

Excellence Logging Finance 2 Plc Q1 2025

Earnings Release

May 2025

EXLOG
EXCELLENCE LOGGING



Summary and Outlook

- Exlog achieved year-on-year revenue growth in Q1 2025, with stronger Well Intervention (WIN) activity partially offsetting market-driven weakness in Surface Data Logging (SDL)
- Negative revenue development compared to Q4 2024 as expected due to seasonality of our Well Intervention, with reduced drilling activity in the Middle East further impacting our Surface Data Logging activities, partially compensated by expansion in Europe and Africa.
- Q1 2025 revenue of \$46.1m, up 2.5% year-on-year
- Q1 2025 EBITDA of \$7.9m, down 18.9% year-on-year
 - EBITDA margin of 17% - down from 20% in Q4 2024 and down from 22% in Q1 2024. The lower performance came from some changes in revenue profile and low revenue for the beginning of the year – which mainly stems from the current Middle East slowdown
- Our expectations are for overall activity to be flat for the year vs. 2024, with FY2025 revenues at ~\$200m and ~\$40m EBITDA in a base/low case scenario
- Strong H2 2025 revenue expected driven by Well Intervention activity in Europe and Africa and contribution from new countries expansion, targeting EBITDA margin of 20%
 - Free Cash Flow was temporarily impacted in Q1 by DSO delays, with improvements already underway in Q2
- Additional growth expected from the start of deployment of AI technology in SDL.
- Our acquisition pipeline remains strong, and we are carefully looking after accretive targets with synergies to enhance value and credit profile

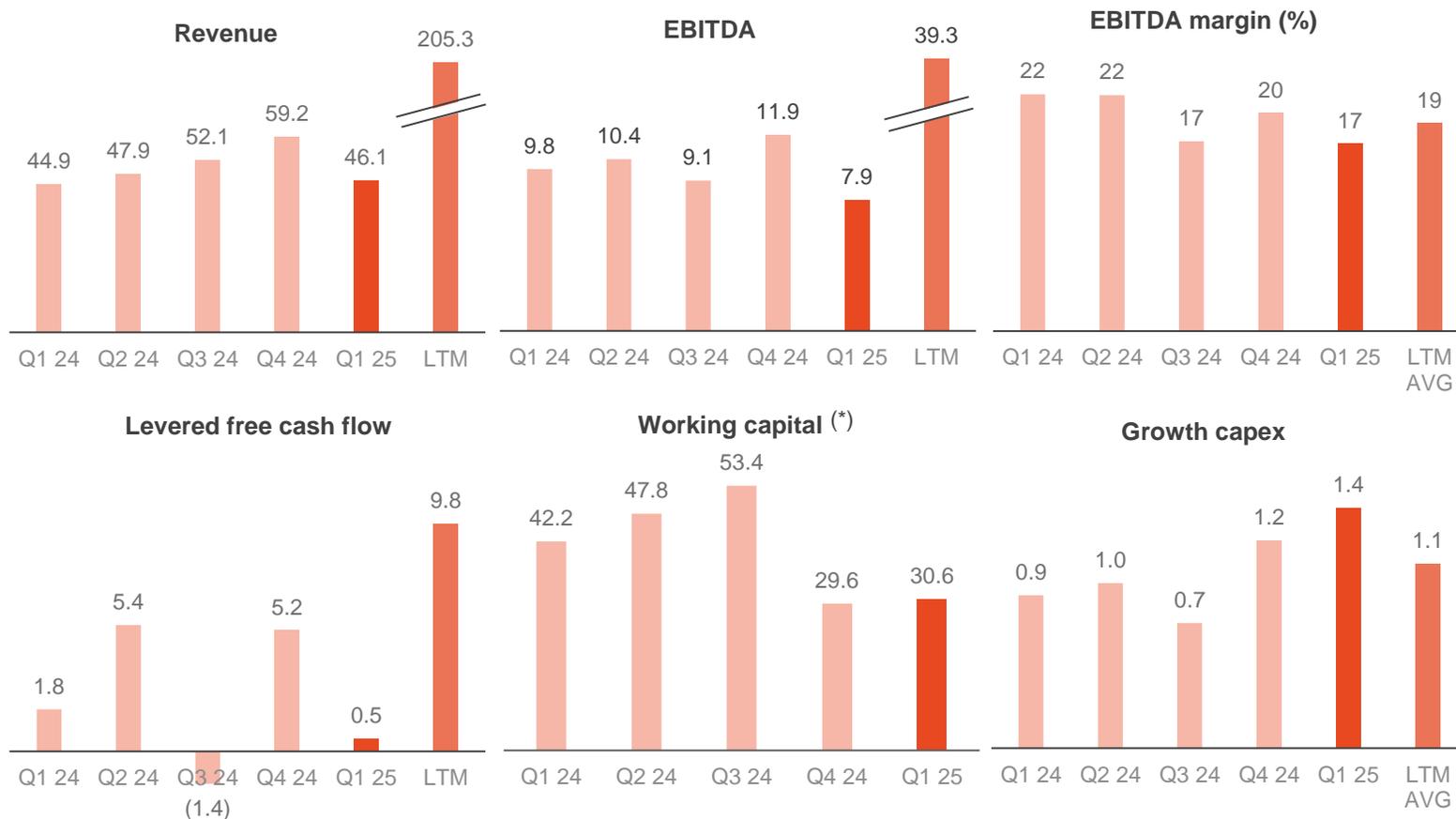


Highlights Q1 2025

Commentary

- Quarterly revenues up 2.5% year-on-year and down 22.1% quarter-on-quarter driven by downturn of drilling activity in MEA and seasonality effect of Well Intervention activity in Europe and Africa.
- Quarterly EBITDA down 18.9% year-on-year and down 33.1% quarter-on-quarter mainly driven by decrease of the revenue and enhanced by the unfavourable profitability mix with lower Surface Data Logging activity in Middle East.
- Free Cash Flow was negatively impacted during the quarter by increase of Group DSO by 8 days with temporary issues with customers in Africa and Middle East. DSO already improved by 12 days as at end of April to significantly improved projected Q2 levered free cash flow.

Financial development (USDm)



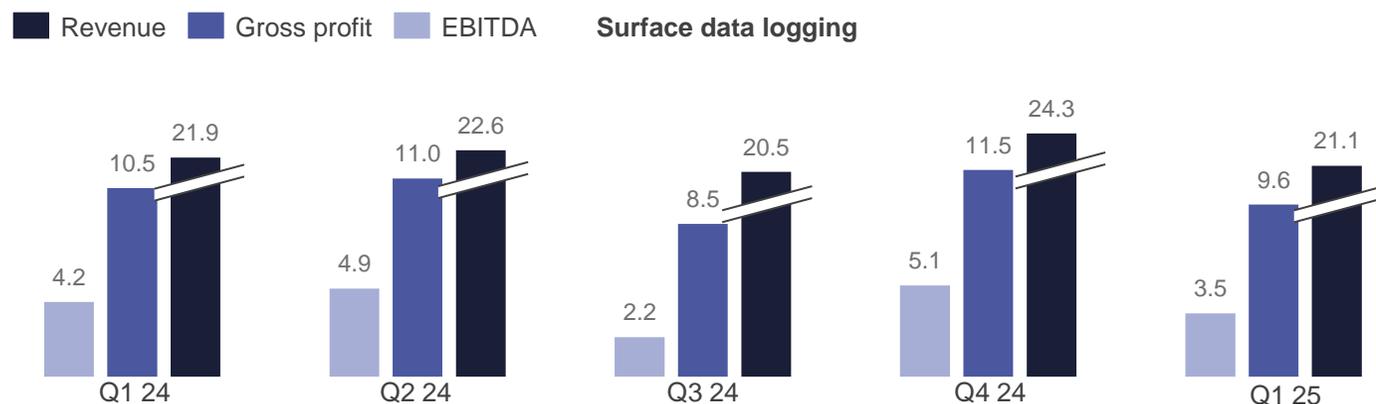
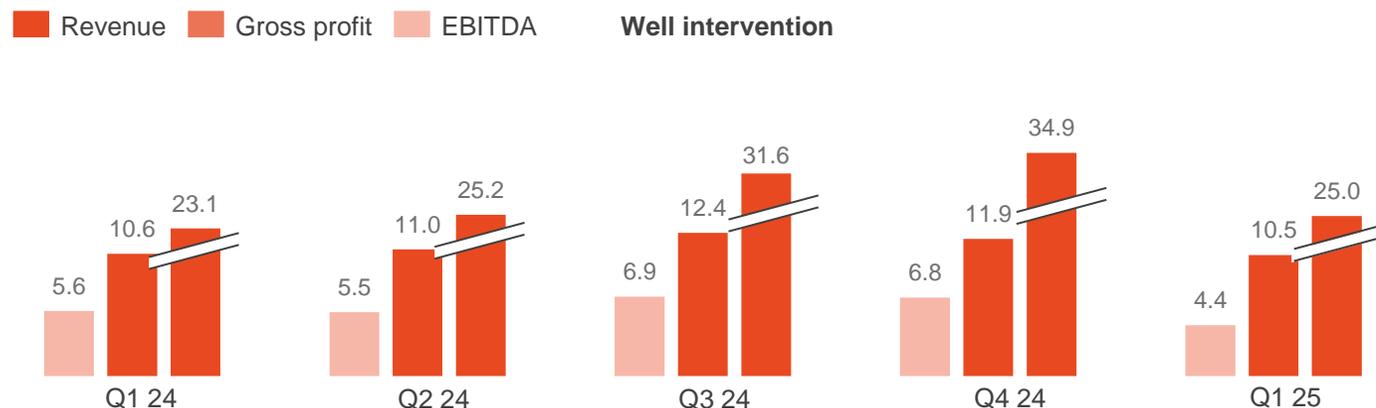
(* Working capital calculation amended from Q4 2024 to tie back with audited BS equivalent to: « Trade and other receivables + Other current assets + Inventory – Trade and other payables – other current liabilities – provisions for other liabilities »)

Segments Highlights Q1 2025

Commentary

- Well intervention revenue up 8.4% year-on-year and down -28.3% quarter on quarter driven by seasonality effects.
- Well intervention gross margin (ex D&A) down 1.1% year and down 11.7% quarter on quarter in \$US value. Gross margin improving 700 bps quarter-on-quarter but down 400 bps year-on-year. Action plan to improve cost structure of acquired Company by end of the year
- Well intervention EBITDA down 21.1% year-on-year and down 35.1% quarter-on-quarter with activity effect and temporary additional resources to accelerate integration efficiency.
- Surface data logging revenue down 3.6% year-on-year and down 13.2% quarter-on-quarter with decrease of revenue in Middle East only partially compensated by increase of revenue in Latin America and Europe.
- Surface data logging gross margin (ex D&A) down 8.8% year-on-year and down 16.8% quarter-on-quarter as a combined effect of positive end of year adjustments on audited accounts and decrease of equipment sales.
- Surface data logging EBITDA down 16.1% year-on-year and down 30.5%.

Solid financial development (USDm)



Covenant performance

Comfortable headroom to covenants

- Excellence Logging Finance 2 Plc, has met both the minimum liquidity and leverage covenant tests for Q1 2025.
- Expectation that Q2 2025 leverage ratio will slightly deteriorate though reducing in H2 2025 with ramp up of activity.

Covenant calculations

	2025 Q1 Actual
1) Minimum Liquidity	
Cash & Cash Equivalents	22.6
Undrawn RCF	0.0
Liquidity	22.6
Covenant Minimum	10.0

	2025 Q1 Actual
2) Leverage Ratio covenant	
Bond	100.0
Other Gross Debt	16.2
Gross Debt	116.2
Cash & Cash Equivalents	22.6
Net Debt	93.7
LTM EBITDA (on PF 12 mths)	39.1
Leverage ratio - x	2.40x
Covenant Maximum Leverage - x	3.00x

Excellence Logging Finance 2 PLC

31st March 2025 Financial Statements

3 months to 31 March 2025

Profit & Loss

	Q125 US\$m
Sales	46.1
<i>People related costs</i>	(16.1)
<i>Other</i>	(10.0)
Cost of Sales	(26.0)
Gross Margin (excl. D&A)	20.1
<i>% Margin</i>	<i>43.5%</i>
Field Support Costs	(3.5)
Field Margin	16.6
<i>% Margin</i>	<i>36.0%</i>
G&A (Country and Region)	(6.6)
Corporate G&A	(1.6)
NPD (not capitalized)	(0.5)
Depreciation & Amortization	(3.6)
Operating Profit	4.2
Acquisition & integration fees	
Other exceptional items	(0.3)
Othe gain / losses	-
Finance expenses	(2.9)
Finance income	-
Profit before tax	1.0
Tax expense	(1.8)
Net profit for the year	(0.8)
Depreciation and amortization	(3.7)
EBITDA	7.9
<i>% EBITDA Margin</i>	<i>17.2%</i>

As at 31 March 2025

Balance Sheet

	Mar-25 US\$m	Dec-24 US\$m
ASSETS		
Non-current assets		
Property, plant and equipment	32.0	33.8
Goodwill	38.0	38.0
Other intangible assets	5.5	5.3
Deferred tax asset	1.2	1.2
Other non-current assets	0.6	0.6
	77.2	78.8
Current assets		
Trade and other receivables	47.9	50.7
Other current assets	15.2	14.6
Inventory	8.4	8.1
Current tax assets	3.4	3.4
Cash and cash equivalents	22.6	16.1
	97.5	92.9
Total assets	174.8	171.7
LIABILITIES		
Non-current liabilities		
Non current portion of borrowings	(104.6)	(103.0)
End of service benefit obligations	(3.4)	(3.4)
Deferred tax liabilities	(0.3)	(0.3)
Other non current liabilities	(1.3)	(1.3)
	(109.6)	(108.0)
Current liabilities		
Trade and other payables	(27.8)	(27.9)
Current portion of borrowings	(11.6)	(6.6)
Current income tax liabilities	(4.4)	(4.4)
Other current liabilities	(12.6)	(15.4)
Provisions for other liabilities	(0.6)	(0.6)
	(56.9)	(54.8)
Total Liabilities	(166.6)	(162.7)
Net Assets/(Liabilities)	8.2	9.0
EQUITY		
Share capital	10.1	10.1
Capital reserve	139.7	139.7
Convertible loan reserve	-	-
Translation reserves	(7.9)	(7.9)
Accumulated deficit	(139.0)	(138.2)
Equity attributable to owners of the Company	2.9	3.7
Non-controlling interests	5.2	5.2
Total Equity	8.2	9.0

3 months to 31 March 2025

Cashflow Statement

	Q125 US\$m
Profit / (Loss) for the period	(0.8)
Adjustment for	
Exceptional items	-
Other Intangible asset amortization	-
Impairment of Goodwill and other assets	-
Net finance costs	2.9
Income tax charges	1.8
Depreciation & amortization	3.7
Foreign exchange loss	-
Monetary adjustment due to hyper inflation	(0.5)
(Gain)/Loss on disposal of PP&E	-
Operating Cash Flow before Working Capital movements	7.1
Change in Working Capital	(3.7)
Cash generated/(used) by operations	3.4
Income taxes paid	(0.7)
Net interest paid	(0.5)
Net cash generated/(used) in operating activities	2.2
Investing activities	
Payments to acquire tangible fixed assets	(1.9)
Receipts from sales of tangible fixed assets	-
Expenditure on new product development	(0.3)
Net cash used in investing activities	(2.2)
Financing activities	
Drawdown of bank loan	6.5
Net Proceeds from issue of bond	-
Repayment of revolving credit facility	0
Repayment of lease liabilities	-
Repayment of bank loan	-
Payment of dividends	-
Net Cash Flows from financing activities	6.5
Net increase/ (decrease) in cash	6.5
Cash and cash equivalents at beginning of period	16.1
Net increase/ (decrease) in cash	6.5
Effect of exchange rates on cash and cash equivalents	(0.0)
Cash and cash equivalents at end of period	22.6

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The logo features the word "EXLOG" in a bold, sans-serif font. The "E" is orange, while "XLOG" is white. Below it, the tagline "EXCELLENCE LOGGING" is written in a smaller, white, all-caps sans-serif font.

EXLOG
EXCELLENCE LOGGING

*FOCUSED
COMPETENCE*