when evaluating new projects and expanding its advanced service offerings. While the potential for increased margins is undeniable, ensuring a healthy return on investment remains a critical factor in the decision-making process.

2024 saw a significant development for EXLOG's well intervention business with the acquisition of the well intervention activity of Well Services Group in the Netherlands. This strategic move consolidated EXLOG offerings in coiled tubing, slickline and well testing services, leading to expanded market presence and enhanced capabilities in Northern Europe.

The Well Services Group acquisition presents opportunities for EXLOG that result from a newly broadened service portfolio and an extended geographic reach.

The broader range of solutions now available within the service portfolio allows us to cater to more diverse customer requirements, so optimizing our performance. WIN well testing expertise has been strengthened in a growth sector driven by Europe's increasing focus on natural gas production and storage while the established presence of Well Services Group in Northern Europe enables EXLOG to gain a stronger foothold in this strategic region.

Environment, Governance, Sustainability

Excellence Logging seeks to provide the very best in service and technology to help our customers deliver energy safely, securely, and sustainably. We believe that our industry will prove resilient in meeting the hydrocarbon-based energy needs of today while simultaneously developing the low-carbon energy supplies increasingly needed for positive climate action and future economic growth.

As the transition to a wider energy mix accelerates, we are focused on reducing the carbon footprint of our oilfield services while monitoring, limiting, and balancing our own carbon emissions with the most efficient offset measures appropriate to the geography and infrastructure where we work. In parallel, we are targeting those sectors of the low-carbon energy market including hydrogen and geothermal that offer the greatest opportunities for our technology and expertise to be of value and application to customers and consumers.

We therefore view sustainability through two lenses, the sustainability of global safe, secure, and cost-effective energy supply, and the sustainability of our workforce, resources, and infrastructure. This approach enables us to place a major focus on pursuing environmental, social and governance (ESG) practices that are directed at developing human talent, decarbonizing operations, reducing emissions, managing waste, protecting the environment, and supporting the communities in which we work. Throughout 2024 we made further progress against these ambitions.

Excellence Logging is committed to a series of policies, standards and systems that actively monitor all aspects of our ESG performance with specific concern for employee and contractor health and safety, care for the environment, respect for the communities in which we live and work, good ethical behaviour, and strong business governance. Both in these and other aspects of our business strategy, we continually identify and assess the risks associated with our activities to put the most appropriate management, mitigation, and control measures in place.

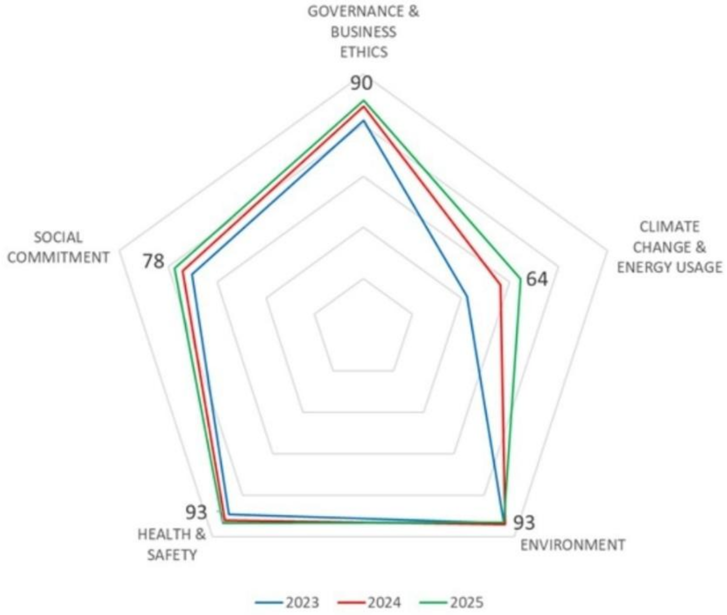
This commitment is directly backed by the integral elements and policies of our management system. These support our goals to comply with all relevant health and safety standards in the countries in which we operate; protect the environment through best environmental practices;

achieve and maintain excellence in all quality aspects of our operations; develop and sustain irreproachable ethical behaviour in every country in which we conduct business; and optimize security including cybersecurity to minimize exposure of personnel, assets and information to potential threats.

The Excellence Logging ESG Charter expresses this commitment and establishes a framework of measurable targets that support our ambition to make a positive impact on the sustainability of the energy industry and our community through the application of our technologies, operations, processes, and practices to the projects on which we work.

Our Charter is built on industry standards and practices in support of the United Nations Sustainable Development Goals (UNSDG) and is linked to our management system. This structure reflects our belief that sustainability ambitions must go beyond business as usual to provide a defence against inflated claims of impact or effect. Linked in this way, the UNSDGs, which are long term, provide a strategic axis for us to demonstrate continuous progress in our operations, standards, services, and products. Five pillars support our Charter: climate change & energy usage; environment; health & safety; social commitment; and governance & business ethics.

Our commitment to ESG goes beyond establishing a framework. APEX ESG services have benchmarked EXLOG against best-in-class ESG measures since 2022. Their reports are used to guide and enhance development of our ESG practices on an annual basis and these results are shown below on a scale of 100 for each ESG area and EXLOG ESG Charter axis.



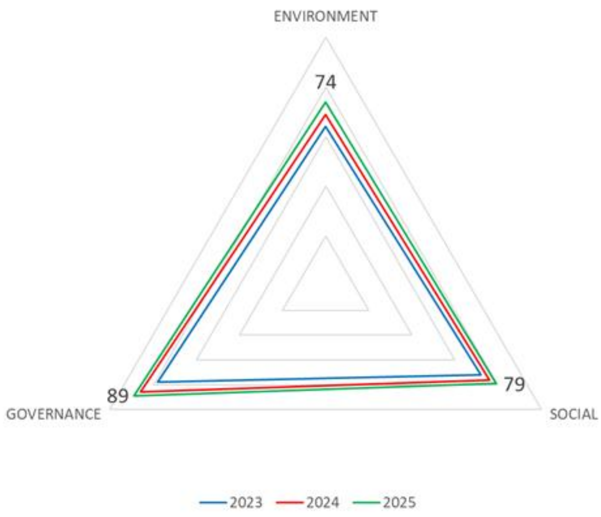


Figure 1: APEX ESG ratings for 2023-2025 (left) mapped to EXLOG ESG Charter pillars(right)

Each assessment by APEX reflects the progress made compared to previous scores. The global ESG score of 80 for 2025, corresponding to performance in 2024, placed the company as excellent in social and environmental practices, and a leader in governance. Strength was recognized in environmental strategy, corporate citizenship and business model while focus areas for improvement highlighted environmental footprint, human capital management and risk management.

For each focus area, EXLOG is implementing initiatives to improve performance. For environmental footprint reduction, company-wide programs include optimizing energy usage to minimize fuel consumption and emissions as well as water usage and exploring alternative power sources for wellsite operations. Future success of these initiatives drives rating improvement.

Our commitment to social responsibility extends to both our employees and the communities in which we operate. In 2023, we increased investment in employee training and development programs; enhanced safety protocols and implemented new initiatives to promote employee well-being; strengthened our community engagement programs—focusing on education and environmental sustainability initiatives. During 2023, we also enhanced our internal ESG management systems for continuous monitoring and improvement; published our first comprehensive ESG report https://www.EXLOG.com/esg to give our stakeholders a detailed overview of our sustainability efforts.

During 2024, 17 separate projects were active across 10 countries in which EXLOG maintains regular operations. Of these projects, five were directed at environmental practices and twelve at social actions. Angola, Congo Republic, Tunisia, and Uganda demonstrated achievement in a number of areas while Argentina and Ecuador were strong in supporting social development. These efforts contributed to a significant improvement in our social score within the APEX assessment.

The progress made in 2024 illustrates our dedication to ESG principles connected to our sustainability strategy. We are confident that by continuing to focus on these areas, we can make a positive contribution to a sustainable future for our industry, our company and the communities we serve.

FINANCIAL REVIEW

The primary key performance indicators used by the Group to assess its performance include revenue, earnings before interest, tax, depreciation and amortization (EBITDA) and net debt.

	31 Dec 2024 US $'000	Unaudited 31 Dec 2023 US $'000
Revenue	204,076	148,672
EBITDA	**41,151**	**28,287**
Depreciation (note 12)	(15,786)	(11,951)
Amortisation (note 14)	(1,500)	(1,772)
Impairment of other intangible (note 14)	-	(371)
Inventory charges (note 6)	(797)	(1,034)
Operating profit	**23,068**	**13,159**
Acquisition/Restructuring costs (note 6)	(1,959)	(1,337)
Impairment of goodwill (note 13)	(1,057)	-
Foreign exchange (loss) / gain (note 8)	(4,062)	(5,431)
Profit/(Loss) on disposal of assets (note 8)	1,064	(6)
Net finance costs (note 10)	(14,535)	(7,416)
Profit/(Loss) before tax	**2,519**	**(1,031)**
Taxation (note 11)	(2,990)	(4,041)
Net loss	**(471)**	**(5,072)**

* EBITDA is a non-GAAP measure and adds back restructuring costs, foreign exchange gain/loss and profit/loss on disposal. There are no other adjustments in arriving at this number. **EBITDA margin % is EBITDA / Revenue.

Revenue & EBITDA

Group revenue for the year ended 31 December 2024 was US $ 204.1 million (2023: US $ 148.7 million), an increase of 37%. 2024 was a year of positive upcycle for EXLOG. This includes US $ 46.8 million of revenues from the acquisition of the WIN operations from the WSG in 2023. The group experienced a recovery in demand for both SDL and WIN services in 2024, supported by the continued drive of major economies for energy security and decarbonisation. The year-on-year increase was mainly due to increased SDL activity in the Middle East and Europe and WIN activity in Europe and Angola.

EBITDA was US $ 41.2 million (2023: US $ 28.3 million) equivalent to a margin of 20% (2023: 19%) and reflects strong order intake, rapid tightening of fleet/equipment availability with a consequential improvement in new project margins.

Net operating profit

Operating profit for the year ended 31 December 2024, was US $ 23.1 million (2023: US $ 13.2 million). As noted above, the improved financial performance was supported by improved results in both SDL and WIN business units as the demand for the group's services in the oil and gas sector increased.

Net loss

Net loss was US $ 0.5 million (2023: US $ 5.1 million). The net loss in 2024 was primarily due to:

- The operating profit of US $ 23.1 million
- Foreign exchange loss of US $ 4.1 million. This was primarily due to Euro and Angola Kwanza losing its value against USD.
- Net finance costs were US $ 14.5 million on the term loan facility and bond.
- Taxation charge for the year was US $ 3.0 million as the Group continues to meet its responsibility to pay taxes locally.
- Net loss includes US $ 1.1 million loss in respect of impairment of goodwill.

Cash and Net Debt

The Group's liquidity improved through net cash generation of US $ 7.2 million. The Group held cash and cash equivalents of US $ 16.1 million (2023: US $ 9.8 million) and had borrowings of US $ 109.6 million (2023: US $ 67.5 million) and unutilised credit facilities of US $ 6 million (2023: US $ 4.5 million).

	31 Dec 2024 US $'000	**Unaudited 31 Dec 2023 US $'000**
Cash and cash equivalents beginning of year	9,804	10,285
Net cash generated from operating activities	5,931	10,840
Net cash used in investing activities	(8,624)	(28,590)
Net cash generated from financing activities	9,860	18,595
Effect of exchange rate differences	(850)	(1,326)
Cash and cash equivalents end of year	**16,121**	**9,804**

Net cash generated from operating activities was US $ 5.9 million (2023: US $ 10.8 million) the reduction was driven by increase in working capital and increase in net interest paid from bond and other bank loan facility. The working capital movement includes deferred payment of US $ 3.0 million for the acquisition of the well intervention business which was paid off in 2024.

Net cash used in investing activities was US $ 8.6 million (2023: US $ 28.6 million) included mainly expenditure on research and development and capital expenditure on SDL units and WIN trucks, cranes and trailers which was offset by proceed from sale of PPE for amount US $ 1.2 million.

Net cash generated from financing activities was US $ 9.9 million (2023: US $ 18.6 million) including net proceeds from issue of bonds for an amount of US $ 98.3 million and further drawdown of bank loans for amount US $ 1.3 million. This was offset by a US $ 52.0 million repayment of Beechbrook and HSBC loans, US $ 27.6 million payment of dividends to Excellence Logging Holding Limited, US $ 5.5 million repayment of the revolving credit facility and repayment of lease liabilities.

Net debt on 31 December 2024 was US $ 94.8 million (2023: US $ 59.4 million). Net cash generated from the business was offset by rolled up interest on the bond interest and principal amount.

	31 Dec 2024 US $'000	Unaudited 31 Dec 2023 US $'000
Cash	16,121	9,788
Less restricted cash (refer to note 18)	(1,342)	(1,705)
Borrowings	(109,593)	(67,467)
Net debt	**(94,814)**	**(59,384)**

In 2024, EXLOG undertook a significant restructuring of both its debt and equity. The company issued a US $100 million, 11.5% senior secured corporate bond to Nordic and international institutional investors, with proceeds used to refinance existing debt, pay accrued dividends on senior preferred shares, and support general corporate purposes.

Additionally, in 2024, EXLOG reduced its share capital from US $167,453,402 to US $103,402 by cancelling and extinguishing 167,350,000 issued ordinary shares of $1.00 each. This reduction was specifically undertaken to create distributable reserves, enabling the company to pay an interim dividend, which was subsequently paid out to Excellence Logging Holding Limited.

Principal risks and uncertainties

The principal risks and uncertainties arising from both internal and external factors that could impact EXLOG performance and the related mitigating activities to manage those risks are described below. EXLOG has risk management processes to identify, monitor, evaluate and escalate such issues including those items listed below as they emerge, enabling the Board of Directors to take appropriate action where possible. The factors listed below should be considered in connection with any forward-looking statements in these financial statements. These forward-looking statements reflect the Board's current expectations concerning future events and actual results may differ from the current expectations or historic results.

Economic and market risk

The demand for our services is dependent on the state of the oil and gas market and in particular, the willingness of oil and gas companies to undertake drilling activities. This generally turns on the prevailing view of future oil and gas prices, which are influenced by a variety of factors beyond EXLOG control including but not limited to demand and supply fundamentals, economic and political conditions in areas where oil and gas developments may occur and technological advances affecting the broader energy industry. EXLOG actively monitors and tracks key market indicators such as production and supply metrics, market activity levels etc. and adjusts its own activities and cost base to be in line with market demand.

Given the increased media coverage about the ongoing energy transition, we include a pragmatic view of the energy transition and the impact on the oil and gas service market in which EXLOG operates.

Future energy demand risk

The global energy landscape presents a multitude of challenges and opportunities. While the urgency to address climate change is undeniable, the immediate displacement of hydrocarbons by renewables is simply not feasible. The scale of the global energy demand requires a diverse and reliable energy mix, where oil and gas will continue to play a critical role for the foreseeable future.

The growth of renewable energy sources like solar and wind is commendable. However, their intermittent nature creates significant challenges in meeting baseload power requirements. Additionally, the infrastructure needed to integrate and distribute large-scale renewable energy generation into existing grids is costly and time-consuming.

The immediate concern is, therefore, not if hydrocarbons will be needed, but rather from where they will be sourced. Existing reserves have finite volumes and deplete at predictable rates. The geopolitical landscape further complicates the issue, as uncertainties in key producing regions can disrupt supply and exacerbate price volatility.

In this context, reliable and responsible producers like the United States and select countries in the Middle East become critical partners in ensuring stable and secure energy supplies. These regions possess significant reserves, coupled with established infrastructure and expertise. Importantly, many responsible producers are also making strides in reducing their environmental footprint through investments in carbon capture and storage technologies.

Offshore and deepwater exploration and production remain vital for maintaining global energy security. These regions hold substantial reserves but require advanced technology and significant investments. The international oil companies navigating the energy transition need to balance these investments with sustainability efforts.

EXLOG recognizes the complexities of the energy transition. While we support the development and integration of renewable energy sources, we also believe that responsible and sustainable production of hydrocarbons remains essential for a stable and secure energy future. We are committed to collaborating with our customers and stakeholders to navigate this evolving landscape and contribute to a responsible energy future for all.

The global energy mix of the future will likely be a combination of various sources including renewables, hydrocarbons, and other potential yet-to-be defined resources. While renewables will play an increasingly important role, their large-scale integration will be gradual. In the meantime, secure and responsible sources of hydrocarbons will remain critical for meeting global energy needs and EXLOG is committed to supporting this transition in a responsible and sustainable manner.

Competition risk

EXLOG operates in a competitive market with services normally awarded on a competitive bid basis. Several of the Group’s competitors are larger than EXLOG and have greater financial and other resources. However, the risk of competition is mitigated through the provision of specialist services beyond basic surface data logging activities.

Country risk

Some EXLOG operations are performed in markets that present risks including an increased level of fraud and corruption, exchange controls, hyperinflation and other restrictions such as local content requirements imposed by foreign governments and economic and political instability. EXLOG has a compliance and review process to mitigate risks associated with operating in such countries (see below). EXLOG also has operations in hyperinflationary environments and prices transactions in a ‘hard’ currency, namely USD, to protect against inflation and foreign exchange rate volatility.

New product development risk

Our success also depends, in part, on the development and introduction of new products and technology on a timely and cost-effective basis, the acceptance of these new products by customers, and the corresponding risks associated with the development, marketing and adoption of these new products. As a result, the life cycle of our products is difficult to estimate. Changing industry and market conditions may dictate strategic decisions to restructure some business units and discontinue others. Technology-related risks are mitigated by employing qualified personnel and having a multi-stage-gate process for the implementation of new technologies and products.

Operational risk

There are three principal risks:

- Project execution risks: the services provided by EXLOG are highly dependent upon equipment and personnel, therefore, any major equipment failure, missing spare parts, field personnel restrictions, or mobilization delays expose the Company to performance penalties;
- HSEQ risks: due to the environment in which EXLOG services are performed, field personnel are exposed to potential accidents;
- Contractual risks: depending on the contract, the Group is exposed to financial risks (overdue payment or default of payment, loss of equipment not covered by customers) and other unpredictable loss ("force majeure," etc.).

EXLOG mitigates operational risk by ensuring the following:

- A project manager has the single point of accountability for each project; and
- Senior management is directly involved in project management reviews supported by central services experts.

Financing and Treasury

EXLOG's financial instruments comprise a new borrowing, cash and liquid resources and arrangements with trade receivables and trade payables, which arise directly from its operations. The main financial risks faced by EXLOG due to its financial instruments and treasury operations relate to counterparty, liquidity, foreign exchange rates, and interest rate risks. EXLOG is not considering entering in foreign exchange derivative transactions to hedge the effects of movements in exchange rates as benefitting of a natural hedging in between its costs and revenue in foreign currency. Certain country in which EXLOG operates such as Angola apply foreign exchange controls limiting the ability for the group to remit earnings out of the country. Access to capital markets is difficult and expensive in the current climate. The Group finances its operations through US $ 149.8 million of shareholder equity and capital reserve and has achieved on 5 June 2024 a full restructuring of its debt with the issuance a 11.5% senior secured corporate bond in the European market of US $ 100 million. The Group is also having a revolving credit facility of US $ 13 million maturing June 30, 2025. Discussions are ongoing to secure a new revolving facility, nevertheless the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future even without this new facility, refer note 2 going concern section for more detail.

Compliance risk

This includes the risk that one of our employees undertakes activities with an individual or individuals which are subject to restrictions such as sanction restrictions or is involved in fraud or bribery and corruption. The Group manages this risk by putting in place specific policies (Code of

Conduct, Anti-Bribery and Corruption, Sanctions etc.) that all employees are expected to follow. In addition to providing an explanation of the prohibitions, they contain details of what to do should a compliance risk present itself. EXLOG also provides training to support the compliance of procedures in place.

SECTION 172 STATEMENT

The Directors are mindful of their duty to promote the success of the Company in accordance with S 172 of the Companies Act for the benefit of its members as a whole and in doing so to have regard for the matters set out in S 172 (1) (a)-(f). This includes considering the interest of other stakeholders which will have an impact on the long-term success of the company. In discharging their duty under s 172, the Directors draw attention to the following:

S172 (1) (A) "The likely consequences of any decision in the long term"
Each year, the Board of Directors undertakes an in-depth review of the Company's strategy, including the business plan for the following three years. Once approved by the Board, the plan and strategy form the basis for financial budgets, resource plans and investment decisions, and the future strategic direction of the Company. The business plans are designed to have a long-term beneficial impact on the company and contribute to its success.

S172(1) (B) "The interests of the company's employees"
Employees are fundamental to the delivery of the business plan. The success of the business depends on attracting, retaining and motivating employees. The directors recognize that the safety and efficiency of wellsite operations depend primarily on the performance of the employees and contractors. The Group utilizes a mix of local staff and expatriate supervisors on wellsite operations to provide additional expertise and oversight. Employees and contractors have the necessary training in well safety and well control and all personnel have the authority to stop any job they deem unsafe. Engagement with employees takes many forms including formal and informal meetings and general updates. The Directors ensure employees are kept up to date on the Company's performance, plans and objectives together with the potential impacts on them as employees. The Board of Directors monitors work health and safety metrics and receives regular updates on employee matters, engagement and performance against key measures. Board members also conduct regular site visits enabling staff to raise issues directly with them and to enable them to meet key contractors when necessary.

S172(1) (C) "The need to foster the company's business relationships with suppliers, customers and others"
Delivering the Group's strategy requires strong and mutually beneficial relationships with suppliers, customers, national oil companies and joint-venture partners. The Group's customers are concerned with having services that improve drilling safety and efficiency and provide greater visibility into the downhole lithology of formation of a well, wellbore stability and early kick detection with actionable insights from the data log of sub surface geology. The Board of Directors directly engages with customers to listen to their feedback and reviews strategy and monitors performance during the year with the aim of meeting customer's needs more effectively. The Board reviews investment decisions in new product technology which seeks to provide a range of enhanced surface data logging services that incorporate advanced sensor and computing technology to provide monitoring of the geology of the well. The Group engages with existing suppliers and contractors with proven experience in the oil and gas industry to provide a range of goods and services. The Group relies on its suppliers to provide quality goods and services in order to maintain the highest

standards of safety and reliability in meeting the needs of terminal users. The main topic of engagement for the Board has been around ensuring arrangements are in place to benefit from the positive momentum to meet customer needs as the market recovered from post Covid-19 and the global demand for energy rebounded with supply side constraints creating inflationary pressures.

S172(1) (D) "The impact of the company's operations on the community and the environment"
EXLOG is committed to being a considerate and environmentally focused neighbor and takes its environmental responsibilities seriously. The Group continually monitors its operations and any potential impact on the surrounding environment and wider community. The Group works with experts in the field to identify techniques on how best to mitigate any impact ensuring environmental permits are complied with. Management continues to develop the Environmental, Social and Governance program, targeting specific projects in each geographic region that contribute to sustainability initiatives and selecting those that have maximum impact on the five pillars that make up our charter.

S172(1) (E) "The desirability of the company maintaining a reputation for high standards of business conduct"
EXLOG is committed to behave responsibly and ensure that management operate the business in a responsible manner, operating within the high standards of business conduct and good governance. The Board periodically reviews and approves clear frameworks, such as business principles, code of conduct, ethics and compliance manuals and whistleblowing policies to ensure that its high standards are maintained both within the EXLOG's businesses and the business relationships we maintain. This, complemented by the ways the Board is informed and monitors compliance with relevant governance standards help assure its decisions are taken and that EXLOG companies act in ways that promote high standards of business conduct.

S172(1) (F) "The need to act fairly as between members of the company"
After weighing up all relevant factors, the Directors consider which course of action best enables the delivery of the EXLOG's strategy through the long term, taking into consideration the impact on stakeholders. In doing so, the Directors act fairly as between the Company's members, so they too may benefit from the successful delivery of the business plan. The Board is committed to openly engaging with our shareholders and debt investors as we recognize the importance of a continuing and effective dialogue. The main topic of engagement recently has been the growth of the business post Covid-19 and keeping shareholders and debt investors abreast of market developments and outlook and how the Board plans to take opportunity of this positive momentum whether through organic or acquisitive growth.

This Annual Report was approved by order of the Board by,

DocuSigned by:
John Lechner
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John Lechner
Director
29 May 2025

DIRECTORS' REPORT

Directors

The Directors present their report and the audited consolidated financial statements of Excellence Logging Finance 2 plc. The directors of the Company who were appointed to office and served throughout the year, and to the date of signing these financial statements, except as noted below, were:

John Michael Lechner (appointed 4 November 2019)
Pierre-Henri Boutant (appointed 31 March 2021)

Results

The loss for the year, after taxation, amounted to US $ 471,000 (2023: loss US $ 5,072,000). Future developments of the group are discussed on page 10 of the strategic report and technological advancements and how they impact the group are discussed on page 10-11 of the strategic report.

People

On 31 December 2024, the number of employees in the Group was 1,701 (31 December 2023:1,563).

Diversity

The Board recognizes that its employees are the most important asset of the Group. The Group is an equal opportunities employer and is committed to ensuring that no employee or applicant is treated less favourably on grounds of race, religion, gender, age, ethnic origin, disability, or sexual orientation.

Training and development

The Group seeks to ensure that all staff and managers are equipped with the necessary skills to meet current and future business needs and to aid their own professional and personal development. In addition to providing development within the Group's structure, the Group is committed to supporting initiatives that promote surface data logging and slickline engineering as a career.

Disabled persons

It is the Group's practice to give full and fair consideration to applicants for employment from disabled persons, to continue wherever possible the employment of members of staff who may become disabled and to ensure that suitable training, career development and promotion is afforded to such persons.

Customers

The Group believes that forming and maintaining strong and effective relationships with its customers is a key factor in the long-term success of the business. The Group actively seeks feedback from customers on its products, services, and technology. This assists the business to meet customer needs in the future.

The environment

The Group adheres to its trading policies covering health and safety, legal, environmental and social matters for the supply chain. The Group monitors its activities so that it always complies with all relevant legal obligations and regulations concerning the environment and adopts an approach to environmental protection measures with the objective of achieving continuous improvements. It is the Group's aim, wherever possible, to obtain materials from suppliers who operate established environmental policies based on relevant legal requirements for the countries in which they operate.

The Group is not required to report under streamlined energy carbon reporting (SECR) as it used less than 40,000 kWh energy in the UK in a reporting period.

Suppliers

All suppliers to the Group are presented with terms and conditions of trading at the commencement of the trading relationship. The Group's policy for the payment of its suppliers is to agree the payment terms in advance and, provided a supplier performs in accordance with the agreement, to abide by such terms. The average credit period taken for trade purchases is 86 days (2023: 82 days).

Charitable and political donations

During the year, the company made charitable donations totalling US $ 8,231 to support research into brain tumours (2023: US $ nil).

Dividends

An interim dividend was paid for the amount of US $ 27,609,930 (2023: US $ nil) to Excellence Logging Holding Limited which ultimately was paid to Excellence Logging Co-Invest II LP. The directors are not proposing to pay a final dividend for the year ended 31 December 2024 (2023: US $ nil).

Financial risk management

The Group's financial risk management objectives and policies are disclosed in note 23 of the financial statements.

Going concern basis

Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies in the notes to the financial statements.

Third party indemnity provisions

Third party indemnity insurance is provided for all current directors of the group during their tenure as a director under policies held by the company.

Subsequent events

Details of subsequent events are contained in note 37 to the financial statements.

Auditors

BDO UK LLP have indicated their willingness to continue in office as the Group's auditors and a resolution confirming their appointment will be proposed at the forthcoming Annual General Meeting.

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware this is no relevant audit information of which the auditors are unaware;
- the director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Directors' responsibility statement

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each fiscal year. Under that law the directors have elected to prepare the Group financial statements in accordance with UK adopted international accounting standards and the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the directors 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 company and of the profit or loss of the group and company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether the Group financial statements have been prepared in accordance with UK adopted international accounting standards and for the Company financial statements applicable UK Accounting Standards have been followed subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report has been approved for issue by the board of directors,

John Lechner
Director
29 May 2025

DocuSigned by:
John Lechner
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EXCELLENCE LOGGING FINANCE 2 PLC

INDEPENDENT AUDITOR'S REPORT

Independent Auditor's Report to the Members of Excellence Logging Finance 2 Plc

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2024 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Excellence Logging Finance 2 Plc ("the Parent Company") and its subsidiaries ("the Group") for the year ended 31 December 2024 which comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated and the Company Balance Sheet, the Consolidated and the Company Statement of Changes In Equity, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of material accounting policy information. The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and UK adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 *Reduced Disclosure Framework* (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

INDEPENDENT AUDITOR'S REPORT

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group or Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Other matter

The corresponding figures are unaudited, please refer to Note 1 in the financial statements.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Directors report and financial statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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.

Other Companies Act 2006 reporting

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or

- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in Directors' responsibility statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Parent Company'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 Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 (UK) 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.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Non-compliance with laws and regulations
Based on:

- Our understanding of the Company and Group and the industry in which it operates;
- Discussion with management and those charged with governance; and
- Obtaining and understanding of the Group's policies and procedures regarding compliance with laws and regulations;

We considered the significant laws and regulations to be the applicable accounting framework and local tax legislation.

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be the health and safety legislation.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation;
- Involvement of tax specialists in the audit; and
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group's policies and procedures relating to:
    - Detecting and responding to the risks of fraud; and
    - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- Considering remuneration incentive schemes and performance targets and the related financial statement areas impacted by these; and

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override of controls.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;

- Assessing significant estimates made by management for bias including Goodwill impairment, the purchase price allocation of the acquired Netherlands business and estimates of required expected credit losses.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council’s website at:
https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor’s report.

Use of our report

This report is made solely to the Parent Company’s members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Parent Company’s members those matters we are required to state to them in an auditor’s report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company’s members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:
Peter Acloque
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Peter Acloque (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK
29 May 2025

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

EXCELLENCE LOGGING FINANCE 2 PLC

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	Year ended 31 December 2024 US $'000	Unaudited Year ended 31 December 2023 US $'000
Revenue	5	204,076	148,672
Cost of sales		(146,771)	(110,656)
Gross profit		**57,305**	**38,016**
Administrative expenses		(34,237)	(24,857)
Operating profit		**23,068**	**13,159**
Restructuring costs	6	(1,959)	(1,337)
Goodwill impairment	13	(1,057)	-
Other loss	8	(2,998)	(5,437)
Finance income	10	1,301	1,487
Finance costs	10	(15,836)	(8,903)
Profit / (Loss) before taxation		**2,519**	**(1,031)**
Taxation	11	(2,990)	(4,041)
Net loss for the year		**(471)**	**(5,072)**

All amounts arise from continuing operations.

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

EXCELLENCE LOGGING FINANCE 2 PLC

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024

	31 December 2024 US $'000	**Unaudited 31 December 2023 US $'000**
Net loss for the year attributable to Owners of the parent	(3,777)	(6,767)
Net profit attributable to non-controlling interests	3,306	1,695
Net loss for the year	**(471)**	**(5,072)**
Items that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translating foreign operations and hyper inflation adjustments	1,488	(4,322)
Items that may not be reclassified to profit or loss in subsequent periods:		
Actuarial gain	52	28
Total comprehensive gain / (loss) for the year	1,069	(9,366)

	31 December 2024 US $'000	**Unaudited 31 December 2023 US $'000**
Total comprehensive gain / (loss) attributable to:		
Owners of the parent	(2,185)	(10,987)
Non-controlling interests	3,254	1,621
	1,069	(9,366)

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

EXCELLENCE LOGGING FINANCE 2 PLC

CONSOLIDATED BALANCE SHEET

AS AT 31 DECEMBER 31 DECEMBER 2024

	Note	31 December 2024 US $'000	Unaudited 31 December 2023 US $'000
ASSETS			
Non-current assets			
Property, plant and equipment	12	33,771	34,638
Goodwill	13	37,958	36,504
Other intangible assets	14	5,342	6,232
Deferred tax asset	26	1,171	109
Other non-current assets	30	566	1,240
		78,808	**78,723**
Current assets			
Trade and other receivables	16	50,684	39,872
Other current assets	17	14,617	14,173
Inventory	15	8,093	7,937
Current tax assets		3,428	2,390
Cash and cash equivalents	18	16,121	9,804
		92,943	**74,176**
Total Assets		**171,751**	**152,899**
Non-current liabilities			
Borrowings	21	(102,990)	(56,837)
Retirement benefit obligations	24	(3,430)	(3,334)
Deferred tax liabilities	26	(288)	(330)
Other non- current liabilities		(1,259)	(612)
		(107,967)	**(61,113)**
Current liabilities			
Trade and other payables	19	(27,858)	(23,463)
Borrowings	21	(6,603)	(10,630)
Current income tax liabilities		(4,378)	(2,969)
Other current liabilities	20	(15,351)	(20,014)
Provisions for liabilities	25	(583)	(134)
		(54,773)	**(57,210)**
Total Liabilities		**(162,740)**	**(118,323)**
Net Assets		**9,011**	**34,576**
EQUITY			
Share capital	27	10,103	167,453
Capital reserve	27	139,740	-
Convertible loan note (CLN) reserve		-	9,024
Translation reserve		(7,913)	(9,453)
Accumulated losses		(138,151)	(134,426)
Equity attributable to owners of the Company		3,779	32,598
Non- controlling interests		5,232	1,979
Total Equity		**9,011**	**34,577**

The accompanying notes are an integral part of these financial statements.
These financial statements of the Company, registered number 11688050, were approved by the Directors on and were authorised for issue. Signed on behalf of the directors,

DocuSigned by:
John Lechner
206CB749ACF0462...

John Lechner, Director
29 May 2025

EXCELLENCE LOGGING FINANCE 2 PLC
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024

	Share capital US $'000	Translation reserve US $'000	Accumulated loss US $'000	Capital Reserve US $'000	Convertible loan reserve US $'000	Total US $'000	Minority Interest US $'000	Total equity US $'000
Balance on 1 January 2023 (unaudited)	**156,464**	**(5,204)**	**(127,687)**	**-**	**-**	**23,573**	**357**	**23,930**
Ordinary shares issued	10,989	-	-	-	-	**10,989**	-	10,989
Equity component convertible debt (note 28)	-	-	-	-	9,024	**9,024**	-	9,024
Loss for the year	-	-	(6,767)	-	-	**(6,767)**	1,695	(5,072)
IAS 29 Hyperinflation	-	1,427	-	-	-	**1,427**	-	1,427
Other comprehensive expense for the year	-	(5,676)	28	-	-	**(5,648)**	(73)	(5,721)
	10,989	(4,249)	(6,739)	-	9,024	**9,025**	1,622	10,647
Balance on 1 January 2024 (unaudited)	**167,453**	**(9,453)**	**(134,426)**	**-**	**9,024**	**32,598**	**1,979**	**34,577**
Share Reduction	(167,350)	-	-	167,350	-	-	-	-
Dividend Paid	-	-	-	(27,610)	-	**(27,610)**	-	**(27,610)**
Conversion of convertible debt	10,000	-	-	-	(9,024)	**976**	-	**976**
Loss for the year	-	-	(3,777)	-	-	**(3,777)**	3,306	**(471)**
IAS29 Hyperinflation	-	530	-	-	-	**530**	-	**530**
Other comprehensive (expense) /income for the year	-	1,010	52	-	-	**1,062**	(53)	**1,009**
	(157,350)	1,540	(3,725)	139,740	(9,024)	**(28,819)**	3,253	(25,566)
Balance on 31 December 2024	**10,103**	**(7,913)**	**(138,151)**	**139,740**	**-**	**3,779**	**5,232**	**9,011**

EXCELLENCE LOGGING FINANCE 2 PLC

CONSOLIDATED STATEMENT OF CASHFLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	31 December 2024 US $'000	Unaudited 31 December 2023 US $'000
Loss for the year		**(471)**	**(5,072)**
Adjustments for:			
Other Intangible asset amortization	14	1,500	1,772
Impairment of other intangible	14	-	371
Impairment of Goodwill and other assets	13	1,057	-
Net finance costs	10	15,065	8,843
Income tax charge	11	2,990	4,041
Depreciation of property, plant and equipment	12	15,786	11,950
Obsolescence of inventory	6	797	1,034
Foreign exchange loss / (gain)		1,707	1,853
Monetary adjustment due to hyper inflation	10	(530)	(1,427)
(Gain) / loss on disposal of property, plant and equipment	8	(1,064)	6
Operating cash flows before working capital movement		**36,837**	**23,371**
Increase in inventory		(531)	(9)
Increase in receivables		(11,063)	(3,798)
Decrease in payables and provisions		(1,827)	(2,005)
Cash generated operations		**23,416**	**17,559**
Income taxes paid		(3,659)	(3,673)
Net interest paid		(13,826)	(3,046)
Net cash generated from operating activities		**5,931**	**10,840**
Investing activities			
Acquisition of subsidiary net of cash acquired	36	-	(21,991)
Payments to acquire tangible fixed assets		(9,204)	(5,967)
Receipts from sales of tangible fixed assets		1,153	-
Expenditure on new product development	14	(573)	(632)
Net cash used in investing activities		**(8,624)**	**(28,590)**
Financing activities			
Proceeds from issue of shares	27	-	10,989
Proceeds from issue of convertible loan note	28	-	10,000
Drawdown of bank loan	22	1,282	122
Net Proceed from issue of bonds	22	98,300	-
Repayment of revolving credit facility	22	(6,189)	(500)
Repayment of lease liabilities	22	(3,863)	(2,016)
Repayment of bank loan	22	(52,060)	-
Payment of dividends	22	(27,610)	-
Net cash flows generated from financing activities		**9,860**	**18,595**
Net increase in cash and cash equivalents		**7,167**	**845**
Cash and cash equivalents at beginning of year		9,804	10,285
Net increase in cash and cash equivalents		7,167	845
Effect of foreign exchange rate changes		(850)	(1,326)
Cash and cash equivalents at end of year	18	**16,121**	**9,804**

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

1. General information

Excellence Logging Finance 2 public limited company (PLC), incorporated in England and Wales and domiciled in the United Kingdom. The registered office address and principal place of business are provided on the company information page.

Formerly known as Excellence Logging Finance 2 Limited, the company was re-registered as a public limited company under the Companies Act 2006 on 25 November 2024.

Excellence Logging Group is a global provider of surface data logging and well intervention services to the oil and gas industry. The Group consists of Excellence Logging Finance 2 plc and its subsidiaries on 31 December 2024.

Excellence Logging Group provides SDL services in both conventional hydrocarbons related activity and specific shale oil / shale gas activities, with a suite of complementary well-related software and data management products and services designed to enhance the productivity and therefore the profitability of a well. WIN is a service used in producing fields. During the life of all oil and gas wells, parts will require maintenance, repair or replacement. Excellence Logging Group provides well service intervention products and services using slick-line, wireline, coiled tubing and production enhancement systems. These systems allow operators to minimise well restrictions but also allow changes or adjustments to down hole equipment, such as valves or pumps as well as gathering data on down hole pressure, temperature and completion equipment.

The statutory accounts for the prior year were unaudited and not consolidated. These financial statements represent the first year in which consolidated accounts have been prepared and presented in accordance with applicable accounting standards.

2. Basis of accounting

Going concern

The consolidated financial statements have been prepared on the going concern basis. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described on pages 5 to 9. Further information on the Group's borrowing arrangements is contained in note 21 and 22 of the financial statements. In addition, note 23 includes the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and exposure to credit risk and liquidity risk.

The Group retained a strong cash position with cash and cash equivalents of US $ 16.1 million at 31 December 2024 and has US $ 6.0 million multi-currency revolving credit and guarantee facility remaining unutilised at the balance sheet date. Since the Group's creation in 2015, the shareholders have injected in aggregate US$ 177.5 million of equity that served to finance its operations. On 5 June 2024, the Group has achieved a full restructuring of its debt with the issuance a 11.5% senior secured corporate bond with Nordic and international institutional investors of US $ 100 million used to repay its existing debt facilities as follows: US $ 40.6

million of its Euro loan PIK facility with Beechbrook Capital, US $ 16 million of its Senior Secured Term Loan with M&G Capital and HSBC, US $ 7.5 million of outstanding revolving credit facility with HSBC. In addition, the Group paid US $ 27.6 million of accrued interest on senior preferred shares.

The corporate bond matures on 5 June 2029 and is only subject to limited covenant (leverage ratio and minimum liquidity) and is secured over the assets of the company. The Group retains its revolving credit facility US $ 13 million, which matured on April 30, 2025, which was subject to two financial covenants, cashflow cover and leverage ratio. The cashflow cover covenant is essentially a test to ensure operational cashflows can service the financial expenses of the Group. This facility has been extended to June 30, 2025 and a new facility is being negotiated for a global amount of US $ 7 million to cover the ongoing bank guarantees of the Group.

The objective is to ensure that there is sufficient cash or committed facilities to meet its day to day working capital requirements and that there is sufficient cash or committed facilities to meet the cash flow requirements of the Group for its current business plan.

Management has performed stress tests of future cash flow forecasts to evaluate the impact of severe but plausible downside scenarios with a full coverage through cash collateral of its ongoing bank guarantees. These include scenarios which reflect the loss of overall revenue up to 20% with a deterioration of profitability margin up to 200bps to test the robustness of the business model to identify events or a combination of events that could present liquidity risk or a breach of covenant. In all reasonably plausible downside scenarios management identified no forecast breaches of banking covenants and demonstrated sufficient liquidity for the Group for the going concern period to 31 December 2026.

In addition, in the event of potential cash shortfalls, management has consistently demonstrated its capacity to respond promptly and decisively to mitigate associated risks. This includes the implementation of a comprehensive range of cost-reduction strategies such as workforce reductions, limitations on overtime, curtailment of training initiatives, suspension of bonus programs, streamlining of management structures, restrictions on business travel, reductions in research and development expenditures, and decreased spending on legal and advisory services. Furthermore, the Company retains the flexibility to immediately defer non-essential growth-related capital expenditures and to scale back equipment replacement programs as required to preserve liquidity and ensure ongoing financial stability.

As a result, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

Presentation of financial statements

The consolidated financial statements of Excellence Logging Finance 2 plc have been prepared in accordance with UK adopted international accounting standards.

The consolidated financial statements are presented in United States Dollar (USD, $ or US $) as this is the currency of the primary economic environment in which the Group operates. Group entities whose functional currency is not the US Dollar are consolidated in accordance with the policies set out in note 4 'Summary of principal accounting policies'.

The financial information set out in this report does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. This is the first consolidated accounts and therefore no previous statutory or audited accounts were delivered to the Registrar of Companies.

The consolidated financial statements have been prepared on the going concern basis. This assumption is based on the level of cash and cash equivalents at the year end, the credit and bond facilities in place, and the forecast cash flows for the Group.

The consolidated financial statements have been prepared on the historical cost basis except for the revaluation of certain financial instruments and balances required to be measured at fair value at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. 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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group considers the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies applied in the preparation of these consolidated financial statements are set out in note 4. Unless otherwise stated, these policies have been consistently applied to all periods presented.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 3 under critical accounting estimates and assumptions.

Effective new accounting standards

The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective such as IFRS 18 which was issued on the 9th April 2024 and is effective for periods beginning on or after 1 January 2027. Management is still assessing whether it will have a material impact on the Group.

3. Critical accounting estimates, assumptions and judgements

In the application of the Group's accounting policies which are described in note 4 'Principal accounting policies', Management is required to make judgements, estimates and assumptions regarding the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other assumptions that Management believes to be reasonable under the circumstances. Actual results may differ from these estimates under different assumptions or conditions. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively in the period in which the estimate is revised. Critical accounting estimates are detailed below.

Critical accounting estimates:

Carrying value of intangible assets, goodwill and property, plant and equipment

The Group tests annually whether the intangible assets, goodwill and property, plant and equipment have suffered any impairment, in accordance with the accounting policy stated in note 4 and goodwill analysis is presented in note 13. The recoverable amounts have been determined based on value-in-use calculations which include significant estimates. The recoverable value calculation of value in use is based on a discounted cash flow, which requires a number of assumptions including future growth rates, estimated cash flows and discount rates. The cash flow projections were based on the Group's business plan and projections taken over a period of 2 years and final exit values based on expected value EBITDA (EV/EBITDA) multiples. The key assumptions for the value in use calculations include:

- Estimates of revenue and EBITDA. The projected future cash flows were based on management's budget and business plan, considering historical performance and future expectations. These projections cover a period of 5 years.
- EV/EBITDA multiples are based on similar transactions within the oil and gas services industry sector.
- For the current year a post-tax weighted average cost of capital (WACC) ranging in between 15.5% and 22.1%. (2023: 16.7%) is applied to the cash flow projections. This rate is based on the current market conditions with a country risk premium assigned to each country we are operating in and the risk profile of the oil and gas services industry.

Recoverability of capitalised development costs
The Group determines the recoverability of development costs from future cash flows based on the progress of the development project and any changes in the potential market for the product. The recoverability of development costs is based on discounted future cash flows based on business forecasts of revenues generated from new product development (NPD) and are difficult to estimate. Adverse changes to forecasts could cause the values of this intangible asset to be impaired. In 2024, there was an addition of US $ 0.6 million (2023: US $ 0.6 million), refer to note 14.

Expected credit losses (ECLs)
At each reporting date the Group assesses whether any indicators exist that a financial asset or group of financial assets has become credit impaired. Where an asset is considered to be credit impaired a specific allowance is recognised based on the actual cash flows the Group expects to receive and is determined using historical credit loss experience and forward-looking factors specific to the counterparty and the economic environment. Any shortfall is discounted at the original effective interest rate for the relevant asset.

4. Summary of principal accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of consolidation
The consolidated financial statements incorporate the financial statements of the Group and entities controlled by the Group (its subsidiaries) made up to 31 December each year. Control is achieved when the Group:

- has power over the investee;
- is exposed, or has rights, to variable return from its involvement with the investee; and
- can use its power to affect its returns.

The Group reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and

- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the period, are included in the consolidated income statement from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Group and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies in line with the Group’s accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

Non-controlling interests in subsidiaries are identified separately from the Group’s equity therein. Non-controlling shareholders entitlement to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests’ proportionate share of the fair value of the acquiree’s identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Other non-controlling interests are initially measured at fair value. After acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests’ share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group’s interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group’s interests and the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Group.

Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred. Acquisition related costs during the year were US $ 0 million (2023: US $ 1.3 million cost in respect of acquiring the well intervention business of the WSG Group in Northern Europe).

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their fair value at the acquisition date, except deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively. Significant judgement is required in assessing the fair value of assets and liabilities acquired in a business combination and management use internal supply chain experts in surface logging to perform these valuations based on the age and condition of the assets.

Revenue from Contracts with Customers
The Group's revenue comprises revenue recognised from contracts with customers for the provision of short-term contracts, call-out services under master services agreements, day-rate contracts, reimbursable contracts, cost-plus contracts (and similar contracts), each of which are considered to comprise one performance obligation. The following is a description of the principal activities, by operating segment, from which the Group generates revenue as disclosed in the disaggregated revenue analysis (note 5 'Segment information').

Surface data logging services
Surface data logging work, which includes engineering, detailed cutting analysis, advanced gas detection and reservoir evaluation contracts, is generally contracted on a fixed-price basis on short-term contracts. The costs and margins realised on such projects vary dependent on several factors which may result in reduced margins or, in some cases, losses. The promised goods and services within each contract are distinct as a bundle and hence one performance obligation under IFRS 15, with revenue being recognised over time. Management has concluded that due to the significant integration, customisation and highly interrelated nature of the work performed under these contracts they form one performance obligation. During a contract, work is performed for the sole benefit of the customer who continually monitors progress. The transaction price for these types of contracts, where there is an element of variable consideration, is based upon the single most likely outcome. Any additional work, such as scope changes or variation orders, as well as variable consideration, will be included within the total price once the amounts can be reasonably estimated and Management have concluded that their recognition will not result in a significant revenue reversal in a future period. Typically, payment is due from the customer between 30 to 60 days following the issuance of the invoice. The contracts have no significant financing component as the period between when the Group transfers promised goods or services to a customer and when the customer pays for those goods or services will be one year or less. In circumstances where the Group has recognised revenue, but not issued an invoice, the entitlement to consideration is recognised as unbilled revenue asset. Unbilled revenue related to work completed, which has not been billed to customers, is included within note 16 'Trade and other receivables'.

Well intervention services
Well intervention services, which includes light intervention products and services using slick-line, wireline, coiled tubing and production enhancement systems allow operators to minimise well restrictions but also allow changes or adjustments to down hole equipment, such as valves or pumps as well as gathering data on down hole pressure, temperature and completion equipment, is generally contracted on a call-out day rate and materials basis but can also be on fixed price short term contract basis. Each day is distinct with the overall promise being the delivery of a series of days that have the same pattern of transfer to the

customer. The transaction price for all day-rate contracts is determined by the expected value approach being the number of days multiplied by the expected day-rate. This method of revenue recognition for day-rate contracts provides a faithful depiction of the transfer of goods and services. Typically, the value of work completed in any one month corresponds directly with the Group's right to payment. Payment is due from the customer approximately 30-60 days following the invoice date. These contracts have no significant financing component. Unbilled revenue related to work completed, which has not been billed to customers, is included within note 16 'Trade and other receivables'.

The Group has established the following accounting policies in relation to the following significant matters:

(i) Advances received from customers. The Group may receive short-term advances from customers which are presented as deferred revenue within the consolidated balance sheet. Advances received from customers include amounts received before the work is performed on day-rate contracts and amounts paid by customers in advance of work commencing on fixed-price contracts. This revenue is recognised over time in the period in which they were earned as per IFRS 15.35.

(ii) The Group has adopted the practical expedient permitted by IFRS 15, and as such will not adjust the promised amount of the consideration for the effects of a financing component, where the Group expects, at contract inception, that the period between when the customer pays for the service and when the Group transfers that promised service to the customer will be 12 months or less.

(iii) Variable consideration. Contracts where customers include clauses in relation to variable consideration such as performance bonuses, liquidated damages and provisional sums, these sums will be included within the total contract price at inception once they can be reasonably estimated and would not result in a 'significant revenue reversal' as defined in IFRS 15.

Goodwill

Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities of a subsidiary at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. Goodwill which is recognised as an asset is not amortized but is reviewed for impairment annually. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to cash generating units (CGUs), or groups of CGUs that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed. On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Intangible assets acquired in a business combination

Intangible assets acquired as part of an acquisition of a business are capitalised separately from goodwill if these assets are separable and their fair value can be measured reliably. Intangible assets acquired separately from the acquisition of a business are capitalised at cost. The cost of the other intangible assets with finite useful economic lives is amortised over that period. The carrying values of intangible assets are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable. If impaired, they are written down to the higher of fair value less costs to sell and value in use.

Research and development costs

Research costs are expensed as incurred. An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if all the following conditions have been demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- The intention to complete the intangible asset and use or sell it;
- The ability to use or sell the intangible asset;
- How the intangible asset will generate probable future economic benefits;
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred. After initial recognition, internally generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any recognised impairment loss.

Depreciation is charged to write off the cost less estimated residual value of assets over their estimated useful lives, using the straight-line method, on the following bases

Land	Not depreciated
Leasehold improvements	10% - 20%
Surface data logging equipment	3 – 7 years
Laboratory equipment	6 years
Vehicles	3 years
Office and computer equipment	3 years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, over the term of the relevant lease.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in income.

Impairment of tangible and intangible assets excluding goodwill

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss if any. An intangible asset with an indefinite useful life is tested for impairment annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment is recognised immediately as an expense and not subsequently reversed.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

Amortisation and estimated useful lives

Intangible assets, excluding goodwill, are amortised on a straight-line basis over their estimated useful lives and charged to administrative expenses in the consolidated statement of income. The estimated useful lives are:

Customer relationships	3 - 7 years
Patents and trademarks	1 - 20 years
Software and technology	3 - 5 years
Development costs	Over the life of a product 5 - 10 years

Inventories

Inventories comprise rig spare parts, sensors, explosives, batteries and well intervention tools remaining on board the vehicles, spares and other consumables. Inventories are valued at the lower of cost and net realisable value. Cost is determined using the weighted average cost method. The cost of finished goods and work in progress comprises design costs, raw materials, direct labour, other direct costs and related production overheads. Net realisable value is the estimated selling price in the ordinary course of business, less estimated selling expenses. Spare parts with a durable life are depreciated over their estimated useful lives.

Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are included in current assets, except for maturities greater than 12 months after the balance sheet date, which are classified as non-current assets. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment and are classified as trade and other receivables in the balance sheet.

The Group assesses at each balance sheet date whether any indicators exist that a financial asset or group of financial assets are impaired. In relation to trade receivables, a provision for impairment is made when there is objective evidence that the Group may not be able to collect all the amounts due. Impaired trade receivables are derecognised when they are assessed as collectible.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank, cash in hand and short term highly liquid assets with an original maturity of three months or less and readily convertible to known amounts of cash. In the consolidated balance sheet, bank overdrafts are shown within borrowings in current liabilities.

Restricted cash

Restricted cash balances comprise funds subject to foreign exchange controls and cannot be easily repatriated or held in a separate bank account which will be used as security under certain borrowing and leasing agreements and to settle accrued taxation liabilities. Cash balances that are subject to restrictions that expire after more than 12 months are classified as non-current assets.

Trade payables

Trade payables are initially recognised at fair value. Subsequently, trade payables are measured at amortised cost using the effective interest method or where appropriate, a shorter period, to the net carrying amount on initial recognition.

Borrowings and borrowing costs

Interest bearing loans are initially recorded at fair value, net of direct issue costs. Loans are subsequently measured at amortised cost using the effective interest method. Finance charges are accounted for on an accruals basis in the income statement using the effective interest rate method and are coded to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all the facility will be drawn down. In this case, the fee is deferred until the draw-down is completed. The fees are capitalised as a pre-payment for liquidity services and amortised over the term of the facility to which it relates. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Provisions

Provisions are recognised when:

(a) The Group has a present legal or constructive obligation as a result of past events;
(b) It is probable that an outflow of resources will be required to settle the obligation; and
(c) The amount has been reliably estimated.

Provisions are not recognised for future operating losses unless they are unavoidable and in such cases are calculated on a least net cost basis.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows. Where discounting is used, the increase in the provision due to passage of time is recognised as a finance cost.

Foreign currency translation

The individual financial statements of each Group company are presented in the currency of the primary economic environment in which it operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each Group company are expressed in United States Dollars, which is the functional currency of the Company, and the presentation currency for the consolidated financial statements. In preparing the financial statements of the individual companies, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded 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 on the balance sheet 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.

Exchange differences are recognised in profit or loss in the period in which they arise.

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 classified as equity and recognised in the Group's other reserve. Such translation differences are recognised as income or as expenses in the period in which the operation is disposed of.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

The results, cash flows and financial position of the group entities which are accounted for as entities operating in hyperinflationary economies and that have functional currencies different from the presentation currency of the group are translated into the presentation currency of its immediate parent at rates of exchange ruling at the reporting date. As the presentation currency of the group or that of the immediate parent is that of a non-hyperinflationary economy, comparative amounts are not adjusted for changes in the price level or exchange rates in the current year.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the period. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group can control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets include the R&D tax credits which are recoverable from the tax authorities within 5 years if not utilized to offset corporate tax liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Employee benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes are dealt with as payments to defined contribution schemes where the Group's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefit scheme.

Share capital

Issued ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from the proceeds.

Convertible loan notes

Compound financial instruments issued by the Group comprise convertible notes denominated in USD that can be converted to common shares at the option of the holder, whereby the number of common shares to be issued is fixed, regardless of changes in their fair value. The liability component of compound financial instruments is initially recognised at the fair value of a similar liability that does not have an equity conversion option. Where the convertible loan note is modified, the debt and equity components are adjusted to reflect the new terms. The equity component is initially recognised in the convertible loan reserve at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts. Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component is not remeasured. Interest related to the financial liability is recognised in profit or loss. On conversion the financial liability is reclassified to equity and no gain or loss is recognised.

Hyperinflation

The financial statements of the Group's entities whose functional currencies are the currencies of hyperinflationary economies are adjusted in terms of the measuring unit current at the end of the reporting period.

As the presentation currency of the Group is that of a non-hyperinflationary economy, comparative amounts are not adjusted for changes in the price level or exchange rates in the current year. On the first year of transition, differences between these comparative amounts and current year hyperinflation adjusted equity balances are recognised in other comprehensive income.

At the beginning of the first period of application, the components of equity, except retained earnings, are restated by applying a general price index from the dates the components were contributed or otherwise arose. These restatements are recognised directly in equity as an adjustment to opening retained earnings. Restated retained earnings are derived from all other amounts in the restated statement of financial position. At the end of the first period and in subsequent periods, all components of equity are restated by applying a general price index from the beginning of the period or the date of contribution, if later.

The carrying amounts of non-monetary assets and liabilities are adjusted to reflect the change in the general price index from the date of acquisition to the end of the reporting period. An impairment loss is recognised in profit or loss if the restated amount of a non-monetary item exceeds its estimated recoverable amount.

Gains or losses on the net monetary position are recognised in profit or loss.

All items recognised in the income statement are restated by applying the change in the general price index from the dates when the items of income and expenses were initially earned or incurred.

The Group has a subsidiary operating in a hyperinflationary country as identified by the International Practices Task Force. The economic environment of the country which indicate hyperinflation conditions exist is the cumulative inflation rate over three years is approaching or exceeds 100%. The subsidiary WLG Servicios S.A. provides SDL & WIN services to customers in Argentina. The results, cash flows and financial positions of Wilog Servicios S.A. have been expressed in terms of the measuring units current at the reporting date using estimates of inflation growth. The economy of Argentina was assessed to be hyperinflationary effective 1 January 2018, and hyperinflation accounting has been applied since. The general price index used as published by the National Institute of Statistics and Censuses (INDEC):

Date	Base year	General price index	Cumulative Inflation rate (%)
31 December 2024	2023	7,694.01	1,221%
31 December 2023	2022	3,533.19	816%
31 December 2022	2021	1,134.58	300%
31 December 2021	2020	582.46	285%

The cumulative inflation rate over 3 years as of 31 December 2024 is 1,221% (2023:816%) as published by INDEC.

The cumulative impact of adjusting the group's results for the effects of hyperinflation is set out below:

Statement of comprehensive income	2024	Unaudited 2023
	USD'000	USD'000
Increase / (decrease) in revenue	1,888	(5,881)
Increase in EBITDA	619	278
Net monetary gain	2,430	1,427
Decrease in (loss) after tax	(1,437)	(637)

Financial Instruments

Classification and measurement

The Group's financial assets include cash and short-term deposits, trade and other receivables, equity investments which are classified as other financial assets. The Group's financial liabilities include trade and other payables and borrowings.

All financial assets are classified at initial recognition and are initially measured at fair value net of transaction costs, apart from those classified as fair value through profit or loss (FVtPL). Classification as amortised cost is applicable where the instruments are held within a business model with the objective to hold the financial assets in order to collect the contractual cash flows.

Debt financial assets such as trade and other receivables are subsequently measured at FVtPL, amortised cost or fair value through other comprehensive income (FVOCI) depending on classification.

Equity instruments are reported as other financial assets and are subsequently measured at FVtPL when not considered to be strategic in nature. Where the Group considers other financial assets to be strategic in nature and is expecting to hold them for the foreseeable future the investments are measured at FVOCI with no recycling of gains losses to profit or loss on derecognition.

From time to time the Group may seek to enter into forward foreign currency contracts, in order to manage foreign currency exposures; these are measured at FVtPL. The Group regularly enters multi-currency contracts from which the cash flows may lead to embedded foreign exchange derivatives in non-financial host contracts, carried at FVtPL. The Group has operations in hyperinflationary environments and prices transactions in a 'hard' currency, namely USD, to protect against inflation and foreign exchange rate volatility. In these jurisdictions, the local currency is commonly used in domestic transactions, and another currency is commonly used in cross border transactions. This indicates that a non-local currency is commonly used in these economic environments and therefore the embedded derivative is closely related to the host contract and therefore does not require separation.

The fair values of derivative financial instruments are measured on bid prices for assets held and offer prices for issued liabilities based on values quoted in active markets. Changes in the fair value of derivative financial instruments which do not qualify for hedge accounting are recognised in the consolidated income statement within other gains and losses.

Cash and cash equivalents comprise cash at bank, cash on hand, and short term highly liquid assets with an original maturity of three months or less and readily convertible to known amounts of cash. Utilised revolving credit facilities are included within current borrowings. Cash and cash equivalents are measured at amortised cost.

All financial liabilities are classified at initial recognition and are initially measured at fair value net of transaction costs, except for those classified as FVtPL.

Financial liabilities are measured at FVtPL when they meet the definition of held for trading or when they are designated as such on initial recognition. Otherwise, financial liabilities are measured at amortised cost.

Impairment

For contract assets and trade and other receivables which do not contain a significant financing component, the Group applies the simplified approach. This approach requires the allowance for expected credit losses to be recognised at an amount equal to lifetime expected credit losses.

For all other debt financial assets, the allowance for ECLs is calculated on a 12-month basis and is based on the portion of ECLs expected to result from default events possible within 12 months of the reporting date. The Group monitors for significant changes in credit risk and where this is materially different to credit losses calculated on a 12-month basis changes the allowance to reflect the risk of expected default in the contractual lifetime of the financial asset.

The Group assesses at each reporting date whether any indicators exist that a financial asset or group of financial assets has become credit impaired. Where an asset is considered to be credit impaired a specific allowance is recognised based on the actual cash flows that the Group expects to receive and is determined using historical credit loss experience and forward-looking factors specific to the counterparty and the economic environment. Any shortfall is discounted at the original effective interest rate for the relevant asset.

Except where there are valid mitigating factors, the Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full.

IFRS 16 'Leases'

At inception of a contract, the Group assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The assets are depreciated to the earlier of the end of the useful life of the right-of-use asset or the lease term using the straight-line method as this most closely reflects the expected pattern of consumption of the future economic benefits. The lease term includes periods covered by an option to extend if the Group is reasonably certain to exercise that option. Lease terms range from 2 to 10 years for office and warehouse space. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the entity's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate where the entity's incremental borrowing rate is not easily determinable.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

All leases are accounted for by recognising a right of use asset and a lease liability except for:

- short-term leases that have a lease term of 12 months; and
- leases of low-value assets.

The lease payments associated with these leases is recognized as an expense on a straight-line basis over the lease term.

5. Revenue

The Group generates revenue primarily from service contracts with customers for the provision of short-term contracts, call-out services under master services agreements, day-rate contracts, reimbursable contracts, cost-plus contracts (and similar contracts), each of which are considered to comprise one performance obligation.

All revenue generated from service contract with customer are recognized over time whereas equipment revenue are recognised at point in time.

	31 Dec 2024 US $'000	Unaudited 31 Dec 2023 US $'000
Revenue from service contracts with customers	199,594	145,693
Equipment revenue	4,482	2,979
	204,076	148,672

	31 Dec 2024 US $'000	Unaudited 31 Dec 2023 US $'000
Surface data logging services	84,591	76,489
Well intervention services	113,762	67,101
Data & Consultancy services	1,241	2,103
Equipment revenue	4,482	2,979
	204,076	148,672

The Chief Operating Decision Maker (CODM) reviews only revenue and does not assess operating segments based on other measures such as operating profit. As IFRS 8 Operating Segments requires the CODM to evaluate performance and allocate resources using segment information beyond revenue alone hence, there is only one operating segment.

The following analysis of the Group's revenue by geographical market is provided because the Group's management reviews the results on both a product line and geographical basis.

	31 Dec 2024 US $'000	Unaudited 31 Dec 2023 US $'000
Europe and Africa	113,667	67,412
North America	10,048	12,068
Latin America	28,705	20,021
Asia Pacific	10,404	11,208
Middle East	41,252	37,963
	204,076	148,672

5. Revenue (continued)

Revenues of approximately US $ 48.0 million (2023:US $ 43.3 million) are derived from two major external customers.

6. Operating profit

Operating profit is stated after charging:

	31 Dec 2024 US $'000	Unaudited 31 Dec 2023 US $'000
Depreciation of property, plant and equipment (note 12)	15,786	11,950
Obsolescence of inventory (Note 15)	797	1,034
Amortisation of intangible assets (note 14)	1,500	1,772
Net allowance for expected credit losses for financial assets	-	46
Lease rentals	21,335	9,246
Employee benefits (note 9)	81,589	60,287

Debt Restructuring costs

In 2024, the Group incurred US$1.9 million of exceptional costs. US $1.5 million in respect of finalizing the debt restructuring of the group including $1.0 million of bonus paid to management team and $0.5 million of legal fees. The group have also been impacted by minor other exceptional costs across the group and $0.1 million of write off of inventories on its laboratories in France.

7. Auditor remuneration

	31 Dec 2024 US $'000	Unaudited 31 Dec 2023 US $'000
Fees payable to company's auditor for the audit of the parent company and consolidated financial statements	749	580
Fees payable to company's auditor and its associates for the audit of the subsidiary companies and consolidated financial statements	364	620
	1,113	1,200
Fees for non-audit services		
Tax compliance services	150	245
Other assurance services in respect to bond listing	134	-
Other services	-	12
	284	257
Total Auditor Remuneration for the year	1,397	1,457

Additional audit fees were paid to other audit firms for local statutory audits.

8. Other gains / (losses)

	31 Dec 2024 US $'000	Unaudited 31 Dec 2023 US $'000
Foreign exchange loss	(4,062)	(5,431)
Gain/(loss) on disposal of fixed assets	1,064	(6)
	(2,998)	(5,437)

9. Employee costs and employee numbers

	31 Dec 2024 Number	Unaudited 31 Dec 2023 Number
Field staff & New product development	1,527	1,403
Support staff	174	160
	1,701	1,563

	31 Dec 2024 US $'000	Unaudited 31 Dec 2023 US $'000
Wages and salaries	68,978	51,800
Social security costs	10,603	7,202
Other pension costs	2,008	1,285
	81,589	60,287

Key management compensation

	31 Dec 2024 US $'000	Unaudited 31 Dec 2023 US $'000
Short term employee benefits	2,268	1,459
	2,268	1,459

Highest paid director

	31 Dec 2024 US $'000	Unaudited 31 Dec 2023 US $'000
Short term employee benefits	1,161	764
	1,161	764

Key management are considered to be the directors of the company. The emoluments of John Lechner, W.J Wright and Pierre-Henri Boutant are paid by subsidiary companies and cover the services to the Group as a whole. No recharge is made for their services to this company.

10. Finance income / costs

	31 Dec 2024	Unaudited 31 Dec 2023
	US $'000	US $'000
Finance income		
- Bank interest	-	-
- Other financial income	771	60
- Monetary adjustment due to hyperinflation	530	1,427
Finance income	1,301	1,487

	31 Dec 2024	Unaudited 31 Dec 2023
	US $'000	US $'000
Finance costs		
- Bank interest expense	4,173	8,025
- Bond interest expense	6,645	-
- Other finance costs	5,018	878
Finance costs	15,836	8,903

Other finance costs mainly consist of US$ 2.5 million minimum return fee on the Beechbrook loan and other debt issuance expense which is directly related to the Bond.

11. Taxation

	31 Dec 2024 US $'000	Unaudited 31 Dec 2023 US $'000
Current tax charge		
– Current year	4,094	4,219
Total current tax	4,094	4,219
Deferred taxation (note 26)		
Origination and reversal of timing differences		
– Current year	(1,104)	(178)
Total deferred tax	(1,104)	(178)
Total tax charge for the year	2,990	4,041

Reconciliation of the total tax charge:

	31 Dec 2024 US $'000	Unaudited 31 Dec 2023 US $'000
Profit/(loss) before tax:	2,519	(1,031)
Tax at the UK corporation tax rate of 25% (2023: 23.5%)	630	(242)
Other permanent differences	3,415	5,085
Different tax rates of subsidiaries	(2,027)	(1,350)
Withholding tax and unrelieved overseas taxes	1,531	1,594
Tax effect of income not taxable	(1,535)	(367)
Movement in un-provided deferred tax	976	(679)
Tax charge for the year	2,990	4,041

Income taxes have been provided based on the tax laws and rates in the countries where the Group operates and generates income. The Group's tax charge is determined by applying the statutory tax rate to the net income or loss earned in each of the jurisdictions in which the Group operates in accordance with the relevant tax laws, taking account of permanent differences between taxable income or loss and accounting income or loss. The tax rate used in 2024 for the purpose of the reconciliation of the total tax charge is 25% (2023: 23.5%).

12. Property, plant and equipment

	Land & buildings US $'000	Plant & equipment US $'000	Right of use assets US $'000	Total US $'000
Cost				
On 1 January 2024 (unaudited)	123	81,925	14,345	96,393
Additions	-	9,204	4,836	14,040
Disposals	-	(4,216)	(4,223)	(8,439)
Hyperinflation	-	10,103	296	10,399
Exchange differences	(6)	(5,017)	(2,194)	(7,217)
On 31 December 2024	117	91,999	13,060	105,176
Accumulated depreciation				
On 1 January 2024 (unaudited)	108	53,027	8,620	61,755
Charge for the year	-	11,263	4,523	15,786
Disposals	-	(4,140)	(4,212)	(8,352)
Hyperinflation	-	7,068	138	7,206
Exchange differences	-	(3,254)	(1,736)	(4,990)
On 31 December 2024	108	63,964	7,333	71,405
Net book value				
On 31 December 2024	9	28,035	5,727	33,771
On 31 December 2023 (unaudited)	15	29,155	7,211	34,638

Capital expenditure contracted for but not provided for on 31 December 2024 was US $ nil (2023: US $ nil).

12. Property, plant and equipment (continued)

	Land & buildings US $'000	Plant & equipment US $'000	Right of use assets US $'000	Total US $'000
Cost				
On 1 January 2023 (unaudited)	193	68,864	10,343	79,400
Additions	-	6,036	1,428	7,464
Acquisition of subsidiary	-	13,123	3,300	16,423
Disposals	-	(350)	(766)	(1,116)
Reclassification	-	(69)	-	(69)
Hyperinflation	-	7,044	218	7,262
Exchange differences	(70)	(12,723)	(178)	(12,971)
On 31 December 2023 (unaudited)	123	81,925	14,345	96,393
Accumulated depreciation				
On 1 January 2023 (unaudited)	101	49,545	6,902	56,548
Charge for the year	7	9,818	2,125	11,950
Disposals	-	(339)	(484)	(823)
Reclassification	-	(12)	-	(12)
Hyperinflation	-	5,400	113	5,513
Exchange differences	-	(11,385)	(36)	(11,421)
On 31 December 2023 (unaudited)	108	53,027	8,620	61,755
Net book value				
On 31 December 2023 (unaudited)	15	28,898	5,725	34,638
On 31 December 2022 (unaudited)	92	19,319	3,441	22,852

13. Goodwill

	2024 US $'000	Unaudited 2023 US $'000
Cost		
At start of year	52,522	41,197
Additions	-	15,085
Impact of hyperinflation	5,368	3,945
Exchange differences	(2,922)	(7,705)
At end of year	54,968	52,522
Accumulated impairment losses		
At start of the year	16,018	17,292
Impairment	1,057	-
Exchange differences	(65)	(1,274)
At end of the year	17,010	16,018
Carrying amount		
At end of the year	37,958	36,504
At start of the year	34,761	23,905

Goodwill acquired in a business combination is allocated, at acquisition, to the groups of cash generating units (CGUs) that are expected to benefit from that business combination.

Goodwill is allocated to one or more CGUs, which are the smallest group of assets that generate independent cash inflows. We allocated the goodwill to the following CGUs:

- ASIA Surface Data Logging (DHI acquisition)
- EUROPE & AFRICA Well Intervention (Dajan acquisition)
- EUROPE & AFRICA Surface Data Logging (GEORS + Allocation of WILOG and Weatherford acquisition
- Northern Europe Well Intervention (Well Services Group acquisition)
- LAM Well Intervention (Allocation of WILOG acquisition)
- LAM Surface Data Logging (Intergas + Allocation of Weatherford acquisition)
- MIDDLE EAST Surface Data Logging (Goodwill allocation coming from Weatherford acquisition)
- NAM SDL (Horizon acquisition)
- NAM WIN (Core-Tech Wireline Services acquisition)

The balance of goodwill in the consolidated balance sheet is related to the Latin America, Europe and Africa, Asia and the Middle East.

During the year, the Group has recognised an impairment loss on goodwill for amount US $ 1.1 million (2023: US $ nil) due to the deterioration of the financial position and financial performance of the SDL operation in North America and Asia.

13. Goodwill (continued)

The recoverable amount is determined based on value in use calculations of the relevant CGUs. The carrying amounts of goodwill by CGU after the recognition of impairment losses are analysed as follows:

CGU	2024 US $'000	Unaudited 2023 US $'000
Asia SDL	697	927
Europe and Africa SDL	3,842	4,070
Europe and Africa WIN	7,124	7,590
Northern Europe WIN	14,395	15,311
Latin America WIN	9,925	5,811
North America SDL	-	819
Middle East SDL	1,975	1,976
	37,958	36,504

Sensitivity to changes in assumptions
In determining the value-in-use recoverable amount for each CGU, sensitivities have been applied to each of the key assumptions around the pre-tax discount rate, exit multiple and the EBITDA upon which terminal values have been calculated. These scenarios incorporate the level of capital expenditure required for the Group to continue to grow within the SDL and WIN sector.

CGUS not impaired and not sensitive to impairment
The estimated recoverable value of Europe and Africa WIN and SDL CGU, Latin America WIN and SDL CGU, Northern Europe WIN CGU and Middle East SDL CGU exceeded the carrying value in the range of $US 4 million to $ 44 million as per below table.
No reasonably possible change in any of the key assumptions (WACC, Exit value, EBITDA projection) would, in isolation, or in combination cause the recoverable amount to be materially less than its carrying amount.

CGU	NAM WIN $000	LAMN SDL $000	LAM WIN $000	EAF SDL $000	NEU WIN $000	EAF WIN $000	MEA SDL $000
Carrying value of Exlog investment	1,292	4,690	17,953	10,262	28,806	33,914	15,044
Value in use	5,247	12,779	24,597	36,157	43,809	66,147	63,884
Headroom	**3,955**	**8,089**	**6,644**	**25,895**	**15,003**	**32,233**	**48,840**

CGUs impaired and sensitive to further impairment
During the year 2024, business in both NAM SDL and ASA SDL have given signals of limited growth due to competitive environment and decrease of investment from end customers.
The estimated recoverable values of both CGU were less than their carrying value resulting in an impairment loss recognized, for NAM SDL and ASA and recorded in the income statement under

13. Goodwill (continued)

"Impairment Loss" for the period against a decrease of the Goodwill value for respectively $ US 807 thousand and $ US 250 thousand.

At 31 December 2024, the carrying value of goodwill after impairment of US $ 0.8 million for North America SDL CGU was US $ nil and other intangibles were already fully depreciated. Changes to key assumptions used in the impairment review would, in isolation lead to a further impairment charge to fixed assets recognised in the year ended 31 December 2024 for a maximum amount of US $ 0.2 million as follows:

- A 2% increase in the pre-tax discount rate would result in US $ $ 0.1 million additional impairment.
- A final year exit multiple of 4.0 would result in US $ 0.2 million additional impairment.
- A 10% decrease in EBITDA for the CGU would result in US $ 0.1 million additional impairment.
- Combination of above sensitivity factors would result in US $ 0.4 million additional impairment.

At 31 December 2024, the carrying value of goodwill after impairment of US $ 0.3 million for Asia SDL CGU was US $ 0.7 million. Changes to key assumptions used in the impairment review would, in isolation lead to a further impairment charge to Goodwill recognised in the year ended 31 December 2024 as follows:

- A 2% increase in the pre-tax discount rate would result in US $ 0.1 million additional impairment.
- A final year exit multiple of 4.0 would result in US $ 1.0 million additional impairment.
- A 10% decrease in EBITDA for the CGU would result in US $ 0.4 million additional impairment.
- Combination of above sensitivity factors would result in US $ 1.5 million additional impairment.

14. Other intangible assets

	Development costs US $'000	Customer relationships US $'000	Patents and trademarks US $'000	Total US $'000
Cost				
On 1 January 2024 (unaudited)	11,654	18,476	963	31,093
Additions	573	-	-	573
Hyperinflation	-	232	-	232
Exchange differences	(714)	(666)	(20)	(1,400)
On 31 December 2024	11,513	18,042	943	30,498
Accumulated amortisation				
On 1 January 2024 (unaudited)	7,778	16,229	854	24,861
Amortisation charge for the year	623	877	-	1,500
Hyperinflation	-	203	-	203
Exchange differences	(845)	(549)	(14)	(1,408)
On 31 December 2024	7,556	16,760	840	25,156
Carrying amount				
On 31 December 2024	3,957	1,282	103	5,342
On 31 December 2023 (unaudited)	3,876	2,247	109	6,232

As part of the group's research and development activity, US $ 0.6 million (2023: US $ 0.6 million) of development costs were capitalised during the year.

14. Other intangible assets (continued)

	Development costs US $'000	Customer relationships US $'000	Patents and trademarks US $'000	Total US $'000
Cost				
On 1 January 2023 (unaudited)	10,742	15,730	902	27,374
Additions	580	-	52	632
Acquisition of subsidiary	-	2,453	-	2,453
Hyperinflation	-	169	-	169
Exchange differences	332	124	9	465
On 31 December 2023 (unaudited)	11,654	18,476	963	31,093
Accumulated amortisation				
On 1 January 2023 (unaudited)	5,891	15,558	800	22,249
Amortisation charge for the year	1,309	401	62	1,772
Impairment	371	-	-	371
Reclassification	-	12	(12)	-
Hyperinflation	-	130	-	130
Exchange differences	207	128	4	339
On 31 December 2023 (unaudited)	7,778	16,229	854	24,861
Carrying amount				
On 31 December 2023 (unaudited)	3,876	2,247	109	6,232
On 31 December 2022 (unaudited)	4,851	172	102	5,125

15. Inventory

	2024 US $'000	Unaudited 2023 US $'000
Spare Parts, Tools & Consumables Inventory	8,093	7,937
	8,093	7,937

Inventory is stated at the lower of cost and net realisable value. Inventories consist of materials (spare parts or small equipment not meeting criteria for fixed assets recognition) and tools. Inventory charges of US $ 1.1 million (2023: US $ 1.0 million) were expensed to the statement of comprehensive income.

The net inventory includes US $ 0.8 million provision for obsolescence.

16. Trade and other receivables

	2024 US $'000	Unaudited 2023 US $'000
Trade receivables	38,556	31,961
Less: allowance for expected credit losses	(221)	(246)
	38,335	31,715
Accrued income	12,349	8,157
	50,684	39,872

Trade receivables disclosed above are classified as loans and receivables and are therefore measured at amortised cost. An analysis of trade receivables past due together with impaired amounts is given in note 23 Financial instruments.

17. Other current assets

	2024 US $'000	Unaudited 2023 US $'000
Prepayments	2,000	1,942
Amounts due from related parties	2,111	2,019
Other debtors	10,506	10,212
	14,617	14,173

Other debtors includes US $3.3 million in retentions (2023: US $3.1 million), where retention represents 5% withheld by clients to cover potential tax liabilities, recovery is expected in the medium term, subject to the settlement of tax obligations and issuance of tax clearance certificates. It also includes US $5.3 million in VAT/GST receivables and withholding tax (2023: US $5.4 million) and US $ 0.6 million (2023:US $ 0.8 million) receivable in respect of government grants. The Group receives a government grant in respect of expenditure incurred on R&D. Grant income is released to the consolidated statement of income over the period necessary to match them to the related costs for which they are intended to compensate.

18. Cash and cash equivalents

	2024 US $'000	Unaudited 2023 US $'000
Cash at bank and in hand	14,779	8,099
Restricted cash bank deposits	1,342	1,705
	16,121	9,804

Cash and cash equivalents comprise cash and short-term bank deposits with an original maturity of three months or less. The carrying amount of these assets approximates to their fair value. Total cash amounts to US $ 16.1 million (2023: US $ 9.8million). This includes

US $ 1.3million (2023: US $ 1.7 million) cash considered as restricted as located in countries with restriction to conversion and repatriation (Angola).

19. Trade and other payables

	2024 US $'000	Unaudited 2023 US $'000
Trade payables	20,013	17,539
Accruals	7,845	5,924
	27,858	23,463

Trade and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The directors consider that the carrying amount of trade payables approximates to their fair value. An analysis of trade payables past due is given in note of the 23 Financial instruments.

20. Other current liabilities

	2024 US $'000	Unaudited 2023 US $'000
Amounts due to related parties	416	905
Other taxes and social security	5,140	3,985
Other payables	9,795	15,124
	15,351	20,014

Other payables include amounts due to employees of US $ 6.6 million (2023:US $ 5.9 million). The US $3 million deferred consideration outstanding to the seller for the acquisition

20. Other current liabilities (continued)

of WSG in 2023 has now been settled in September 2024. Other taxes and social security include payroll taxes, VAT and other local taxes.

21. Borrowings and Leases liabilities

	2024 US $'000	Unaudited 2023 US $'000
Current		
Bank borrowings	2,952	7,170
Bond Interest	895	-
Liability component of convertible loan note to Excellence Logging Holding Limited (note 28) *	-	1,016
Lease liabilities	2,236	1,755
Other loan	520	689
	6,603	10,630
Non-current		
Bank borrowings	-	52,060
Bond	98,475	-
Lease liabilities	4,515	4,257
Other loan	-	520
	102,990	56,837
Total borrowings and leases	109,593	67,467

** ELF2 paid US $ 1.0 million to Excellence Logging Holding Limited for interest on the Convertible Loan Note which was ultimately paid out to Blue Water Energy.*

The Group has the following lines of credit:

Senior facility and multicurrency revolving credit and guarantee facility agreed in December 2018

- US $ 13 million (2023: US $ 17 million) multicurrency revolving credit facility (RCF). The RCF is available for the issuance of guarantees and cash drawings until April 2025 but it is subsequently extended until June 30 2025. Interest rates are based on LIBOR plus a margin of 4%. US $ 7.0 million of the facility has been carved out to provide a bank guarantee facility leaving US $ 6.0 million available for working capital purposes of which US $ nil million was drawn down on 31 December 2024 (2023: US $ 5.5 million). This RCF is secured by a multi-jurisdictional package granted by various entities within the Excellence Logging group. They include debentures, security and pledge agreements over shares, intra-group receivables, bank accounts, and financial instruments, covering entities and assets located in the UK, NL, US, France, and Italy, with key pledges made by holding companies and operating subsidiaries to secure group obligations.

21. Borrowings and Leases liabilities (continued)

- The availability of the senior facilities is dependent upon the compliance with customary facility undertakings and meeting financial covenants and are secured by virtue of fixed and floating charges over the assets of the group. Financial covenants comprise a minimum cash flow cover for debt service ratio of 1.0 and a maximum leverage ratio (consolidated senior net debt / EBITDA) of 2.0 with effect from 30 June 2021. The measurement dates are quarterly.

Bond

The Company has issued a USD $100 million senior secured bond with a five-year maturity running from 6 June 2024 to 6 June 2029. The bond will carry a fixed coupon of 11.5%, paid semi-annually, and will be issued at 100%. The proceeds have been used to refinance existing debt, pay accrued dividend on senior preferred shares, and support general corporate purposes. The bond is governed by Norwegian law, and Nordic Trustee acts as the bond trustee, representing the interests of bondholders. Security includes share pledges, intercompany loan assignments, and guarantees, potentially shared on a super senior basis.

Key covenants include a maximum leverage ratio of 3.0x (stepping down over time) and a minimum liquidity threshold of USD 10 million. The bond is listed on Frankfurt Open Market and planned to be listed on Oslo Børs within 12 months after the issue date.

Other facilities

In addition to the above Dajan S.R.L has a € working capital facility US $ 3 million (2023: US $2.2 million) of which US $ 2.9 million was utilised.

Leases

The Group has in place property, equipment, vehicle and trailer leases. On 31 December 2024, the Group's lease liabilities were as follows:

	2024 US $'000	Unaudited 2023 US $'000
Maturity analysis – contractual undiscounted cash flows		
Within one year	2,236	2,131
Years two to five inclusive	5,170	3,880
After five years	551	1,114
Total undiscounted lease liabilities	7,957	7,125
Effect of discounting	(1,206)	(1,113)
Discounted lease liabilities	6,751	6,012
Consisting of:		
Current	2,236	1,755
Non-current	4,515	4,257
Total lease liabilities	6,751	6,012

22. Net debt reconciliation

Net debt is the net of total cash and cash equivalents and loans and borrowings. This section sets out an analysis of net debt/cash and the movements in net debt for each of the periods presented.

	2024 US $'000	Unaudited 2023 US $'000
Cash and cash equivalents including restricted cash	16,121	9,804
Less: Restricted cash	(1,342)	(1,705)
Cash and cash equivalents excluding restricted cash	14,779	8,099
Borrowings and lease liabilities		
Current	6,603	10,630
Non-current	102,990	56,837
Total borrowings and lease liabilities	109,593	67,467
Net debt	(94,814)	(59,368)

	Cash US $'000	Leases US $'000	Conve-rtible loan note US $000	Bank debt and other loan <1 year US $'000	Bank debt and other loan >1 year US $'000	Bond <1 year US $'000	Bond >1 year US $'000	Total US $'000
Net debt 1 Jan 2023 (unaudited)	(8,760)	3,213	-	7,501	44,862	-	-	**46,816**
Net increase in cash flows	1,302	-	-	-	-	-	-	1,302
Acquisition of subsidiary	(409)	3,847	-	689	520	-	-	4,647
New lease liabilities	-	1,535	-	-	-	-	-	1,535
Modification of convertible loan note	-	-	976	-	-	-	-	976
Repayment of bank borrowings/finance leases	-	(2,016)	-	(500)	-	-	-	(2,516)
Drawdown of bank borrowings	-	-	-	122	-	-	-	122
Interest paid	-	(562)	-	(784)	(1,700)	-	-	(3,046)
Accrued interest	-	-	40	784	7,046	-	-	7,870
Foreign exchange adjustments	(232)	(5)	-	47	1,852	-	-	1,662
Net debt 31 Dec 2023 (unaudited)	**(8,099)**	**6,012**	**1,016**	**7,859**	**52,580**	-	-	**59,368**

22. Net debt reconciliation (continued)

	Cash US $'000	Leases US $’000	Conver -tible loan note US $000	Bank debt and other loan <1 year US $'000	Bank debt and other loan >1 year US $'000	Bond <1 year US $'000	Bond >1 year US $'000	Total US $'000
Net increase in cash flows	(7,245)	-	-	-	-	-	-	(7,245)
New lease liability	-	4,836	-	-	-	-	-	4,836
Repayment of bank borrowing / finance leases	-	(3,863)	-	(6,189)	(52,060)	-	-	(62,112)
Drawdown of bank / bond borrowings	-	-	-	1,282	-	-	100,000	101,282
Reclassification	-	-	-	520	(520)	-	-	-
Bond issuance cost *	-	-	-	-	-	-	(1,525)	(1.525)
Accrued Interest	-	-	-	1,911	2,363	6,645	-	10,919
Interest paid ***	-	-	(1,016)	(1,911)	(2,363)	(5,750)	-	(11,040)
Foreign exchange adjustments	565	(234)	-	-	-	-	-	331
Net debt 31 Dec 2024	**(14,779)**	**6,751**	**-**	**3,472**	**-**	**895**	**98,475**	**94,814**

** Bond issuance fees for amount US $ 1.7 million has been amortized over the span of the bond (5 years) out of which US $ 175k has already been released to profit / loss in 2024.*

*** In line with the definitions of liquidity and net debt applicable in the Norwegian bond market, restricted cash will be added back to the net debt calculation for bond reporting purpose.*

**** Cashflow Interest paid reconciliation:*

	2024 US $’000
Total Interest paid per Net debt above	11,040
Add: Minimum guarantee fees paid to Beechbrook loan	2,500
Other financial expense	286
Total Interest paid per the cashflow	**13,826**

Other financial expense include guarantee fees for amount US $ 0.3 million.

23. Financial instruments and financial risk management

Details of significant accounting policies adopted including the classification, basis of measurement and recognition of income and expense in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 4.

Classification of financial instruments

Financial instruments are classified as follows:

	Categories	Carrying amount	
		2024	Unaudited 2023
		US $'000	US $'000
Financial Assets			
Trade receivables	Amortised cost	50,684	39,872
Other financial assets	Amortised cost	7,796	7,931
Cash and cash equivalents	Amortised cost	16,121	9,804
Financial Liabilities			
Borrowings (non-current)	Amortised cost	(102,990)	(56,837)
Borrowings (current)	Amortised cost	(6,603)	(10,630)
Trade and other payables	Amortised cost	(28,753)	(23,463)
Other financial liabilities	Amortised cost	(13,296)	(17,663)

The carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values due to their short-term nature or contractual cash flow characteristics.

Fair value hierarchy

The financial liabilities were valued using level 2 of the financial instruments valuation hierarchy.

Capital management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from 2023. The capital structure of the Group consists of net debt (borrowings as detailed in note 21 offset by cash and bank balances note 18) and equity of the Group (comprising issued capital, reserves, retained losses and non-controlling interests). As disclosed in note 21 & note 27 of the consolidated financial statements, the Group meets its funding requirement through US $ 10.1 million of shareholder equity, capital reserve for US $140 million and US $ 109.6 million of debt. The Group had cash balances excluding restricted cash of US $ 14.7 million (2023: US $ 8.1 million). The Group has the ability to access additional equity support for further acquisitions and/or working capital support. On 6 June 2024, the company issued a 11.5% senior secured corporate bond in the Frankfurt Open Market, with planned to be listed in the

23. Financial instruments and financial risk management (continued)

Norwegian market for amount US $ 100 million and used the funds to repay its existing debt facilities. Details are provided in note 2 on going concern.

Financial risk and treasury management

The Group's activities expose it to a variety of financial risks:

- funding and liquidity risk
- credit risk
- foreign exchange risk
- cash flow interest 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 may use derivative financial instruments to hedge certain risk exposures. The policies and strategies for managing these risks are summarised as follows:

Funding and liquidity risk

The Group finances its operations by a combination of equity finance and debt finance. The objective is to ensure that there is sufficient cash or committed facilities to meet the cash flow requirements of the Group for its current business plan. Debt maturity in respect of the final repayment of the senior debt facility is April 2025. To avoid excessive re-financing risk, on 6 June 2024 the company issued a 11.5% senior secured corporate bond of US $100 million and used the funds to repay its existing debt facilities. The maturity profiles of existing borrowings based on repayment dates are as follows:

	2024 US $'000	Unaudited 2023 US $'000
Amounts falling due within one year	14,972	7,170
1-2 years	11,500	52,060
2-5 years	129,581	-
Bank and Bond Borrowings	156,053	59,230
Amounts falling due within one year	-	689
1-2 years	-	520
Other loan	-	1,209
Amounts falling due within one year		
Liability component of convertible loan note	-	1,016
Amounts falling due within one year	2,236	2,131
1-2 years	2,380	1,928
2-5 years	2,790	1,952
>5 years	551	1,114
Leases	7,957	7,125

23. Financial instruments and financial risk management (continued)

	2024 US $'000	Unaudited 2023 US $'000
Total undiscounted borrowings, convertible loan note and leases	164,010	68,580
Amounts falling due within one year	17,208	11,006
1-2 years	13,880	54,508
2-5 years	132,371	1,952
>5 years	551	1,114
Total undiscounted borrowings, convertible loan note and leases	164,010	68,580

Group liquidity risk arises from timing differences between cash inflows and outflows. These risks are managed through equity funding from shareholders. These resources, together with the expected future cash flows to be generated by the business, are regarded as sufficient to meet the anticipated funding requirements of the Group for the foreseeable future. The actual and potential impacts of the developments in the financial markets are considered in the principal risks and uncertainties section of the strategic and directors' report.

The following table details the ageing analysis for trade payables:

US $'000	**Less than 3 months**	**3 months to 1 year**	**1-2 years**	**2-5 years**	**Total**
Trade payables (Note 19)	16,789	2,876	266	82	20,013

Foreign exchange risk

The Group transacts in several foreign currencies and as a result has foreign currency denominated revenue, expenses, assets and liabilities. The consolidated group results are presented in US $. Consequently, movements in exchange rates can affect profitability, the comparability of results between periods and the carrying value of assets and liabilities. Other than US $, the major foreign currencies of the Group are the Euro, British Pound, Angolan Kwanza, Malaysian Ringgit, Thai Baht, Argentinian Peso, Bolivian Boliviano, Colombian Peso, Kuwaiti Dinar and the Saudi Riyal.

Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency.

In considering the strategy for risk mitigation, the approved investment budgets and related cash flows, with defined currencies, are reviewed by Group Finance who may use foreign derivative contracts such as forward exchange contracts to manage the exposure. As of 31 December 2024, no forward exchange contracts had been executed.

23. Financial instruments and financial risk management (continued)

The carrying value of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date were:

	2024		Unaudited 2023	
	Assets	Liabilities	Assets	Liabilities
	US $'000	US $'000	US $'000	US $'000
Kwanza	8,710	(1,698)	5,272	(2,143)
Euros	94,364	(35,123)	69,661	(35,705)
Argentinian Peso	15,557	(2,602)	4,100	(1,126)
Malaysian Ringgit	1,781	(634)	1,058	(691)
Thai Baht	3,879	(1318)	1,734	(1,197)
Saudi Riyal	11,190	(5,403)	5,389	(5,324)
Emirati Dirham	312	(1,475)	1,148	(1,561)
Bolivian Boliviano	2,534	(861)	1,963	(339)
Kuwaiti Dinar	4,836	(2,559)	4,706	(2,395)

If the USD strengthened 10% against the currencies mentioned above, the loss in the year taken to the income statement would have been increased by US $ 9.4 million (2023: reduced US $ 0.7 million) and gain taken to equity reduced by US $ 9.4 million (2023: reduced by US $ 0.7 million). If the USD weakened 10% against the currencies above, the loss in the year taken to the income statement would have been reduced by US $ 9.4 million (2023: decreased US $ 0.7 million) and the loss taken to equity reduced by US $ 9.4 million (2023: decreased by US $ 0.7 million) respectively.

Credit risk

The Group manages credit risk related to cash and cash equivalents, deposits with banks and financial institutions, receivables, and committed transactions. To reduce the risk the Group only works with banks and financial institutions with strong credit ratings, as determined by independent agencies, are accepted as counterparties.

Credit risk is primarily influenced by the unique characteristics of each customer. The Group assesses risk on a case-by-case basis, factoring in external information such as customer ratings, audited financial statements, and industry data. This assessment takes into account the nature of the counterparty (e.g. national or international oil and gas companies) and the sector in which those operate.

Under IFRS 9, the Group applies the Expected Credit Loss (ECL) model to assess and measure credit risk. ECLs are determined using historical data, forward-looking factors, and a review of indicators that suggest default risk, as for example the customer's financial health and the sector for their industry.

23. Financial instruments and financial risk management (continued)

Most of the Group's financial assets are seen as low risk, and past credit losses have been very small because the Group's customers are generally large and reliable. The energy industry market also doesn't show any major increase in credit risk. However, if a payment is more than 30 days late, the Group takes extra steps to find out why and to check if the risk of not getting paid has gone up.

If a significant change in credit risk is identified, the Group adjusts the allowance for ECL to reflect the potential for default. In case any asset becomes overdue by more than 90 days, further review is conducted to assess if the asset has become credit impaired. If considered impaired, a credit impairment allowance is recognized to reflect the loss.

The Group considers an asset to be credit impaired once there is evidence that a loss has been incurred. In addition to recognising an allowance for expected credit loss, the Group monitors for the occurrence of events that have a detrimental impact on the recoverability of financial assets. Evidence of credit impairment includes, but is not limited to, indications of significant financial difficulty of the counterparty, a breach of contract or failure to adhere to payment terms, bankruptcy or financial reorganisation of a counterparty or the disappearance of an active market for the financial asset.

For trade receivables, the Group's current credit risk grading framework comprises the following categories:

Category	Description	Response
Performing	The counterparty has a low risk of default. No balances are aged greater than 30 days past due.	An allowance for lifetime ECLs is recognised where the impact is determined to be material.
Monitored	The counterparty has a low risk of default. Balances aged greater than 30 days past due have arisen due to ongoing commercial discussions associated with the close-out of contractual requirements and are not considered to be indicative of an increased risk of default.	The allowance for lifetime ECLs is increased where the impact is determined to be material.
In default	Balances are greater than 90 days past due with the ageing not being because of ongoing commercial discussions associated with the close-out of contractual commitments, or there is evidence indicating that the counterparty is in severe financial difficulty and collection of amounts due is improbable.	The asset is considered to be credit impaired and an allowance for the estimated incurred loss is recognised where material.
Written off	There is evidence that the counterparty is in severe financial difficulty and the Group has no realistic prospect of recovery of balances due.	The gross receivable and associated allowance are both derecognised.

23. Financial instruments and financial risk management (continued)

The following table details the ageing analysis for 2024 and 2023 trade receivables:

US $ 000	Less than 3 months	3 months to 1 year	1-2 years	2-5 years	More than 5 years	Total
Year ended 31 December 2024						
Trade receivables	30,394	7,751	411	-	-	38,556
Trade receivables considered as impaired	-	-	(221)	-	-	(221)
Total trade receivables (Note 16)	**30,394**	**7,751**	**190**	**-**	**-**	**38,335**
Year ended 31 December 2023 (unaudited)						
Trade receivables	24,228	7,183	380	170	-	31,961
Trade receivables considered as impaired	-	(76)	-	(170)	-	(246)
Total trade receivables (Note 16)	**24,228**	**7,107**	**380**	**-**	**-**	**31,715**

Trade receivables consist of a large number of customers, spread across diverse geographical areas. Amounts over 90 days primarily relate to clients based in Angola and Italy. Gross customer receivables in Angola at 31 December 2024 amounts to US $ 3.4 million and in Italy US $ 1.5 million. Management's assessment of recoverability is based on the history of payments in Angola and Italy. The Group does not have any significant credit risk exposure to any single counterparty or any Group of counterparties having similar characteristics.

The Group defines counterparties as having similar characteristics if they are connected entities. The 5 largest balance sheet exposures to the Group's customers were as set out below:

Balance sheet exposure	**31 Dec 2024 US $'000**	**Unaudited 31 Dec 2023 US $'000**
Customer A	4,231	9,993
Customer B	4,091	2,628
Customer C	2,857	2,387
Customer D	1,887	1,535
Customer E	1,599	1,494

Cash flow and interest rate risk

The Group's interest rate risk arises from borrowings and the bond. The US $ 13.0 million senior facility bears interest at LIBOR plus a margin of 5.50-7.50% depending on Leverage

23. Financial instruments and financial risk management (continued)

Covenant ratios achieved in 2024 which is settled in cash at the end of each interest period. The US $ 13.0 million multicurrency revolving credit facility bears interest at LIBOR plus a margin of 4%. Bank borrowings of the subsidiary Dajan S.R.L bear an average interest rate of 3% (2023:3%) variable. Dajan S.R.L borrowings are denominated in Euros and are exposed to interest rate risk and in particular the risk that movements in interest rates will affect both its net income and financial position. The current operating cash flows generated by Dajan S.R.L are sufficient to service the loan repayment and interest payments.

In addition, during the period, Excellence Logging Finance 2 plc issued a bond with a principal amount of US $100 million. The bond carries a fixed coupon rate of 11.5% per annum, payable semi-annually. As the coupon rate is fixed, the bond is not subject to variability in interest payments due to changes in market interest rates.

As already previously mentioned as of 31 December 2024, the Group's financing structure comprises two primary instruments: a US$ 100 million senior secured bond and a US$ 13 million multicurrency revolving credit facility.

The US$ 100 million senior secured bond was issued on 5 June 2024 in the Frankfurt market. The bond carries a fixed coupon of 11.5% payable semi-annually, matures on 5 June 2029, and was issued at par. It is governed by Norwegian law, with Nordic Trustee acting as bond trustee, and is secured by a comprehensive package including share pledges, intercompany loan assignments, and guarantees. The bond includes key financial covenants, notably a maximum leverage ratio of 3.0 and a minimum liquidity threshold of US$ 10 million. It is listed on the Frankfurt Open Market, with the intention for getting listed on Oslo Børs within 12 months of issuance.

In addition, the Group maintains a US$ 13 million multicurrency revolving credit facility (RCF), extended to 30 June 2025. The facility is available for both cash drawings and the issuance of guarantees and carries an interest rate of LIBOR plus 4%. US$ 7 million of the

RCF has been carved out to support bank guarantees, leaving US$ 6 million available for working capital needs. The facility is subject to two financial covenants: a leverage ratio and

a cashflow cover test, which ensures that the Group's operating cash flows are sufficient to cover financial expenses.

24. End of service benefit obligations

	2024 US $'000	Unaudited 2023 US $'000
Provision for end of service benefits	3,430	3,334
	3,430	3,334

24. End of service benefit obligations (continued)

The Group provides for end of service benefits for qualifying employees in accordance with the local labour laws applicable to the country. Under these laws the employees are entitled to end of service benefits as a percentage of final salary on attainment of retirement age or upon termination of the employment relationship.

There is no contractual agreement or stated policy for charging the net defined benefit cost. In accordance with IAS 19, the subsidiaries of the Group recognise a cost equal to the contribution payable for the period, which in the year ended 31 December 2024 was US $ 0.45 million (2023: US $ 0.5 million). As of 31 December 2024, the end of service liabilities total US $ 3.4 million (2023 US $ 3.3 million). The Group is of the view that the difference in the liabilities calculated as per current labour laws applicable in country and liabilities calculated on an actuarial basis as per IAS 19 is not material and therefore the movement in the defined benefit obligation is equal the contribution payable by the company less any liabilities discharged because of termination of employment.

Details of the end of service benefit obligations for the relevant countries are provided below.

Italy
The WIN operation in Italy, Dajan S.R.L, is required to provide an end of service benefit to employees known as Trattamento di Fine Rapporto (TFR), which is payable on termination of employment for any reason whether retirement, resignation or dismissal. There are 137 (2023: 118) qualifying employees. For the year ended 31 December 2024, a service cost of US $ 0.2 million (2023: US $ 0.2 million) for the plan was charged to the profit and loss account.

Kuwait
The SDL operation in Kuwait is required to provide an end of service benefit to employees where employment is terminated because of redundancy or expiry of the term of employment.

There are 158 (2023:136) qualifying employees and the defined benefit cost of US $ 0.2 million (2023:US $ 0.2 million) was charged to the profit and loss account.

Thailand
Under the Thai Labour Protection Act of 1998, the SDL operation in Thailand is required to provide legal severance payments to employees who leave employment at their retirement age or termination. There are 111 (2023:113) qualifying employees and following an actuarial valuation, the provision was reassessed and US $ 0.04 million (2023:US $ 0.1 million defined benefit cost) was charged to the profit and loss account.

25. Provisions

	Restructuring US $'000	Other US $'000	Total US $'000
On 1 January 2024 (unaudited)	(34)	(100)	(134)
Utilised	34		
Addition		(483)	(449)
On 31 December 2024	-	(583)	(583)

Provisions are maintained in the accounts to cover identified litigation claims and potential or outstanding legal disputes. These provisions are adjusted as needed based on the status of ongoing matters.

26. Deferred tax

The following are the major deferred tax assets/liabilities recognised by the Group and movements thereon during the reporting year.

	2024 US $'000	Unaudited 2023 US $'000
Deferred tax assets	1,171	109
Deferred tax liabilities	(288)	(330)
Net deferred tax assets/(liabilities)	883	(221)

	Accelerated Depreciation US $'000	Tax losses US $'000	Other US $'000	Total US $'000
On 1 January 2024 (unaudited)	1,255	697	(2,173)	(221)
Credit to income statement	488	528	88	1,104
On 31 December 2024	1,743	1,225	(2,085)	883

The other deferred tax liability of US $ 0.1 million (2023: US $ 1.9 million) is in respect of timing differences on customer intangibles, inventory and management expenses.

Deferred tax assets are recognised for tax loss carry-forwards and other temporary timing differences to the extent that the realisation of the related tax benefit through future taxable

26. Deferred tax (continued)

profits is probable. At the balance sheet date, the Group has unused tax losses of US $ 84.3 million (2023: US $ 75.3 million loss) available for offset against future profits. No deferred tax asset has been recognised in respect of the US $ 79.5 million (2023: US $ 66.7 million) due to the unpredictability of future profit streams. Included in unrecognised tax losses are losses of US $ 4.4 million (2023: US $ 7.1 million) that will expire between 1-5 years and US $ 75.1 million (2023: US $ 59.1 million) with no expiry date. In addition to unrecognised tax losses, the Group did not have any other unrecognised short-term timing differences (2023: US $ nil).

27. Share capital

	2024 Number of shares	Unaudited 2023 Number of Shares	**2024 US$**	Unaudited 2023 US$
Authorised:				
Ordinary shares of $1 par value	10,103,402	167,453,402	10,103,402	167,453,402
	10,103,402	**167,453,402**	**10,103,402**	**167,453,402**

During 2024, ELF2 was a private company and undertook a significant reduction in its share capital. The share capital was reduced from US $167,453,402 to US $103,402 by the cancellation and extinguishment of 167,350,000 issued ordinary shares of $1.00 each.

This capital reduction was effected following the issuance of a solvency statement by the directors, in accordance with applicable company law. As a result of the reduction, a distributable reserve was created, which was subsequently utilized to pay an interim dividend.

From an accounting perspective, the amount of the capital reduction has been automatically credited to distributable reserves under Companies Act as the amount reduced has not been paid to the Company's shareholder.

In June 2024, the Company paid an interim dividend of US $ 27,609,930 to its sole shareholder Excellence Logging Holding Limited that has been subsequently distributed to

Excellence Logging Co-Invest II LP Guernsey to pay the aggregate Senior Preferred Return on all of the Senior Preferred Shares as of 6 June 2024.

In 2024, a convertible loan of US $ 10,000,000 granted by Excellence Logging Holding Limited in 2023 has been capitalized through the allotment of 10,000,000 ordinary shares of $1 each to Excellence Logging Holding Limited for an aggregate subscription price of US$10,000,000.

The Company was re-registered as a public limited company under the Companies Act 2006 on 25 November 2024 due to bond requirement.

28. Convertible loan note reserve

On 23rd August 2023, the Company issued an unsecured US $ 10 million convertible loan note to its shareholders, as a bridge finance for the acquisition of the Netherlands well intervention business and received gross proceeds of US $ 10 million. The convertible loan note matured on 23rd August 2024 and interest accrued at secured overnight financing rate (SOFR) plus margin and interest was cash settled at maturity. The convertible loan note was converted into ordinary shares par value US $1 on the maturity date and the interests due on the convertible loan note at the conversion date were cash settled.

Under IAS 32, the convertible loan note is a compound financial instrument with a debt and equity component because company has entered into a contractual obligation to cash settle any interest due on the convertible loan note (liability component) at the conversion date at which point the loan note is exchanged for ordinary shares (equity component). At modification date, the convertible loan note was bifurcated into its liability and equity components using a discount rate of 11.5% for an equivalent financial instrument as follows:

In 2024, the CLN was fully converted to Equity.

	US $'000
Transaction price	10,000
Fair value of liability component	(976)
Fair value of equity component	**9,024**

	US $'000
Fair value of liability component at modification	976
Accrued interest	40
Fair value of liability component at 31 Dec 2023 (note 22)	**1,016**

29. Contingent liabilities

In the ordinary course of business, a legal action has been filed against a subsidiary of the Group in North America in respect of a vehicle accident and the matter was the subject of litigation. The Group has insurance policies in place for auto mobile risks in the ordinary course of business. Our insurer signed an amicable settlement with the Claimant in April 2024 that has been covered by the insurance policy. This case is closed.

30. Commitments and guarantees

	2024 US $'000	Unaudited 2023 US $'000
Rental commitments	337	989
Other deposits	229	251
	566	1,240

30. Commitments and guarantees (continued)

Rental commitments

Included within Other non-current assets are US $0.3 million (2023: US $ 1.0 million) of security deposits regarding procuring office and warehouse space. Management expect Excellence Logging group companies to fulfil their obligations on these contracts and to receive these security deposits back in full. Within 2024, the guarantee to cover the long-term rental commitment for its office in Colombes, France was released (2023: €355,507).

Performance bonds and financial guarantees

In the ordinary course of business, the Group is required by certain customers to post surety or performance bonds or provide bank guarantees in connection with services that the Group provides to them. These bonds and guarantees provide assurance to the customer that the Group will perform under the terms of a contract and that we will pay subcontractors and vendors. If we fail to perform under a contract or to pay subcontractors and vendors, the customer may demand that the surety make payments or provide services under the bond or financial guarantee. The Group must reimburse the surety for any expenses or outlays it incurs. As of 31 December 2024, the Group had US $ 5.8 million (2023: US $ 0.2 million) in performance bonds and surety outstanding within Other non-current assets. The Group has a US $ 13.0 million multi-currency revolving credit and guarantee facility (note 21). The facility is backed by key relationship banks and is available for the issuance of guarantees up to a maximum of US $ 7.0 million (2023: US $ 7.0 million). On 31 December 2024, the Group issued US $ 6.2 million (2023: US $ 5.9 million) in bank guarantees from this facility. To date, the Group has not been required to make any reimbursements to our sureties for bond-related costs. The Group believes that it is unlikely that we will have to fund significant claims under our surety or performance bond arrangements in the foreseeable future.

31. Operating lease arrangements

The Group has elected not to recognise right-of-use assets and lease liabilities for leases which have low value, or short-term leases with a duration of 12 months or less. The payments associated with such leases are charged directly to the income statement on a straight-line basis over the lease term, US $0.4 million (2023: US $ 1.0 million) has been expensed in the year in relation to low value and short- term lease. At the balance sheet date, the outstanding commitments for future minimum lease payments under non-cancellable operating leases, excluding those which now fall under IFRS 16, are as follows:

Property	2024 US $'000	Unaudited 2023 US $'000
Within one year	365	910
Between one and five years	12	142
	377	1,052

32. Ultimate controlling party

At the date of signature of these financial statements the Group's ultimate parent undertaking is Excellence Logging Guernsey Co Limited, a company incorporated in Guernsey, which owns 69.53% of the Company's equity. This entity is owned by investment management funds managed by Blue Water Energy which is the ultimate controlling party.

The smallest and largest group that the results of the Company and Group are consolidated into are contained in this annual report and consolidated financial statements which are publicly available at the Company's registered office shown on the company information page.

33. Related party transactions

The principal subsidiary undertakings on 31 December 2024 are shown in note 34. Transactions between Excellence Logging Finance 2 Plc and its subsidiaries have been eliminated on consolidation and are not disclosed in this note.

	Relationship	Purchase of goods and services US $'000	Amounts owed by related parties US $'000	Amounts due to related parties US $'000
Year ended 31 December 2024				
Excellence Logging Manco S.A.R.L.	Investor	-	815	-
Bruno Patrick Burban	Director	-	13	-
Yves Gehan	Employee	-	-	64
Double B Holdings LLC	Employee	23	-	-
Revoil SRL	Same directors	1,173	-	352
Gabe SRL	Same directors	-	-	12
Excellence Logging Holding Ltd	Investor	-	1,283	-
Year ended 31 December 2023 (unaudited)				
Excellence Logging Manco S.A.R.L.	Investor	-	698	-
Bruno Patrick Burban	Director	-	13	-
Yves Gehan	Employee	-	-	52
Double B Energy Leasing LLC	Employee	19	-	-
Revoil SRL	Same directors	1,398	-	782
Gabe SRL	Same directors	-	-	15
SGI Solutions Ltd	Consultant	-	-	56
Excellence Logging Holding Ltd	Investor	-	1,308	-

34. Subsidiaries

Details of the Company's subsidiaries on 31 December 2024 are as follows:

Entity	Registered in	% Ownership Interest	% Voting Power held
Excellence Logging France SAS	France	100	100
Excellence Logging Services SAS	France	100	100
Excellence Logging International FZ LLC	UAE	100	100
Excellence Logging Limited	England & Wales	100	100
Excellence Logging Finance Limited	England & Wales	100	100
Excellence Logging Services Ltd	England & Wales	100	100
Excellence Logging Middle East Ltd	England & Wales	100	100
Excellence Logging Latin America Ltd	England & Wales	100	100
Excellence Logging (Switzerland) Sarl	Switzerland	100	100
WLG Servicios SA	Argentina	100	100
Excellence Logging Tunisie Sarl	Tunisia	100	100
Excellence Logging Do Brazil Servicios de Petroleo LTDA	Brazil	99.92	99.92
Exlog Gabon SA	Gabon	100	100
Wilog Angola LDA*	Angola	48	57
Excellence Logging US Inc	USA	100	100
Excellence Logging DMCC	UAE	100	100
PT DHI Excellence Logging	Indonesia	98.75	98.75
DHI Services (Thailand) Ltd**	Thailand	49	88.29
Thai Oil Venture Holding Ltd	Thailand	48.90	79
Excellence Logging Malaysia Sdn Bhd	Malaysia	49	49
Excellence Logging Pte Ltd	Singapore	100	100
DHI Services International Ltd	Hong Kong	99.99	99.99
Dajan S.R.L	Italy	100	100
Dajan East S.R.L	Romania	100	100
Excellence Logging Ecuador SA	Ecuador	100	100
International Logging Technology Limited	England & Wales	100	100
Excellence Logging Saudi Limited***	Saudi Arabia	50	50
Exlog Ltd Middle East and North Africa Regional HQ Company	Saudi Arabia	100	100
Excellence Logging Services LLC (Qatar)	Qatar	100	100
Excellence Logging LLC (Oman)	Oman	70	70
Excellence Logging LLP (Kazakhstan)	Kazakhstan	100	100
Exlog Bolivia Servicios Petroleros S.A	Bolivia	100	100
Excellence Logging Canada Limited	Canada	100	100
Excellence Logging Netherlands BV	Netherlands	100	100
Coil Services BV	Netherlands	100	100
Slickline Services BV	Netherlands	100	100
Slickline Services GmbH	Germany	100	100

34. Subsidiaries (continued)

For all entities, the principal place of business is consistent with the country of registration. Details of the entities registered offices are provided in appendix 1. All subsidiary undertakings are included in the consolidated financial statements of the Group.

*The Group owns 48% of the shares in Wilog Angola LDA and is the main shareholder. The Group has double voting rights on a portion of the shareholding in this entity enabling it to exercise 57% control. The directors are able to nominate the President of the Board and generally the Group has control over operations.

**The Group has a 49% interest in the shares of DHI Services (Thailand) Ltd, Thai Oil Venture Holding Ltd and Excellence Logging Malaysia Sdn Bhd. Shareholder agreements are in place for these entities which give the group control over their operations and therefore their financial statements are consolidated within these group financial statements.

***Excellence Logging Saudi Limited is a joint ventures with a local partner but the group can exercise de facto control through the Board of directors.

The following subsidiaries which are included in these consolidated accounts are exempt from the requirements of the Companies Act relating to the audit of their accounts under section 479A of the Companies Act 2006.

Excellence Logging Finance Ltd (registration number 11575688)
Excellence Logging Services Ltd (registered number 11753818)
Excellence Logging Latin America Ltd (registered number 11577260)
Excellence Logging Middle East Ltd (registered number 11632651)
International Logging Technology Limited (registered number 02478447).

The following subsidiaries which are included in these consolidated accounts are exempt from the requirements of the Dutch Civil code from preparing consolidated financial statements:

Excellence Logging Netherlands BV (registered number: 90451473; RSIN: 865319911

35. Non-controlling interests

The following table summarises the information relating to each of the Group's subsidiaries that has material NCI:

Excellence Logging Saudi Ltd (NCI percentage - 50%)	**2024 US $'000**	**Unaudited 2023 US $'000**
Non-current assets	1,595	1,386
Current assets	9,595	6,097
Non-current liabilities	-	-
Current liabilities	(5,403)	(5,324)
Net assets	**5,787**	**2,159**
Net assets attributable to NCI	2,894	1,080
Revenue	25,058	148,672
Profit	4,259	2,643
Profit allocated to NCI	2,130	1,322

Wilog Angola LDA (NCI percentage - 52%)	**2024 US $'000**	**Unaudited 2023 US $'000**
Non-current assets	1,119	1,556
Current assets	7,591	5,061
Non-current liabilities	-	(65)
Current liabilities	(1,698)	(1,066)
Net assets	**7,012**	**5,486**
Net assets attributable to NCI	3,646	2,853
Revenue	8,653	8,329
Profit	2,263	718
Profit allocated to NCI	**1,177**	**373**

36. Acquisition of Netherlands well intervention business

On 23 August 2023, the group acquired 100% of the issued share capital of Excellence Logging Netherlands B.V., an oil and gas services provided specialising in services and products delivery related to coiled tubing, slickline and well testing. The acquisition is part of the group's strategy and complements the group's well intervention services.

Details of the purchase consideration, the net assets acquired and goodwill were as follows:

36. Acquisition of Netherlands well intervention business (continued)

Purchase consideration	US $ 000
Cash consideration – SPA	7,208
Cash consideration – APA	13,582
Interim period consideration	679
Seller's receivable	930
Deferred consideration	3,260
Total purchase consideration	**25,659**
Less cash acquired	(409)
Purchase price net of cash acquired	**25,250**

The assets and liabilities recognised as a result of the acquisition were as follows:

US $ 000	Book value	Fair value Adjustments	Fair value
Intangible assets	-	2,456	2,456
Property, plant and equipment	13,395	(272)	13,123
Finance lease assets	3,300	-	3,300
Other non-current assets	3	-	3
Inventory	195	-	195
Trade and other receivables	8,002	-	8,002
Other current assets	381	-	381
Other operating payables -long term	(2,286)	-	(2,286)
Finance lease liability	(3,641)	-	(3,641)
Other operating payables – short term	(796)	-	(796)
Trade creditors	(8,350)	-	(8,350)
Other creditors	(807)	-	(807)
Other loan	(1,415)	-	(1,415)
Net identifiable assets acquired	**7,981**	**2,184**	**10,165**
Goodwill	**-**	**-**	**15,085**
Net assets acquired	**-**	**-**	**25,250**

The goodwill is attributable to the existing infrastructure and assembled workforce to execute slick-line activities and the high profitability of the business. Fair value adjustments relate customer intangibles, an assessment of the fair value of fixed assets, recognition of leases novated across to the acquired well intervention group from its previous parent company and adjustments to the carrying value of inventory and payables.
In 2023 the acquired business contributed revenues of US $ 8.7 million and net loss of US $ 2.5 million to the group for the period from 23rd August to 31st December 2023. Acquisition costs of US $ 1.3 million was directly included in 2023 administrative costs in the consolidated statement of income. In 2023 full year results for the acquired business was revenue of US $ 35.8 million and a net profit of US $ 1.2 million.

37. Events after the balance sheet date

There are no significant events after the balance sheet date.

Appendix 1 – Subsidiary companies registered offices

Subsidiary Company	Registered Office
Excellence Logging Finance Limited	45 Gresham Street, London, England, EC2V 7BG
Excellence Logging Limited	45 Gresham Street, London, England, EC2V 7BG
Excellence Logging Services Ltd	45 Gresham Street, London, England, EC2V 7BG
Excellence Logging Middle East Ltd	45 Gresham Street, London, England, EC2V 7BG
Excellence Logging Latin America Ltd	45 Gresham Street, London, England, EC2V 7BG
Excellence Logging (Switzerland) SARL	Route de Moncor 2, c/o Cabinet de Conseil Fiscal, André-Claude Cotting, 1752 Villars-sur-Glâne, Switzerland
Excellence Logging France SAS	56/58 Avenue Jean Jaurès, Bat. Alley, 92700 Colombes, France
Excellence Logging Services SAS	56/58 Avenue Jean Jaurès, Bat. Alley, 92700 Colombes, France
Excellence Logging International FZ LLC	P.O. Box 4422 Fujairah, Fujairah Creative Tower, (United Arab Emirates)
WLG Servicios S.A	Avenida Santa Fe 931, 4° Piso, Ciudad Autonoma de Buenos Aires, Argentina
Excellence Logging Tunisie	Centre Urbain Nord, Immeuble Golden Tower App. B3.2., 1082 Tunis, Tunisia
Excellence Logging do Brasil Servicios de petróleo LTDA	Avenida dos Jesuitas, N°415, Parte, Impetiba, Macae, CEP 27.913-182
Exlog Gabon SA	Z.I. OPRAG, BP 262, Port-Gentil (Gabon)
Wilog Angola LDA	Rua de Missao n°93 A, Sala 10, Ingombota, Luanda, Republic of Angola
Excellence Logging US Inc	Cogency Global Inc., 850 New Burton Road, Suite 201, Dover Delaware 19904, United-States
Excellence Logging DMCC	Unit No: 2701, Tiffany Towers, Plot No: JLT-PH2-W2A, Jumeirah Lakes Towers, Dubai, United Arab Emirates
PT DHI Excellence Logging	Taman Tekno BSD Blok H1-8, BSD - Serpong - Banten, Setu, South Tangerang City, Banten, 15314, Indonesia.
DHI Services (Thailand) Ltd	398/2,7 Monterey Place, 2nd Floor, Soi Paisingto, RamaIV Road, Kweang Khlongtoey, Khet Khlongtoey, Bangkok 10110, Thailand
Thai Oil Venture Holding Ltd	10/84 5th Floor, the Trendy Office, Soi Sukhumvit 13, Sukhumvit Road, Khlongtoey Nua Sub-Distroct, Wattana District, Bangkok.
Excellence Logging Malaysia Sdn Bhd	E-11-5, Megan Avenue 1, 189, Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia
Excellence Logging Pte Ltd	1 North Bridge Road, #11-06 High Street Centre, Singapore 179094
DHI Services International Ltd	Unit 701 7/F Citicorp Centre 18 Whitfield Road Causeway Bay (Hong Kong)

Appendix 1 – Subsidiary companies registered offices (continued)

Subsidiary Company	Registered Office
Dajan S.R.L.	Studio Fabrizio Salusest, Via Venezia 7 Cap, 64121 Pescara, Italy Business Office: Viale Milanofiori, Strada 1, Palazzo F1, 20090 Assago, Italy
Dajan East Srl	Ilfov County, no 1A, Drumul Gării Odăi str, 3rd Floor, Room 313, Oras Otopeni 75100, Romania
Dajan for Well Services	Aldhara, Tripoli City, Libya
Dajan Srl - Branch Turkey	Beştepe Mah. Nergiz Sk. No:7/2 Via Flat İş Merkezi No:60-61 Söğütözü Ankara
Dajan Srl - Branch Congo Rep.	14 rue de Matsoula, Camp 31 Juillet, Arrondissement N°1 Emery Patrice LUMUMBA, Pointe Noire, République du Congo
Dajan Srl - Rep. Office Ukraine (branch)	77 Sichovykh Striltsiv, Kyiv, 04053, Ukraine
Excellence Logging Ecuador S.A.	Av. Republica de El Salvador N35-60 y Portugal, Ed. Vitra, Piso 3, Oficina 301, Pichincha, Quito, Ecuador
Excellence Logging Services Limited -branch in Uganda	C/o 4th Floor Redstone House, Plot 7, Bandali Rise, Bugolobi, Kampala, Uganda
Excellence Logging Services - Branch Algeria	Centre Commercial et des Affaires, Entrée Nord-Est, 4eme étage, 16011 Bab Ezouar, Alger, Algeria
International Logging Technology Limited	45 Gresham Street, London, England, EC2V 7BG
Excellence Logging Saudi Limited	Loft No. 11, Al Othman Business Park, Prince Sultan Street, Al Jawhara District, Al Khobar City, Kingdom of Saudi Arabia
Excellence Logging Limited Middle East and North Africa Regional Headquarter Company	Loft No. 11, Al Othman Business Park, Prince Sultan Street, Al Jawhara District, Al Khobar City, Kingdom of Saudi Arabia
Excellence Logging Services LLC (Qatar)	Barwa towers Alsaad - Building:83 - Zone: 38 – Street: 231, Doha, Qatar
Excellence Logging LLC (Oman)	Bawshar, Building 303, Plot 390/01/01, Block 271, St. 51, Office 63, Muscat, Oman
Excellence Logging Middle East Ltd - Branch UAE	GASOS, Bin Hamoodah Tower, Capital Centre (near ADNEC), 17th Floor, Khaleej Al Arabi Road, P.O Box 6203, Abu Dhabi, United Arab Emirates
Excellence Logging Middle East Ltd - Project Office India	6A116, WeWork, Raheja Platinum, Sag Baug Road, Off Andheri Kurla Link Road, Marol, Mumbai, Maharashtra, India, 400059
International Logging Technology Ltd - Branch Kuwait	Weatherford Yard No: 5 & 6, Mina Abdullah, Postal code: 26258 Safat 13123, Kuwait
Excellence Logging Pte Ltd - Branch in Kurdistan	4th-floor Nergiz Plaza, Gulan Street, Bakhtiri, Erbil, Kurdistan Region, Iraq
Excellence Logging Pte Ltd - Branch Iraq South	4th-floor Nergiz Plaza, Gulan Street, Bakhtiri, Erbil, Kurdistan Region, Iraq
Excellence Logging Pte Ltd - branch in PNG	P.O. Box 76, Konedobu, Port Moresby, Moresby South, National Capital District, Papua New Guinea
Excellence Logging Kazakhstan	Building 1P (П), Microdistrict 7, Aksai, Burlin region, West Kazakhstan oblast, 090300, Republic of Kazakhstan

EXCELLENCE LOGGING FINANCE 2 PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

Appendix 1 – Subsidiary companies registered offices (continued)

Excellence Logging Canada Ltd	1200 Waterfront Centre, 200 Burrard Street, Vancouver BC, V6C 3L6, Canada
Excellence Logging Latin America Ltd - Branch Colombia	Calle 70 A no. 4 – 41, Bogotá D.C., Colombia
Exlog Bolivia Servicios Petroleros S.A.	Avenida Quinto Anillo Nº 5070, Barrio Magisterio, Entre Avenida San Pablo y Avenida Santos Dumont, Zona Sur, Santa Cruz, Bolivia
Excellence Logging Netherlands BV	Phileas Foggstraat 65, 7825AL Emmen, Netherlands
Coil Services BV	Phileas Foggstraat 65, 7825AL Emmen, Netherlands
Slickline BV	Phileas Foggstraat 65, 7825AL Emmen, Netherlands
Slickline Service Germany GmbH	Alter Flugplatz 36, 49377 Vechta, Germany

Excellence Logging Finance 2 Plc

Company Financial Statements

For the year ended 31 December 2024

Company number: 11688050

EXCELLENCE LOGGING FINANCE 2 PLC

COMPANY BALANCE SHEET

FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	2024 US $	Unaudited 2023 US $
Non-current assets			
Investment in subsidiary	8	178,133,402	168,133,402
Debtors	9	52,948,772	35,400,284
		231.082,174	**203,533,686**
Current assets			
Cash		1,196	51,198
		1,196	**51,198**
Total Assets		**231,083,370**	**203,584,884**
LIABILITIES			
Non- Current liabilities			
Borrowings	10	(98,474,520)	(37,375,250)
		(98,474,520)	**(37,375,250)**
Current liabilities			
Borrowings	10	(894,444)	-
Other creditors	11	(27,368)	(60,772)
		(921,812)	**(60,772)**
Total Liabilities		**(99,396,332)**	**(37,436,022)**
Net Assets		**131,687,038**	**166,148,862**
Capital and reserves			
Share capital	12	10,103,402	167,453,402
Other reserves		139,740,070	-
Convertible loan note reserve		-	9,023,966
Accumulated losses		(18,156,434)	(10,328,506)
Total Equity		**131,687,038**	**166,148,862**

- For the year ended 31 December 2023, the company qualified for an audit exemption pursuant to Section 479A of the Companies Act 2006. As a result, the comparative information presented is unaudited.
  For the year ended 31 December 2024, the company is subject to a statutory audit in accordance with applicable regulation.
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements of the Company, registered number 11688050, were approved by the Directors and were authorised for issue on 28th May 2025. They were signed on behalf of the directors by,

DocuSigned by:
John Lechner
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John Lechner
Director
29 May 2025

EXCELLENCE LOGGING FINANCE 2 PLC

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2024

	Share capital US $	Convertible loan reserve US $	Accumulated loss US $	Other Reserves	Total US $
Balance at 1 January 2023 (unaudited)	156,464,402	-	(5,106,750)	-	151,357,652
Ordinary shares issued	10,989,000	-	-	-	10,989,000
Equity component convertible debt	-	9,023,966	-	-	9,023,966
Loss for the year			(5,221,756)		(5,221,756)
Balance at 31 December 2023 (unaudited)	167,453,402	9,023,966	(10,328,506)	-	166,148,862
Balance at 1 January 2024 (unaudited)	167,453,402	9,023,966	(10,328,506)	-	166,148,862
Share Capital reduction	(167,350,000)	-	-	167,350,000	-
Dividends Paid	-	-	-	(27,609,930)	(27,609,930)
CLN Conversion into Ordinary Shares	10,000,000	(9,023,966)	-	-	976,034
Loss for the period	-	-	(7,827,928)	-	(7,827,928)
Balance at 31 December 2024	**10,103,402**	**-**	**(18,156,434)**	**139,740,070**	**131,687,038**

1. Authorisation of financial statements and statement of compliance with FRS101

The financial statements of Excellence Logging Finance 2 Plc (the 'Company') for the year ended 31 December 2024 were authorised for issue by the board of directors on 28 May 2025 and the balance sheet was signed on the board's behalf by PH.Boutant. Excellence Logging Finance 2 Plc is incorporated in England and domiciled in the United Kingdom.

These financial statements were prepared in accordance with Financial Reporting Standards 101 Reduced Disclosure Framework (FRS101) including the July 2015 amendments and in accordance with the Companies Act 2006.

The Company's financial statements are presented in united states dollars (US $) because that is the currency of the primary economic environment in which the Company operates.

The address of the registered office and the principal place of business is given in the company information page. The Company's principal activity is that of providing funding services to subsidiary companies in the Excellence Logging group. The Company's also acts as a parent company to Excellence Logging Finance Limited, and its subsidiaries (the 'Excellence Logging Group') whose principal activity is to provide mud-logging and slick-line well intervention services to the oil and gas industry.

2. Material accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below:

Basis of preparation

Going concern

The financial statements of the Company have been prepared on the going concern basis, reflecting management's reasonable expectation that the Company will continue in operational existence for the foreseeable future and has sufficient assets, working capital, and access to financing to meet its financial obligations as they fall due for a period of at least twelve months from the date of approval of the financial statements.

The Company is financed through equity of US $149.8 million and a senior secured corporate bond of US $100 million. The objective of the Company's financial strategy is to ensure that sufficient cash resources or committed facilities are available to meet its day-to-day working capital requirements and to support its current business plan.

On 6 June 2024, the Company completed a significant restructuring of its capital structure, issuing an 11.5% senior secured corporate bond of US $100 million in the Norwegian market. The proceeds were utilized to repay existing debt facilities as follows: US $40.6 million to settle the Euro loan PIK facility with Beechbrook Capital; US $16 million was provided to its subsidiary, Excellence Logging Finance Ltd, to repay the Senior Secured Term Loan with M&G Capital and HSBC; and US $7.5 million to settle the outstanding revolving credit facility with HSBC. In addition, the Company undertook a capital reduction

2. Material accounting policies (continued)

and paid a dividend of US $27.6 million to its parent company. The corporate bond matures on 6 June 2029 and is subject to limited covenants, including a maximum leverage ratio and a minimum liquidity threshold, with security provided over the assets of the Company. This restructuring has enhanced liquidity by an additional US $8 to US $10 million, supporting and accelerating the growth strategy of both the Company and the Excellence Logging Group.

The new bond matures in 2029, and the free cash flow profile of the Group further mitigates liquidity risk. As disclosed in Note 2 of the consolidated financial statements, management has prepared detailed forecasts and projections, assessed available facilities, and considered a comprehensive range of mitigating actions. Stress tests have been performed to evaluate the impact of severe but plausible downside scenarios, including the loss of major contracts, increased costs, and rising interest rates. In all scenarios, the Group demonstrated the ability to meet covenant requirements and maintain sufficient liquidity to continue operations.

In the event of potential cash shortfalls, management has demonstrated its capacity to respond decisively with a range of cost-reduction strategies, including workforce reductions, restrictions on discretionary spending, and deferral of non-essential capital expenditures, as further detailed in the consolidated financial statements.

Accordingly, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and, therefore, continue to adopt the going concern basis of accounting in preparing the standalone financial statements.

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Where equivalent disclosures have been made, the Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirement in paragraph 38 of IAS 1 ‘Presentation of Financial Statements’ to present comparative information in respect of: (i) paragraph 79(a)(iv) of IAS 1;
- the requirements of paragraphs 10(d), 10(f), 39(c) and 134-136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;

2. Material accounting policies (continued)

- the requirements of paragraph 17 of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member; and the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

Investments

Investments are included in the balance sheet at their cost of acquisition. Where appropriate a provision is made for any impairment in value. An annual review of the carrying amount is performed on an individual investment basis with resulting impairments or reversals of impairment reflected in the profit and loss account in the relevant period. Earnings in investee companies are recognised when, and to the extent that, dividends are received from affiliated undertakings and participating interests.

Borrowings and borrowing costs

Interest bearing loans are initially recorded at fair value, net of direct issue costs. Loans are subsequently measured at amortised cost using the effective interest method. Finance charges are accounted for on an accruals basis in the income statement using the effective interest rate method and are coded to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise. The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down is completed. The fees are capitalised as a pre-payment for liquidity services and amortised over the term of the facility to which it relates. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Convertible loan notes

Compound financial instruments issued by the company comprise convertible notes denominated in USD that can be converted to common shares at the option of the holder, whereby the number of common shares to be issued is fixed, regardless of changes in their fair value. The liability component of compound financial instruments is initially recognised at the fair value of a similar liability that does not have an equity conversion option. Where the convertible loan note is modified, the debt and equity components are adjusted to reflect the new terms. The equity component is initially recognised in the convertible loan reserve at the difference between the fair value of the compound financial instrument as a whole and

2. Material accounting policies (continued)

the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts. Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component is not remeasured. Interest related to the financial liability is recognised in profit or loss. On conversion the financial liability is reclassified to equity and no gain or loss is recognised.

Interest payable and receivable
Amounts owed to and owed by affiliated undertakings bear interest at commercial rates.

Amounts owed to group undertaking and other creditors
Amounts owed to group undertaking and other creditors are stated at nominal amount.

Cash and cash equivalents
Cash on hand and at bank, cash in hand and short term highly liquid assets within an original maturity of three months or less and readily convertible to known amounts of cash.

Share capital
Issued ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from the proceeds.

Taxation
The tax expense represents the sum of the tax currently payable and deferred tax. The tax currently payable is based on taxable profit for the period. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

3. Employee benefit costs and employee numbers

The Company does not have any employees. The emoluments of the directors are paid by an affiliated company within the group of companies Excellence Logging Finance 2 Plc is a member. No recharge is made for their services to Excellence Logging Finance 2 Plc.

4. Other gain/(loss)

Other gains of US $ 509,101 (2023: US $ 1,852,221 loss) relate to foreign exchange loss arising on the revaluation of the € loan note.

5. Auditors remuneration

The audit fees for the period were paid by Excellence Logging Limited, another entity within the group on behalf of the Company as per note 7 in the group consolidated financial statements.

	31 Dec 2024 US $'000	Unaudited 31 Dec 2023 US $'000
Fees payable to company's auditor for the audit of the parent company and consolidated financial statements	749	580
Other assurance services in respect to bond listing	134	-
Total Auditor Remuneration for the year	883	580

6. Finance income/costs

Finance income	**Year ended 31 Dec 2024 US $**	**Unaudited Year ended 31 Dec 2023 US $**
Interest income from related parties	4,606,365	2,118,164
	4,606,365	**2,118,164**

Finance costs	**Year ended 31 Dec 2024 US $**	**Unaudited Year ended 31 Dec 2023 US $**
Interest expense on € loan note	3,314,211	5,487,476
Interest expense on secured bond	6,644,444	-
	9,958,655	**5,487,476**

7. Taxation

For the period ended 31 December 2024 the Company was fully taxable at an effective rate of 25% (2023: 23.5%). After taking account of required book to tax adjustments, the Company recorded a fiscal loss for the period. No benefit has been recorded in respect of those losses due to uncertainty over their future recoverability.

	Year ended 31 Dec. 2024 US $	Unaudited Year ended 31 Dec. 2023 US $
a) Tax on loss on ordinary activities		
UK corporation tax	-	-
Current tax on loss for the year	-	-
Tax charge on loss on ordinary activities	-	-
b) Factors affecting the tax charge for the current year		
The current tax charge is the same as the average standard rate of corporation tax in the UK of 25% (2023:23.5%)		
Tax reconciliation		
Loss on ordinary activities before tax	(7,827,927)	(5,221,756)
Current tax at 25% (2023:23.5%)	(1,956,982	(1,227,113)
Effect of:		
Other permanent differences	1,432,250	767,239
Movement in unrecognised deferred tax	524,732	459,874
Total tax charge	-	-

For year ended 31 December 2024, the Company reports accumulated tax losses amounting to US $ 7,817,003 (2023: US $ 5,718,003). No deferred tax asset has been recognised in respect of these losses, due to the absence of foreseeable future taxable profits against which the losses could be utilised.

8. Investment in subsidiary undertaking

	US $
Cost	
At start of year (unaudited)	168,133,402
Additions	10,000,000
At 31 December 2024	178,133,402
Accumulated value losses	
At start of year	-
Value adjustments for the period	-
At 31 December 2024	-
Carrying amount	
At 31 December 2024	178,133,402
At 31 December 2023 (unaudited)	168,133,402

The principal subsidiary undertaking of the Company at 31 December 2024 & 31 December 2023 was:

Entity	Registered in	Proportion of ownership interest %	Proportion of voting power held %
Excellence Logging Finance Limited	England & Wales	100	100

A full listing of all subsidiary undertakings can be found in note 35 of the consolidated group accounts of the parent company Excellence Logging Holding Limited. On 12 December 2018, the Company purchased US $ 154,964,402 shares in Excellence Logging Finance Limited in exchange for issuing 1 ordinary share to Excellence Logging Holding Limited. The Company purchased further shares in Excellence Logging Finance Limited in exchange for cash as follows:

- On 7 February 2020, the Company purchased US $ 1,500,000 of ordinary shares.
- On 18 December 2020, the Company purchased US $ 680,000 of ordinary shares.
- On 23 August 2023, the Company purchased US $ 10,989,000 of ordinary shares.
- On 23 August 2024, the Company purchased US $ 10,000,000 of ordinary shares.

9. Debtors

	31 Dec 2024 US $	Unaudited 31 Dec 2023 US $
Amounts falling due after more than one year:		
Amounts due from related parties	52,948,772	35,400,284
	52,948,772	**35,400,284**

10. Borrowings

	31 Dec 2024 US $	Unaudited 31 Dec 2023 US $
Amounts falling due after more than one year:		
€ loan note	-	36,022,216
Senior Secured Bond	98,474,520	-
Amounts falling due within one year:		
Liability component of convertible loan note	-	1,353,034
Accrued Interest	894,444	-
Total borrowings	**99,368,964**	**37,375,250**

	31 Dec 2024 US$	Unaudited 31 Dec 2023 US $
Amounts falling due within one year	894,444	1,353,034
1-2 years	-	36,022,216
2-5 years	98,474,520	-
Total borrowings	**99,368,964**	**37,375,250**

The Company has a issued a 11.5% senior secured corporate bond in the Norwegian market of US $100 million and used the funds to repay the Euro loan PIK facility with Beechbrook Capital. The corporate bond matures on 6 June 2029 and is only subject to limited covenant (leverage ratio and minimum liquidity) and is secured over the assets of the company.

11. Other creditors

	31 Dec 2024 US $	Unaudited 31 Dec 2023 US $
Amounts due to related parties	19,393	60,772
Trade Creditors	7,975	-
	27,368	**60,772**

12. Share capital

	31 Dec 2024 US $	Unaudited 31 Dec 2023 US $
Authorised, allotted and fully paid		
10,103,402 (2023:167,453,402) ordinary shares of US $1	10,103,402	167,453,402
	10,103,402	**167,453,402**

13. Controlling party

At the date of signature of these financial statements the Company's immediate parent company was Excellence Logging Holding Limited, a company registered in England. The Company's ultimate parent undertaking is Excellence Logging Guernsey Co Limited, a company incorporated in Guernsey, which owns 69.53% (2023:67.71%)of the parent company's equity. This entity is owned by investment management funds managed by Blue Water Energy which is the ultimate controlling party.

Excellence Logging Guernsey Co Limited consolidated financial statements are the largest group in which the results of the Company are included. Copies of the financial statements of Excellence Logging Guernsey Co Limited can be obtained from 656 Trafalgar Court Les Banques, St Peter Port, Guernsey, GY1 3PP. Excellence Logging Holding Limited consolidated financial statements are the smallest consolidated financial statements in which the results of the Company are included and their financial statements can be obtained from the registered office on the company information page.

14. Events after the balance sheet date

There are no significant events after the balance sheet date.