Mincon Group plc
("Mincon" or the "Group")

2024 Full Year Financial Results

Mincon Group plc (Euronext: MIO AIM:MCON), the Irish engineering group specialising in the design, manufacture, sale and servicing of rock drilling tools and associated products, announces its results for the year ended 31 December 2024.

Financial Highlights

	Total 2024	Continuing Operations 2024[1]	Total 2023	Change in Continuing Operations
	€'000	€'000	€'000	%
Total revenue	145,866	144,361	156,931	-8%
Gross profit	40,059	40,234	45,523	-12%
EBITDA	14,180	15,955	21,074	-24%
Operating profit	5,506	7,607	12,290	-38%
Profit for the period	1,766	3,392	7,470	-55%

[1] The Group took the decision to close its Mincon Carbide businesses during the year ended 31 December 2024 and dispose of its assets. The results of these operations have been re-presented as discontinued operations. See note 9 for further detail.

- **Revenue:** 2024 Group revenue of €145.9 million, a decrease of 7% versus 2023. Revenue was €144.4 million for the continuing business.
    - Mining revenue decreased by 7%, with contraction across three of the four mining regions. However, the EME region saw mining revenue increase 71% as customers resumed normal ordering patterns in 2024.
    - Construction revenue was flat year-on-year, as the Group generated its first year of significant construction revenue in APAC, after two major project wins in Q4, which offset a decrease in revenue in the Group's main construction markets of North America and Europe.
    - Waterwell/geothermal revenue decreased by 23% in 2024, due to a reduction in new building construction in Northern Europe, where geothermal energy is the primary source of heating.
- **EBITDA:** 2024 EBITDA from continuing operations was approximately €16 million.
    - Production volumes in H1 2024 dropped significantly compared to 2023 due to lower sales and continued work to reduce finished goods inventory.
    - Increased market competition and some price reductions in H1 2024 impacted gross margin.
    - However, market conditions improved in H2 2024. This combined with operational restructuring led to a recovery in EBITDA in H2 2024.
- **Mincon Carbide closure:** Following a review of the site, during 2024, the Group decided to close its carbide plant in Sheffield. All costs of closure were incurred in 2024 and the Group has agreed outsourced arrangements to supply bit plants on improved cost terms.
- **Inventory:** as we continued our focus on reducing inventory, 2024 closing inventory decreased by €3.3 million (excluding FX), a positive result despite challenging market conditions. This will continue to be a focus area in 2025.
- **Capital investment:** During the year Mincon commissioned €3.6 million in capital equipment, a significant portion of which included improving production efficiency through automation at the Group's hammer plant in Shannon.
- **Dividend**: Final dividend of 1.05c per ordinary share recommended by the Board, subject to approval at the AGM, taking the total dividend for 2024 to 2.10c per ordinary share (2023: 2.10c per ordinary share).

Geographical Performance
Revenue in the Americas was down on the prior year by 11% primarily due to softness in all market segments in H1 2024 and the decision to exit an unprofitable mining supply contract in Chile, as noted at the time of the Group's half year results. Mincon experienced an increase in activity across all markets in H2 2024 and this led to a closing of the gap as the year closed out. The Group entered 2025 with a strong order book and whilst there is some uncertainty due to the developing global tariff situation, the Group believes that its strong manufacturing footprint can mitigate some of the potential risks.

Revenue in the Europe and Middle East (EME) region was also down on the prior year by 13%. As the primary manufacturing area for the Group, the Group's continued focus on increasing revenue while reducing the effects of cost inflation did start to take effect in H2 2024. This led to a recovery in revenue and margin to again close the gap on the prior year and come into 2025 with healthy order books across all our plants.

Revenue in the Africa region was down on the prior year by 4%. With a talented and committed team running the factory in South Africa coupled with a strong customer support network in the region, we believe we are well positioned to contribute to the challenge of making Africa more than just a commodity producer. With that in mind we have a renewed focus on the construction opportunities that exist and have recently won a large project for delivery in 2025.

Business in the Australia Pacific (APAC) region was up on the prior year by 25% predominantly due to large construction project wins coupled with early signs of recovery in mining revenue. Mincon has continued to win construction projects in 2025. This, coupled with some encouraging testing results in mining applications, gives the Group a positive view for the year ahead in the APAC region. As part of the ongoing efficiency plans there has been an extensive input cost review at the Group's plant in Perth. As a result, the combination of this more price competitive mining market offering with superior performance and onsite support, should underpin revenue and margin growth into the future.

Operational and Strategic Performance
Mincon is continuing to focus on driving operational efficiency across the Group. Our root and branch review and continuous improvement in working capital management is starting to yield good results. We will endeavour to consistently improve in these areas.

In Mincon's chosen markets of mining, construction and geothermal/waterwell drilling, the challenge of reducing emissions has a direct correlation with reducing cost. As a result, the Mincon ambition, to innovate our products to become more efficient and in so doing bring significant cost savings to drilling operations, remains a primary strategic objective. We believe that this focus has helped to recover Group revenue in H2 2024 and has generated good order book growth for 2025.

Mincon continues to focus on transformative opportunities like the Greenhammer collaboration. During 2024 there has been an extensive review of the test results with the Group's rig manufacturer partner. This has led to the refinement of the rig conversion design to more efficiently make use of available power to increase drilling output. The Group is in the process of finalising a 24/7 contract with a major copper mining company in Arizona who provided the test site in 2024. Mincon remains confident in the transformational revenue benefits of the system for the Group and its rig manufacturer partners, as well as the cost reduction opportunities for large mining customers.

The Subsea project is progressing very well, and a consented testing site has been secured for an offshore installation due to be completed at the end of March 2025. The system has been adapted and successfully tested terrestrially to use the Mincon spiral flush casing system for reliable drilling through soft seabed conditions. On successful completion of the offshore demonstration, the product will be well progressed to certification and more importantly a pipeline of revenue opportunities that this solution will bring for Mincon, Subsea Micropiles, and the offshore renewables industry.

Sustainability
Mincon has embraced the challenges around complying with CSRD across the Group for FY2025 reporting. This is being coordinated by a cross functional team supported by strategically chosen outside resources to develop a robust reporting system and demonstrate a genuine commitment to sustainability for Mincon and all its stakeholders. The Group's fourth Environment and Sustainability report will be incorporated within this year's annual report.

Chief Executive's Review:
Joe Purcell said "*2024 has been a tough year for Mincon but I am pleased to report that we see an improved global environment in the year ahead for all our target markets. The weakness we saw at the end of 2023, continued through H1 2024, but with the moderation of global interest rates and a general uptick in business confidence, we did see an increase in activity in H2 2024 which led to a stronger performance, and this improvement has continued into early 2025.*

Our root and branch review has resulted in the closure of our business in Sheffield. This difficult decision was taken due to cost inflation and a lopsided tariff structure in Europe that meant we could not compete with the products which were manufactured there. It should be noted that the closure was not a reflection of the quality and workmanship of the products made at the plant but simply a matter of market dynamics.

As part of the business review process, a high level of discipline around working capital management across the Group has been developed. We will ensure that we maintain and grow this focus in 2025, to positively impact cash management in the continued business uplift we are seeing this year and beyond.

We have faced and come through the significant challenges presented to Mincon in 2024. We have built a strong and resilient business with the discipline and focus to better take advantage of the opportunities ahead. We will continue to work on reducing our own cost inputs while our continuous engineering improvement programme for our product range should contribute to reducing the significant operational cost challenges in our chosen markets.

These important initiatives, in combination with commercialising the ambitious and transformational development projects that we have worked so hard to realise, will set our Group on a growth path that can make a real difference to emissions reduction in the energy intensive rock drilling markets as well as contributing significantly to increased revenue for the Group. With that in mind I would like to thank our global Mincon team as well as our constructive and supportive Board, for all their work in 2024. I have no doubt that there will be challenges ahead but if we face these with the commitment we have demonstrated in the recent period, we will prevail, and I am excited and confident in the future outlook for the business."

10 March 2025

For further information, please contact:

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CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2024

	Notes	2024 Continued Operations €'000	2024 Discontinued Operation Note 9 €'000	2024 Total €'000	2023 Total €'000
Revenue	4	144,361	1,505	145,866	156,931
Cost of sales	6	(104,127)	(1,680)	(105,807)	(111,408)
Gross profit		**40,234**	**(175)**	**40,059**	**45,523**
Operating costs	6	(32,627)	(1,926)	(34,553)	(33,233)
Operating profit		**7,607**	**(2,101)**	**5,506**	**12,290**
Finance costs	7	(2,473)	(18)	(2,491)	(2,472)
Finance income		194	7	201	90
Foreign exchange gain/(loss)		161	(55)	106	(1,001)
Movement on deferred consideration	22	(2)	-	(2)	(3)
Profit before tax		**5,487**	**(2,167)**	**3,320**	**8,904**
Income tax expense	11	(2,095)	541	**(1,554)**	(1,434)
Profit for the period		**3,392**	**(1,626)**	**1,766**	**7,470**
Profit attributable to:					
- owners of the Parent		**3,392**	(1,626)	**1,766**	7,470
Earnings per Ordinary Share					
Basic earnings per share,	20	1.60	(0.77)	0.83	3.52
Diluted earnings per share,	20	1.57	(0.75)	0.82	3.50

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2024

	2024 €'000	2023 €'000
Profit for the year	**1,766**	**7,470**
Other comprehensive income/(loss):		
Items that are or may be reclassified subsequently to profit or loss:		
Foreign currency translation – foreign operations	428	(2,280)
Other comprehensive income/(loss) for the year	428	(2,280)
Total comprehensive income for the year	**2,194**	**5,190**
Total comprehensive income attributable to:		
- owners of the Parent	**2,194**	**5,190**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	Notes	2024 €'000	2023 €'000
Non-Current Assets			
Intangible assets and goodwill	12	40,099	40,625
Property, plant and equipment	13	50,945	54,763
Deferred tax asset	11	2,547	2,664
Total Non-Current Assets		**93,591**	**98,052**
Non-Current Assets Held for Resale	9	**751**	**-**
Current Assets			
Inventory and capital equipment	14	67,335	69,730
Trade and other receivables	15a	24,480	21,616
Prepayments and other current assets	15b	9,773	8,609
Current tax asset		485	1,007
Cash and cash equivalents	22	15,027	20,482
Total Current Assets		**117,100**	**121,444**
Total Assets		**211,442**	**219,496**
Equity			
Ordinary share capital	19	2,125	2,125
Share premium		67,647	67,647
Undenominated capital		39	39
Merger reserve		(17,393)	(17,393)
Share based payment reserve		2,573	2,241
Foreign currency translation reserve		(7,438)	(7,866)
Retained earnings		104,762	107,458
Total Equity		**152,315**	**154,251**
Non-Current Liabilities			
Loans and borrowings	18	23,770	26,032
Deferred tax liability	11	1,535	2,099
Deferred consideration	22	1,641	1,998
Other liabilities		385	932
Total Non-Current Liabilities		**27,331**	**31,061**
Current Liabilities			
Loans and borrowings	18	13,913	14,080
Trade and other payables	16	9,170	10,505
Accrued and other liabilities	16	8,095	8,596
Current tax liability		618	1,003
Total Current Liabilities		**31,796**	**34,184**
Total Liabilities		**59,127**	**65,245**
Total Equity and Liabilities		**211,442**	**219,496**

On behalf of the Board:

Hugh McCullough
Chairman

Joseph Purcell
Chief Executive Officer

10 March 2025

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2024

	Notes	2024 €'000	2023 €'000
Operating activities:			
Profit for the period		**1,766**	**7,470**
Adjustments to reconcile profit to net cash provided by operating activities:			
Depreciation	13	7,913	7,997
Amortisation of intellectual property	12	277	216
Amortisation of internally generated intangible asset	12	485	485
Movement on deferred consideration		2	3
Finance cost	7	2,491	2,472
Finance income		(201)	(90)
(Gain)/loss on sale of property, plant and equipment		760	(100)
Income tax expense	11	1,554	1,434
Other non-cash movements		(353)	1,009
		14,694	20,896
Changes in trade and other receivables		(2,555)	1,694
Changes in prepayments and other assets		147	3,993
Changes in inventory		3,308	5,596
Changes in trade and other payables		(2,457)	(3,613)
Cash provided by operations		13,137	28,566
Interest received		201	90
Interest paid		(2,491)	(2,472)
Income taxes paid		(1,866)	(3,693)
Net cash provided by operating activities		**8,981**	**22,491**
Investing activities			
Purchase of property, plant and equipment	13	(3,609)	(10,201)
Proceeds from the sale of property, plant and equipment	13	328	471
Investment in intangible assets	12	(91)	-
Investment in acquired intangible assets	12	(303)	(158)
Payment of deferred consideration	22	(452)	(1,054)
Net cash used in investing activities		**(4,127)**	**(10,942)**
Financing activities			
Dividends paid	19	(4,462)	(4,461)
Repayment of borrowings	18/24	(5,004)	(5,350)
Repayment of lease liabilities	18/24	(3,058)	(4,194)
Drawdown of loans	18/24	2,210	7,223
Net cash used in financing activities		**(10,314)**	**(6,782)**
Effect of foreign exchange rate changes on cash		5	(224)
Net (decrease)/increase in cash and cash equivalents		**(5,455)**	**4,543**
Cash and cash equivalents at the beginning of the year		20,482	15,939
Cash and cash equivalents at the end of the year		**15,027**	**20,482**
Cash and cash equivalents for discontinued operations (Note 9)		344	-
Cash and cash equivalents for continuing operations		14,683	20,482
Cash and cash equivalents at the end of the year		**15,027**	**20,482**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

	Share capital €'000	Share premium €'000	Merger reserve €'000	Un-denominated capital €'000	Share based payment reserve €'000	Foreign currency translation reserve €'000	Retained earnings €'000	Total equity €'000
Balances at 1 January 2023	**2,125**	**67,647**	**(17,393)**	**39**	**2,505**	**(5,586)**	**104,449**	**153,786**
Comprehensive income:								
Profit for the year	-	-	-	-	-	-	7,470	**7,470**
Other comprehensive (loss):								
Foreign currency translation	-	-	-	-	-	(2,280)	-	**(2,280)**
Total comprehensive income						**(2,280)**	**7,470**	**5,190**
Transactions with Shareholders:								
Issuance of share capital	-	-	-	-	-	-	-	**-**
Share based payments	-	-	-	-	(264)	-	-	**(264)**
Dividends	-	-	-	-	-	-	(4,461)	**(4,461)**
Total transactions with Shareholders	**-**	**-**	**-**	**-**	**(264)**	**-**	**(4,461)**	**(4,725)**
Balances at 31 December 2023	**2,125**	**67,647**	**(17,393)**	**39**	**2,241**	**(7,866)**	**107,458**	**154,251**
Comprehensive income:								
Profit for the year	-	-	-	-	-	-	1,766	**1,766**
Other comprehensive income:								
Foreign currency translation	-	-	-	-	-	428	-	**428**
Total comprehensive income						**428**	1,766	**2,194**
Transactions with Shareholders:								
Issuance of share capital	-	-	-	-	-	-	-	**-**
Share-based payments	-	-	-	-	332	-	-	**332**
Dividends	-	-	-	-	-	-	(4,462)	**(4,462)**
Total transactions with Shareholders	**-**	**-**	**-**	**-**	**332**	**-**	**(4,462)**	**(4,130)**
Balances at 31 December 2024	**2,125**	**67,647**	**(17,393)**	**39**	**2,573**	**(7,438)**	**104,762**	**152,315**

Notes to the Consolidated Financial Statements

1. Description of business

The consolidated financial statements of Mincon Group plc (also referred to as "Mincon" or "the Group") comprises the Company and its subsidiaries (together referred to as "the Group"). The companies registered address is Smithstown Industrial Estate, Smithstown, Shannon, Co. Clare, Ireland.

The Group is an Irish engineering Group, specialising in the design, manufacturing, sale and servicing of rock drilling tools and associated products. Mincon Group Plc is domiciled in Shannon, Ireland.

On 26 November 2013, Mincon Group plc was admitted to trading on the Euronext Growth and the Alternative Investment Market (AIM) of the London Stock Exchange.

2. Basis of preparation

These consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards as adopted by the European Union (IFRS), which comprise standards and interpretations approved by the International Accounting Standards Board (IASB) and endorsed by the EU.

The Group's financial statements consolidate those of the parent company and all of its subsidiaries as of 31 December 2024. All subsidiaries have a reporting date of 31 December.

The accounting policies set out in note 3 have been applied consistently in preparing the Group and Company financial statements for the years ended 31 December 2024 and 31 December 2023.

The Group and Company financial statements are presented in euro, which is the functional currency of the Company and also the presentation currency for the Group's financial reporting. Unless otherwise indicated, the amounts are presented in thousands of euro. These financial statements are prepared on the historical cost basis.

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The judgements, estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results could differ materially from these estimates. The areas involving a high degree of judgement and the areas where estimates and assumptions are critical to the consolidated financial statements are discussed in note 3.

The Directors believe that the Group has adequate resources to continue in operational existence for the foreseeable future and that it is appropriate to continue to prepare our consolidated financial statements on a going concern basis.

3. Material accounting principles and significant accounting estimates and judgements

The accounting principles as set out in the following paragraphs have, unless otherwise stated, been consistently applied to all periods presented in the consolidated financial statements and for all entities included in the consolidated financial statements.

The following new and amended standards are not expected to have a significant impact on the Group's consolidated financial statements:
New Standards adopted as at 1 January 2024

- Liability in a Sale and Leaseback (Amendments to IFRS 16 Leases
- Classification of Liabilities as Current or Non-Current (Amendments to IAS 1 Presentation of Financial Statements)
- Supplier Finance Arrangements (Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures)
- Non-current Liabilities with Covenants (Amendments to IAS 1)

Standards, amendments and Interpretations to existing Standards that are not yet effective and have been not adopted early by the Group

- Lack of Exchangeability (Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates)
- Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)
- Presentation and base disclosure requirements for financial statements (Replacement of IAS 1 with IFRS 18)
- Subsidiaries without Public Accountability: Disclosures (IFRS 19)

3. Material accounting principles and significant accounting estimates and judgements *(continued)*

Segment Reporting
An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, and for which discrete financial information is available. The operating results of the operating segment is reviewed regularly by the Board of Directors, the chief operating decision maker, to make decisions about allocation of resources and also to assess performance.

Results are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). Our CODM has been identified as the Board of Directors.

The Group has determined that it has one reportable segment (see Note 5). The Group is managed as a single business unit that sells drilling equipment, primarily manufactured by Mincon manufacturing sites.

Revenue Recognition
The Group is involved in the sale and servicing of rock drilling tools and associated products. Revenue from the sale of these goods and services to customers is measured at the fair value of the consideration received or receivable (excluding sales taxes). The Group recognises revenue when it transfers control of goods to a customer or has completed a service over a set period (typically one month) for a customer.

The following provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

Customers obtain control of products when one of the following conditions are satisfied:

1. The goods have been picked up by the customer from Mincon's premises;
2. When goods have been shipped by Mincon, the goods are delivered to the customer and have been accepted at their premises; or
3. The customer accepts responsibility of the goods during transit that is in line with international commercial terms.

Where the Group provides a service to a customer, who also purchases Mincon manufactured product from the Group, the revenue associated with this service is separately identified in a set period (typically one month) and is recognised in the Groups revenue as it occurs.

Invoices are generated when the above conditions are satisfied. Invoices are payable within the timeframe as set in agreement with the customer at the point of placing the order of the product or service. Discounts are provided from time-to-time to customers.

Customers may be permitted to return goods where issues are identified with regard to quality of the product. Returned goods are exchanged only for new goods or a credit note. No cash refunds are offered.

Where the customer is permitted to return an item, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Therefore, the amount of revenue recognised is adjusted for expected returns, which are estimated based on the historical data for specific types of product. In these circumstances, a refund liability and a right to recover returned goods asset are recognised.

The Group recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as accruals and other liabilities in its consolidated statement of financial position. Similarly, if the Group satisfies a performance obligation before it receives the consideration, the Group recognises either a contract asset or a receivable in its consolidated statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

The Group has elected to apply IFRS 15 Practical expedient, the Group need not adjust the promised amount of consideration for the effects of a significant financing component if the entity expects, at contract inception, that the period between when the Group transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less.

Government Grants
Amounts recognised in the profit and loss account are presented under the heading Operating Costs on a systematic basis in the periods in which the expenses are recognised, unless the conditions for receiving the grant are met after the related expenses have been recognised. In this case, the grant is recognised when it is receivable. Current government grants have no conditions attached.

3. Material accounting principles and significant accounting estimates and judgements *(continued)*

Operating expenses
Operating expenses are recognised in profit or loss as the service is utilised or incurred.

Earnings per share
Basic earnings per share is calculated based on the profit for the year attributable to owners of the Company and the basic weighted average number of shares outstanding. Diluted earnings per share is calculated based on the profit for the year attributable to owners of the Company and the diluted weighted average number of shares outstanding.

Profit or loss from discontinued operations
A discontinued operation is a component of the Group that either has been disposed of, or is classified as held for sale. A discontinued operation represents a separate major line of the business. Profit or loss from discontinued operations comprises the post-tax profit or loss of discontinued operations and the post-tax gain or loss recognised on the measurement to fair value less costs to sell or on the disposal group(s) constituting the discontinued operation.

Taxation
Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax
Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

Leases
At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16.

3. Material accounting principles and significant accounting estimates and judgements *(continued)*

Leases *(continued)*
(i) As a lessee
At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises 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 right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. 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 Group's incremental borrowing rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources.

The lease liability is measured at amortised 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, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

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.

(ii) As a lessor
At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset.

Short term leases and leases of low-value assets
The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Inventories and capital equipment
Inventories and capital equipment (rigs) are valued at the lower of cost or net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and selling expenses. The cost of inventories is based on the first-in, first-out principle and includes the costs of acquiring inventories and bringing them to their existing location and condition. Inventories manufactured by the Group and work in progress include an appropriate share of production overheads based on normal operating capacity. Inventories are reported net of deductions for obsolescence.

3. Material accounting principles and significant accounting estimates and judgements *(continued)*

Intangible Assets and Goodwill

Goodwill
The Group accounts for acquisitions using the purchase accounting method as outlined in IFRS 3 Business Combinations. Goodwill represents the future economic benefits arising from a business combination that are not individually identified and separately recognised. Goodwill is not amortised and is tested annually.

Intangible assets
Expenditure on research activities is recognised in profit or loss as incurred.

Development expenditure is capitalised only if the Group can demonstrate if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in the profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.

Acquired IP which has been obtained at a cost that can be measured reliably, and that meets the definition and recognition criteria of IAS38, will be accounted for as an intangible asset.

Internally developed intangible assets are recognised post the development phase once the company has assessed the development phase is complete and the asset is ready for use. Internally generated assets have an finite life. They will be amortised over a fifteen year period on a straight line basis. Currently there is twelve years and nine months remaining on the amortisation.

Foreign Currency
Functional and presentation currency
The consolidated financial statements are presented in Euro currency units, which is also the functional currency of the parent company.

Foreign currency transactions and balances
Transactions in foreign currencies (those which are denominated in a currency other than the functional currency) are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the foreign exchange rate at the statement of financial position date. Exchange gains and losses related to trade receivables and payables, other financial assets and payables, and other operating receivables and payables are separately presented on the face of the income statement.

Exchange rate differences on translation to functional currency are reported in profit or loss, except when reported in other comprehensive income for the translation of intra-group receivables from, or liabilities to, a foreign operation that in substance is part of the net investment in the foreign operation.

Exchange rates for major currencies used in the various reporting periods are shown in note 22.

Translation of accounts of foreign entities
The assets and liabilities of foreign entities, including goodwill and fair value adjustments arising on consolidation, are translated to euro at the exchange rates ruling at the reporting date. Revenues, expenses, gains, and losses are translated at average exchange rates, when these approximate the exchange rate for the respective transaction. Foreign exchange differences arising on translation of foreign entities are recognised in other comprehensive income and are accumulated in a separate component of equity as a translation reserve.

On divestment of foreign entities, the accumulated exchange differences, are recycled through profit or loss, increasing or decreasing the profit or loss on divestments.

Business combinations and consolidation
The consolidated financial statements include the financial statements of the Group and all companies in which Mincon Group plc, directly or indirectly, has control. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The consolidated financial statements have been prepared in accordance with the acquisition method.

3. Material accounting principles and significant accounting estimates and judgements *(continued)*

Business combinations and consolidation *(continued)*
According to this method, business combinations are seen as if the Group directly acquires the assets and

assumes the liabilities of the entity acquired. At the acquisition date, i.e., the date on which control is obtained, each identifiable asset acquired, and liability assumed is recognised at its acquisition-date fair value.

Consideration transferred is measured at its fair value. It includes the sum of the acquisition date fair values of the assets transferred, liabilities incurred to the previous owners of the acquiree, and equity interests issued by the Group. Deferred consideration is initially measured at its acquisition-date fair value. Any subsequent change in such fair value is recognised in profit or loss, unless the deferred consideration is classified as equity. In that case, there is no remeasurement and the subsequent settlement is accounted for within equity. Deferred consideration arises in the current year where part payment for an acquisition is deferred to the following year or years.

Transaction costs that the Group incurs in connection with a business combination, such as legal fees, due diligence fees, and other professional and consulting fees are expensed as incurred.

Goodwill is measured as the excess of the fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree, and the fair value of the Group's previously held equity interest in the acquiree (if any) over the net of acquisition-date fair values of the identifiable assets acquired and liabilities assumed. Goodwill is not amortised but tested for impairment at least annually.

Non-controlling interest is initially measured either at fair value or at the non-controlling interest's proportionate share of the fair value of the acquiree's identifiable net assets. This means that goodwill is either recorded in "full" (on the total acquired net assets) or in "part" (only on the Group's share of net assets). The choice of measurement basis is made on an acquisition-by-acquisition basis.

Earnings from the acquirees are reported in the consolidated income statement from the date of control.

Intra-group balances and transactions such as income, expenses and dividends are eliminated in preparing the consolidated financial statements. Profits and losses resulting from intra-group transactions that are recognised in assets, such as inventory, are eliminated in full, but losses are only eliminated to the extent that there is no evidence of impairment.

Property, plant and equipment
Items of property, plant and equipment are carried at cost less accumulated depreciation and impairment losses. Cost of an item of property, plant and equipment comprises the purchase price, import duties, and any cost directly attributable to bringing the asset to its location and condition for use. The Group capitalises costs on initial recognition and on replacement of significant parts of property, plant and equipment, if it is probable that the future economic benefits embodied will flow to the Group and the cost can be measured reliably. All other costs are recognised as an expense in profit or loss when incurred.

Depreciation
Depreciation is calculated based on cost using the straight-line method over the estimated useful life of the asset. The following useful lives are used for depreciation:

	Years
Buildings	20–30
Plant and equipment	3–10

The depreciation methods, useful lives and residual values are reassessed annually. Land is not depreciated.

Right of use assets are depreciated using the straight-line method over the estimated useful life of the asset being the remaining duration of the lease from inception date of the asset. The depreciation methods, useful lives and residual values are reassessed annually.

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss either within other income or other expenses

3. Material accounting principles and significant accounting estimates and judgements *(continued)*

Financial Assets and Liabilities
Classification and initial measurement of financial assets financial liabilities.

Financial assets and liabilities are recognised at fair value when the Group becomes a party to the contractual provisions of the instrument. Purchases and sales of financial assets are accounted for at trade date, which is the day when the Group contractually commits to acquire or dispose of the assets. Trade receivables are recognised once the responsibility associated with control of the product has transferred to the customer. Liabilities are recognised when the other party has performed and there is a contractual obligation to pay. A financial asset and a financial liability are offset and the net amount presented in the statement of financial position when there is a legally enforceable right to set off the recognised amounts and there is an intention to either settle on a net basis or to realise the asset and settle the liability simultaneously.

The classification is determined by both:
• the entity's business model for managing the financial asset, and
• the contractual cash flow characteristics of the financial asset.

Subsequent measurement of financial assets and financial liabilities
Financial assets at amortised cost
Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows, and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

Financial liabilities at amortised cost
Subsequently, financial liabilities are measured at amortised cost using the effective interest method.

Derecognition (fully or partially) of a financial asset occurs when the rights to receive cash flows from the financial instruments expire or are transferred and substantially all of the risks and rewards of ownership have been removed from the Group. Financial assets are assessed at each reporting date. The Group derecognises (fully or partially) a financial liability when the obligation specified in the contract is discharged or otherwise expires.

Impairment of financial assets
Financial assets are assessed from initial recognition and at each reporting date to determine whether there is a requirement for impairment. Financial assets require there expected lifetime losses to be recognised from initial recognition.

IFRS 9's impairment requirements use forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. Instruments within the scope of the requirements included loans and other debt-type financial assets measured at amortised cost, trade and other receivables.

The Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1'); and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category (ie Stage 1) while 'lifetime expected credit losses' are recognised for the second category (ie Stage 2).

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

3. Material accounting principles and significant accounting estimates and judgements *(continued)*

Financial Assets and Liabilities *(continued)*
Trade and other receivables

The Group makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Group assesses impairment of trade and other receivables on a collective basis as they possess shared credit risk characteristics they have been grouped based on the days past due.

Borrowing costs
All borrowing costs are expensed in accordance with the effective interest rate method.

Equity
Shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effect.

Financial instruments carried at fair value: Deferred consideration
Fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. These are set amounts detailed in each contract.

Finance income and expenses
Finance income and expense are included in profit or loss using the effective interest method.

Contingent liabilities
A contingent liability is a possible obligation or a present obligation that arises from past events that is not reported as a liability or provision, as it is not probable that an outflow of resources will be required to settle the obligation or that a sufficiently reliable calculation of the amount cannot be made.

Cash and cash equivalents
Cash and cash equivalents comprise cash balances and call deposits with maturities of three months or less.

Non-current assets and liabilities classified as held for sale and discontinued operations
Non-current assets classified as held for sale are presented separately and measured at the lower of their carrying amounts immediately prior to their classification as held for sale and their fair value less costs to sell. However, some held for sale assets such as financial assets or deferred tax assets, continue to be measured in accordance with the Group's relevant accounting policy for those assets. Once classified as held for sale, the assets are not subject to depreciation or amortisation. Any profit or loss arising from discontinued operation or its remeasurement to fair value less costs to sell is presented in the profit or loss from discontinued operations.

Equity, reserves and dividend payments
Share capital represents the nominal (par) value of shares that have been issued. Share premium includes any premiums received on the issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits.

Retained earnings includes all current and prior period retained profits and share-based employee remuneration.

Dividend distributions payable to equity shareholders are included in other liabilities when the dividends have been approved in a general meeting prior to the reporting date.

Provisions
A provision is recognised in the statement of financial position when the Group has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the outflow can be estimated reliably. The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the reporting date. If the effect of the time value of money is material, the provision is determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

3. Material accounting principles and significant accounting estimates and judgements *(continued)*

Provisions *(continued)*

A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan and the restructuring has either commenced or been announced publicly. Future operating losses are not provided for.

Defined contribution plans
A defined contribution retirement benefit plan is a post-employment benefit plan under which the Group pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution retirement benefit plans are recognised as an employee benefit expense in profit or loss when employees provide services entitling them to the contributions.

Share-based payment transactions
The Group operates a long-term incentive plan which allows the Company to grant Restricted Share Awards ("RSAs") to the Executive Management Team and senior management. All schemes are equity settled arrangements under IFRS 2 Share-based Payment.

The grant-date fair value of share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. It is reversed only where entitlements do not vest because all non-market performance conditions have not been met or where an employee in receipt of share entitlements leaves the Group before the end of the vesting period and forfeits those options in consequence.

Significant accounting estimates and judgements
The preparation of financial statements requires management's judgement and the use of estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. These estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the prevailing circumstances. Actual results may differ from those estimates. The estimates and assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates are recognised in the period in which they are revised and in any future periods affected.

Following are the estimates and judgements which, in the opinion of management, are significant to the underlying amounts included in the financial reports and for which there is a significant risk that future events or new information could entail a change in those estimates or judgements.

Deferred consideration (Note 22)
The deferred consideration payable represents management's best estimate of the fair value of the amounts that will be payable, discounted as appropriate using a market interest rate. The fair value was estimated by assigning probabilities, based on management's current expectations, to the potential pay-out scenarios. The fair value of deferred consideration is primarily dependent on the future performance of the acquired businesses against predetermined targets and on management's current expectations thereof.

Climate-related matters
The long-term consequences of climate changes on financial statements are difficult to predict and require entities to make significant assumptions and develop estimates. Consistent with the prior year, as at 31 December 2024 the Group has not identified significant risks induced by climate changes that could negatively and materially affect the estimates and judgements currently used in the Group's financial statements. Management continuously assesses the impact of climate-related matters.

Goodwill (Note 12)
The initial recognition of goodwill represents management' best estimate of the fair value of the acquired entities value less the identified assets acquired.

During the annual impairment assessment over goodwill, management calculate the recoverable value of the group using their best estimate of the discounted future cash flows of the group. The fair values were estimated using management's current and future projections of the Mincon Group's performance as well as appropriate data inputs and assumptions.

3. Material accounting principles and significant accounting estimates and judgements *(continued)*

Significant accounting estimates and judgements *(continued)*

Useful life and residual values of Intangible Assets (Note 12)
Distinguishing the research and development phase, determining the useful life, and deciding whether the recognition requirements for the capitalisation of development costs of new projects are met all require judgement. These judgements are based on historical experience and various other factors that are believed to be reasonable under the prevailing circumstances.

After capitalisation, management monitors whether the recognition requirements continue to be met and whether there are any indicators that capitalised costs may be impaired.

Trade and other receivables (Note 15)
Trade and other receivables are included in current assets, except for those with maturities more than 12 months after the reporting date, which are classified as non-current assets. The Group estimates the risk that receivables will not be paid and provides for doubtful debts in line with IFRS 9.

The Group applies the simplified approach to providing for expected credit losses (ECL) permitted by IFRS 9 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables and considered at each reporting date. Loss rates are calculated using a “roll rate” method based on the probability of a receivable progressing through successive chains of non-payment to write-off.

Trade receivables are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the company. Where recoveries are made, these are recognised in the Consolidated Income Statement.

4. Revenue

In the following table, revenue is disaggregated between Mincon manufactured product and product that is purchased outside the Group and resold through Mincon distribution channels.

	2024 €’000	2023 €’000
Product revenue:		
Sale of Mincon product	117,418	128,294
Sale of third party product	28,448	28,637
Total revenue	**145,866**	**156,931**

The Group’s revenue disaggregated by primary geographical markets are disclosed in Note 5.

The Group recognised contract liability amounting to €2 million as at 31 December 2024 (2023:€1 million) which represent customer payments received in advance of performance that are expected to be recognised within the next financial year. Contract liability is recorded under Other accruals and other liabilities (Note 16).

5. Operating Segment

The CODM assesses operating segment performance based on operating profit. Segment revenue for the year ended 31 December 2024 of €145.9 million (2023: €156.9 million) is wholly derived from sales to external customers.

Entity-wide disclosures

The business is managed on a worldwide basis but operates manufacturing facilities and sales offices in Ireland, UK, Sweden, Finland, South Africa, Western Australia, the United States and Canada and sales offices in ten other locations including Eastern Australia, South Africa, France, Spain, Namibia, Sweden, Chile and Peru. In presenting information on geography, revenue is based on the geographical location of customers and non-current assets based on the location of these assets.

5. Operating Segment *(continued)*

Revenue by region (by location of customers):

	2024 €'000	2023 €'000
Region:		
Ireland	2,161	1,619
Americas	59,481	66,466
Australasia	17,938	14,344
Europe, Middle East, Africa	66,286	74,502
Total revenue (1)	**145,866**	**156,931**

(1) Total revenue in 2024 includes revenue from discontinued operations.

During 2024, Mincon had sales in the USA of €33.4 million (2023: €38.4 million), Canada of €16.9 million (2023: €15.5) and Australia of €15 million (2023: €12 million), these individually contributed to more than 10% of the entire Group's sales for 2024.

	2024 €'000	2023 €'000
Region:		
Americas	16,088	16,352
Australasia	10,167	11,060
Europe, Middle East, Africa	64,789	67,976
Total non-current assets(1)	**91,044**	**95,388**

(1) Non-current assets exclude deferred tax assets.

During 2024, Mincon held non-current assets (excluding deferred tax assets) in Ireland of €23.2 million (2023: €23.5 million), in the USA of €12.2 million (2023: €11.7 million) these separately contributed to more than 10% of the entire Group's non-current assets (excluding deferred tax assets) for 2024.

	2024 €'000	2023 €'000
Region:		
Americas	4,900	5,883
Australasia	2,041	1,988
Europe, Middle East, Africa	18,855	21,091
Total non-current liabilities(1)	**25,796**	**28,962**

(1) Non-current liabilities exclude deferred tax liabilities.

During 2024, Mincon held non-current liabilities (excluding deferred tax liabilities) in Ireland of €13.6 million (2023: €15.7 million), this contributed to more than 10% of the entire Group's non-current liabilities (excluding deferred tax liabilities) for 2024.

6. Cost of Sales and operating expenses

Included within cost of sales and operating costs were the following major components:

Cost of sales

	2024 €'000	2023 €'000
Raw materials	43,326	46,201
Third party product purchases	22,081	22,194
Employee costs	19,591	20,980
Depreciation (note 13)	5,416	5,387
In bound costs on purchases	3,527	3,200
Energy costs	2,623	2,735
Maintenance of machinery	1,498	1,529
Subcontracting	4,355	4,884
Amortisation of product development	485	485
Other	2,905	3,813
Total cost of sales (1)	**105,807**	**111,408**

(1) Total cost of sales in 2024 includes cost of sales from discontinued operations.

The Group invested approximately €3.8 million on research and development projects in 2024 (2023: €4.1 million) €3.8 million of this has been expensed in the period (2023: €4.1 million).

Operating costs

	2024 €'000	2023 €'000
Employee costs (including Director emoluments)	19,770	19,726
Depreciation (note 13)	2,497	2,610
Amortisation of acquired IP	277	216
Travel	2,068	1,812
Professional costs	2,759	2,425
Administration	2,806	2,938
Marketing	740	791
Legal cost	783	715
Other	2,853	2,000
Total other operating costs (1)	**34,553**	**33,233**

(1) Total other operating costs in 2024 includes other operating costs from discontinued operations.

The Group recognised €92,000 in Government Grants in 2024 (2023: €56,000). These grants differ in structure from country to country, they primarily relate to personnel costs.

7. Finance costs

	2024 €'000	2023 €'000
Interest on lease liabilities	445	698
Interest on loans and borrowings	2,046	1,774
Finance costs (1)	2,491	2,472

(1) Finance costs in 2024 includes finance costs from discontinued operations.

8. Employee information

	2024 €'000	2023 €'000
Wages and salaries – excluding Directors	33,171	34,633
Wages, salaries, fees and retirement benefit – Directors (note 10)	721	725
Social security costs	2,952	3,409
Retirement benefit costs of defined contribution plans	2,185	2,203
Share based payment expense (note 21)	332	(264)
Total employee costs (1)	**39,361**	**40,706**

(1) Total employee costs in 2024 includes employee costs from discontinued operations.

At 31 December 2024, there was €206,000 (2023: €445,000) accrued for and not in paid pension contributions.

The average number of employees was as follows:

	2024 Number	2023 Number
Sales and distribution	123	136
General and administration	75	77
Manufacturing, service and development	332	391
Average number of persons employed	**530**	**604**

Retirement benefit and Other Employee Benefit Plans

The Group operates various defined contribution retirement benefit plans. During the year ended 31 December 2024, the Group recorded €2.2 million (2023: €2.2 million) of expense in connection with these plans.

9. Non-Current Assets Held for Resale and Discontinued Operations

During 2024, Mincon's Group Board of Director made the decision to cease trading of its subsidiary Mincon Carbide in Sheffield UK.

All contracts with customers in Mincon Carbide were fulfilled and all inventory and portion of the property and equipment have been sold. As at 31 December 2024, few employees are still employed to execute outstanding administrative activities. The Group assessed that Mincon Carbide has ceased to be used and thus represents a discontinued operation as at the reporting period.

At 31 December 2024, the property, plant and equipment owned by Mincon Carbide was in the process of being sold to a third party. The sale was completed on 17 January 2025 for a total consideration of £1.8 million (€2.2 million).

As at 31 December 2024, the property, plant and equipment of Mincon Carbide amounting to €751,000 was reclassified to Non-current assets held for resale. This balance is made up of land and buildings of €740,000 and plant & equipment of €11,000 (Note 13). Apart from the property, plant and equipment, no other major classes of assets and liabilities of Mincon Carbide were classified as held for sale.

Cashflows generated by Mincon Carbide for the year ended 31 December 2024 are as follows:

	€'000
Operating activities	137
Investing activities	241
Financing activities	(699)
Opening cash balance	665
Cash flows from discontinued operations	344

10. Statutory and other required disclosures

Operating profit is stated after charging the following amounts:

	2024 €'000	2023 €'000
Directors' remuneration		
Fees	235	234
Wages and salaries	426	432
Retirement benefit contributions	60	59
Total Directors' remuneration	**721**	**725**

Auditor's remuneration

	2024 €'000	2023 €'000
Auditor's remuneration – Fees payable to lead audit firm		
Audit of the Group financial statements	195	188
Audit of the Company financial statements	10	10
Other assurance services	15	15
	220	**213**
Auditor's remuneration – Fees payable to other firms in lead audit firm's network		
Audit services	44	36
Other assurance services	-	-
Tax advisory services	2	2
Total auditor's remuneration	**46**	**38**

11. Income tax

Tax recognised in income statement:

Current tax expense	2024 €'000	2023 €'000
Current year	1,950	1,995
Adjustment for prior years	51	-
Total current tax expense	2,001	1,995
Deferred tax expense		
Origination and reversal of temporary differences	(447)	(561)
Total deferred tax expense	(447)	(561)
Total income tax expense [(1)]	**1,554**	**1,434**

(1) Total income tax expense in 2024 includes income tax from discontinued operations.

A reconciliation of the expected income tax expense is computed by applying the standard Irish tax rate to the profit before tax and the reconciliation to the actual income tax expense is as follows:

	2024 €'000	2023 €'000
Profit before tax	3,320	8,904
Irish standard tax rate (12.5%)	*12.5%*	*12.5%*
Taxes at the Irish standard rate	415	1,113
Foreign income at rates other than the Irish standard rate	226	(462)
Losses created/utilised	40	(61)
Other	873	844
Total income tax expense [(1)]	**1,554**	**1,434**

(1) Total income tax expense in 2024 includes income tax from discontinued operations.

11. Income tax *(continued)*

The Group's net deferred taxation liability was as follows:

	2024 €'000	2023 €'000
Deferred taxation assets:		
Reserves, provisions and tax credits	2,008	2,012
Tax losses and unrealised FX gains	539	652
Total deferred taxation asset	2,547	2,664
Deferred taxation liabilities:		
Property, plant and equipment	(1,535)	(2,099)
Total deferred taxation liabilities	(1,535)	(2,099)
Net deferred taxation asset	1,012	565

The movement in temporary differences during the year were as follows:

1 January 2023 – 31 December 2023	Balance 1 January €'000	Recognised in Profit or Loss €'000	Balance 31 December €'000
Deferred taxation assets:			
Reserves, provisions and tax credits	1,044	968	2,012
Tax losses	1,006	(354)	652
Total deferred taxation asset	2,050	614	2,664
Deferred taxation liabilities:			
Property, plant and equipment	(1,808)	(291)	(2,099)
Profit not yet taxable	(238)	238	-
Total deferred taxation liabilities	(2,046)	(53)	(2,099)
Net deferred taxation liability	4	561	565

1 January 2024 – 31 December 2024	Balance 1 January €'000	Recognised in Profit or Loss €'000	Balance 31 December €'000
Deferred taxation assets:			
Reserves, provisions and tax credits	2,012	(5)	2,007
Tax losses	652	(112)	540
Total deferred taxation asset	2,664	(117)	2,547
Deferred taxation liabilities:			
Property, plant and equipment	(2,099)	564	(1,535)
Total deferred taxation liabilities	(2,099)	564	(1,535)
Net deferred taxation liability	565	447	1,012

Deferred taxation assets have not been recognised in respect of the following items:

	2024 €'000	2023 €'000
Tax losses	3,829	3,789
Total	3,829	3,789

12. Intangible assets and goodwill

	Internally generated intangible asset	Goodwill	Acquired intellectual property	Total
	€'000	€'000	€'000	€'000
Balance at 1 January 2023	**7,150**	**32,328**	**631**	**40,109**
Acquired intellectual property	-	-	1,517	1,517
Amortisation of intellectual property	-	-	(216)	(216)
Amortisation of product development	(485)	-	-	(485)
Translation differences	-	(278)	(22)	(300)
Balance at 31 December 2023	**6,665**	**32,050**	**1,910**	**40,625**
Acquired intellectual property	-	-	394	394
Amortisation of intellectual property	-	-	(277)	(277)
Amortisation of product development	(485)	-	-	(485)
Translation differences	-	(283)	125	(158)
Balance at 31 December 2024	**6,180**	**31,767**	**2,152**	**40,099**

Goodwill relates to the acquisition of the below companies, being the dates that the Group obtained control of these business:

- The remaining 60% of DDS-SA Pty Limited in November 2009
- The 60% acquisition of Omina Supplies in August 2014
- The 65% acquisition of Rotacan in August 2014
- The acquisition of ABC products in August 2014
- The acquisition of Ozmine in January 2015
- The acquisition of Mincon Chile in March 2015
- The acquisition of Mincon Tanzania in March 2015
- The acquisition of Premier in November 2016
- The acquisition of Rockdrill Engineering in November 2016
- The acquisition of PPV in April 2017
- The acquisition of Viqing July 2017
- The acquisition of Driconeq in March 2018
- The acquisition of Pacific Bit of Canada in January 2019
- The acquisition of Lehti Group in January 2020
- The acquisition of Rocdrill in May 2020
- The acquisition of Attakroc in June 2021
- The acquisition of Spartan Drilling Tools in January 2022

The Group accounts for acquisitions using the purchase accounting method as outlined in IFRS 3 *Business Combinations*.

The recoverable amount of goodwill has been assessed based on estimates of fair value less costs of disposal (FVLCD). The FVLCD valuation is calculated on the basis of a discounted cash flow ("DCF") model. The most significant assumptions within the DCF are weighted average cost of capital ("WACC"), tax rates and terminal value assumptions. Goodwill impairment testing did not indicate any impairment during any of the periods being reported. Four sensitivities are applied as part of the analysis considering the effects of changes in:

1) the WACC,
2) the EBITDA margin,
3) the long term growth rate and
4) the level of terminal value capital expenditure.

The sensitivities calculate downside scenarios to assess potential indications of impairments due to changes in key assumptions. The results from the sensitivity analysis did not suggest that goodwill would be impaired when those sensitivities were applied.

12. Intangible assets and goodwill *(continued)*

The carrying amount of the CGU was determined to be lower than its fair value less costs of disposal by €9 million (2023: €5.3 million), giving management headroom and comfort in the above stated impairment assessment.

The key assumptions used in the estimation of the fair value less cost calculation were as follows:

	2024	2023
WACC	13.55%	11.35%
EBITDA margin	17.96%	16.18%
Long term growth rate	2.35%	2.29%
Terminal value capital expenditure	€7.2 million	€9.8 million

The WACC calculation considers market data and data from comparable public companies. Peer group data was especially considered for the beta factor and assumed financing structure (gearing level). The analysis resulted in a discount rate range of 12.5% to 14.6% (2023: 10.15% to 12.55%). This results in a midpoint WACC being used of 13.55% (2023: 11.35%).

The Long term growth rate of 2.35% (2023: 2.30%) applied is based on a weighted average of the long term inflation rates of the countries in which Mincon generates revenues and earnings.

The budgeted EBITDA was based on expectations of future outcomes, taking account for past experience, adjusted for anticipated revenue growth as detailed in managements approved Budget. No EBITDA margin effect is assumed in the terminal value i.e. the budgeted EBITDA margin of 18% for 2027 (2023: 16.20% for 2026) is assumed in the Terminal Value calculation used to arrive at the FVLCD.

Terminal value capital expenditure assumes no balance sheet growth is assumed in the terminal value, capital expenditure is assumed to equal depreciation of €7.2 million (2023: €9.8 million).

The following table shows the amount by which the two assumptions below would need to change to individually for the estimated recoverable amount to be equal to the carrying amount.

	2024	2023
WACC	14.16%	11.63%
Long term growth rate	1.12%	1.73%

13. Property, plant and equipment

	Land & Buildings €'000	Plant & Equipment €'000	ROU Assets €'000	Total €'000
Cost:				
At 1 January 2023	**18,157**	**64,508**	**11,531**	**94,196**
Additions	3,824	6,378	1,013	11,215
Disposals and derecognition of ROU assets	-	(1,734)	(656)	(2,390)
Foreign exchange differences	(337)	(1,029)	(292)	(1,658)
At 31 December 2023	**21,644**	**68,123**	**11,596**	**101,363**
Additions	73	3,536	3,182	6,791
Transfer of Non-Current Assets Held for Re-Sale (Note 9)	(844)	(25)	-	(869)
Disposals and derecognition of ROU assets	-	(5,332)	(192)	(5,524)
Foreign exchange differences	136	783	74	993
At 31 December 2024	**21,009**	**67,085**	**14,660**	**102,754**
Accumulated depreciation:				
At 1 January 2023	**(4,242)**	**(32,187)**	**(4,763)**	**(41,192)**
Charged in year	(648)	(5,144)	(2,205)	(7,997)
Disposals	(10)	1,372	567	1,929
Foreign exchange differences	50	501	109	660
At 31 December 2023	**(4,850)**	**(35,458)**	**(6,292)**	**(46,600)**
Charged in year	(762)	(5,081)	(2,070)	(7,913)
Transfer of Non-Current Assets Held for Re-Sale (Note 9)	104	14	-	118
Disposals	-	2,994	192	3,186
Foreign exchange differences	(62)	(495)	(43)	(600)
At 31 December 2024	**(5,570)**	**(38,026)**	**(8,213)**	**(51,809)**
Carrying amount: 31 December 2024	**15,439**	**29,059**	**6,447**	**50,945**
Carrying amount: 31 December 2023	**16,794**	**32,665**	**5,304**	**54,763**
Carrying amount: 1 January 2023	**13,915**	**32,321**	**6,768**	**53,004**

ROU assets includes Property of €5.5 million (2023: €4.2 million) and Plant and Equipment of €967,000 (2023: €1.1 million).

The depreciation charge for property, plant and equipment is recognised in the following line items in the income statement:

	2024 €'000	2023 €'000
Cost of sales	4,971	4,994
Cost of sales ROU assets	445	393
Operating expenses	872	830
Operating expenses ROU asset	1,625	1,780
Total depreciation charge for property, plant and equipment	7,913	7,997

14. Inventory and capital equipment

	2024 €'000	2023 €'000
Finished goods	44,807	45,953
Work-in-progress	9,309	9,060
Raw materials	13,219	14,717
Total inventory	67,335	69,730

The Group recorded an impairment of €NIL against inventory to take account of net realisable value during the year ended 31 December 2024 (2023: €87,000). Write-downs are included in cost of sales.

15. Trade and other receivables and other current assets

a) Trade and other receivables

	2024 €'000	2023 €'000
Gross receivable	26,165	23,129
Provision for impairment	(1,685)	(1,513)
Net trade and other receivables	24,480	21,616

	Provision for impairment €'000
Balance at 1 January 2024	(1,513)
Decrease in provision arising from prior years receivables impairment	30
Increase in ECL model	(202)
Balance at 31 December 2024	(1,685)

The following table provides the information about the exposure to credit risk and ECL's for trade receivables as at **31 December 2024**.

	Weighted average loss rate %	Gross carrying amount €'000	Loss allowance €'000
Current (not past due)	2%	16,800	374
1-30 days past due	12%	3,825	459
31-60 days past due	19%	1,793	340
61 to 90 days	11%	3,624	389
More than 90 days past due	100%	123	123
Net trade and other receivables		26,165	1,685

The following table provides the information about the exposure to credit risk and ECL's for trade receivables as at **31 December 2023**.

	Weighted average loss rate %	Gross carrying amount €'000	Loss allowance €'000
Current (not past due)	2%	15,924	280
1-30 days past due	9%	3,145	275
31-60 days past due	22%	1,538	345
61 to 90 days	15%	2,250	341
More than 90 days past due	100%	272	272
Net trade and other receivables		23,129	1,513

15. Trade and other receivables and other current assets *(continued)*

b) Prepayments and other current assets

	2024 €'000	2023 €'000
Plant and machinery prepaid and under commission	5,736	6,607
Prepayments and other current assets	4,037	2,002
Prepayments and other current assets	**9,773**	**8,609**

16. Trade creditors, accruals and other liabilities

	2024 €'000	2023 €'000
Trade creditors	9,170	10,505
Total creditors and other payables	**9,170**	**10,505**

	2024 €'000	2023 €'000
VAT	351	664
Social security costs	1,299	1,810
Other accruals and liabilities	6,445	6,122
Total accruals and other liabilities	**8,095**	**8,596**

17. Capital management

The Group's policy is to have a strong capital base in order to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital, as well as the level of dividends to ordinary shareholders.

The Board of Directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowing and the advantages and security afforded by a sound capital position.

The Group monitors capital using a ratio of 'net debt' to equity. Net debt is calculated as total liabilities less cash and cash equivalents (as shown in the statement of financial position).

	2024 €'000	2023 €'000
Total liabilities	(59,127)	(65,245)
Less: cash and cash equivalents	15,027	20,482
Net debt	**(44,100)**	**(44,763)**
Total equity	**152,315**	**154,251**
Net debt to equity ratio	**0.29**	**0.29**

18. Loans and borrowings

	Maturity	2024 €'000	2023 €'000
Bank loans	2025-2036	29,802	32,486
Lease Liabilities	2025-2032	7,881	7,626
Total loans and borrowings		**37,683**	**40,112**
Current		13,913	14,080
Non-current		23,770	26,032

The Group has a number of bank loans and lease liabilities with a mixture of variable and fixed interest rates. The Group has not been in default on any of these debt agreements during any of the periods presented. The loans are secured against the assets for which they have been drawn down for.

The Group has been in compliance with all debt agreements during the periods presented. The loan agreements in Ireland of €12.5 million (2023: €14.5 million) carry restrictive financial covenants. During 2024, the restrictive covenants have been updated to EBITDA to be no less than €12 million at end of 31 December 2024.

Interest rates on current borrowings are at an average rate of 5.51% (2023: 5.12%).

During 2024, the Group availed of the option to enter into overdraft facilities and to draw down loans of €2.2 million (2023: €7.2 million), €1.5 million (2023: €6.9 million) in loans and €650,000 (2023: €300,000) in overdraft facilities.

Loans are repayable in line with their specific terms, the Group has one bullet repayment due in 2026 of €5 million.

Reconciliation of movements of liabilities to cash flows arising from financing activities

	Balance at 1 January 2023 €'000	Arising from acquisition €'000	Cash movements €'000	Non-cash movements €'000	Foreign exchange differences €'000	Balance at 31 December 2023 €'000
Loans and borrowings	**30,848**	-	1,873	-	(235)	**32,486**
Lease liabilities	**11,096**	-	(4,194)	1,018	(294)	**7,626**
Total	**41,944**	**-**	**(2,321)**	**1,018**	**(529)**	**40,112**

	Balance at 1 January 2024 €'000	Arising from acquisition €'000	Cash movements €'000	Non-cash movements €'000	Foreign exchange differences €'000	Balance at 31 December 2024 €'000
Loans and borrowings	**32,486**	-	(2,826)	-	142	**29,802**
Lease liabilities	**7,626**	-	(3,026)	3,219	62	**7,881**
Total	**40,112**	**-**	**(5,852)**	**3,219**	**204**	**37,683**

	2024 Interest rate range	2024 Effective interest rate
Bank loans	1% - 16%	5.30%
Lease Liabilities	1% - 17%	5.81%

	2023 Interest rate range	2023 Effective interest rate
Bank loans	1% - 16%	5%
Lease Liabilities	3% - 17%	5.41%

19. Share capital and reserves

At 31 December 2023

Authorised Share Capital	**Number**	**€000**
Ordinary Shares of €0.01 each	500,000,000	5,000

Allotted, called-up and fully paid up shares	**Number**	**€000**
Ordinary Shares of €0.01 each	212,472,413	2,125

	2024	**2023**
Opening Share Capital	212,472,413	212,472,413
Share Awards vested during year	-	-
Authorised Share Capital	**212,472,413**	**212,472,413**

Share issuances
On 26 November 2013, Mincon Group plc was admitted to trading on the Euronext Growth and the Alternative Investment Market (AIM) of the London Stock Exchange.

Voting rights
The holders of Ordinary Shares have the right to receive notice of and attend and vote at all general meetings of the Company and they are entitled, on a poll or a show of hands, to one vote for every Ordinary Share they hold. Votes at general meetings may be given either personally or by proxy. Subject to the Companies Act and any special rights or restrictions as to voting attached to any shares, on a show of hands every member who (being an individual) is present in person and every proxy and every member (being a corporation) who is present by a representative duly authorised, shall have one vote, so, however, that no individual shall have more than one vote for every share carrying voting rights and on a poll every member present in person or by proxy shall have one vote for every share of which he is the holder.

Dividends
In June 2024, Mincon Group plc paid a final dividend for 2023 of €0.0105 (1.05 cent) per ordinary share (€2.2 million).

In December 2024, Mincon Group plc paid an interim dividend in the amount of €0.0105 (1.05 cent) per ordinary share (€2.2 million total payment), which was paid to shareholders on the register at the close of business on 15 November 2024.

The Directors recommend the payment of a final dividend of €0.0105 (1.05 cent) per share for the year ended 31 December 2024 (31 December 2023: 1.05 cent per share).

Share premium and other reserves
As part of a Group reorganisation of the Company, Mincon Group plc, became the ultimate parent entity of the Group. On 30 August 2013, the Company acquired 100% of the issued share capital in Smithstown Holdings and acquired (directly or indirectly) the shareholdings previously held by Smithstown Holdings in each of its subsidiaries, thereby creating a merger reserve.

20. Earnings per share

Basic earnings per share (EPS) is computed by dividing the profit for the period available to ordinary shareholders by the weighted average number of Ordinary Shares outstanding during the period. Diluted earnings per share is computed by dividing the profit for the period by the weighted average number of Ordinary Shares outstanding and, when dilutive, adjusted for the effect of all potentially dilutive shares. The following table sets forth the computation for basic and diluted net profit per share for the years ended 31 December:

20. Earnings per share *(continued)*

	2024	2023
Numerator (amounts in €'000):		
Profit attributable to owners of the Parent	1,766	7,470
Denominator (Number):		
Basic shares outstanding	212,472,413	212,472,413
Restricted share awards	3,640,000	830,000
Diluted weighted average shares outstanding	216,112,414	213,302,413
Earnings per Ordinary Share		
Basic earnings per share, €	0.83	3.52
Diluted earnings per share, €	0.82	3.50

Earnings per Ordinary Share	**2024 Continued Operations**	**2024 Discontinued Operation**	**2024 Total**	**2023 Total**
Profit attributable to owners of the Parent	3,392	(1,626)	1,766	7,470
Basic earnings per share, €	1.60	(0.77)	0.83	3.52
Diluted earnings per share, €	1.57	(0.75)	0.82	3.50

21. Share based payment

The vesting conditions of the scheme state that the minimum growth in EPS shall be CPI plus 5% per annum, compounded annually, over the relevant three accounting years up to the share award of 100% of the participants basic salary. Where awards have been granted to a participant in excess of 100% of their basic salary, the performance condition for the element that is in excess of 100% of basic salary is that the minimum growth in EPS shall be CPI plus 10% per annum, compounded annually, over the three accounting years.

Reconciliation of outstanding share options	**Number of Awards in thousands 2024**	**Number of Awards in thousands 2023**
Outstanding on 1 January	**830**	**-**
Forfeited during the year	(50)	(40)
Exercised during the year	-	-
Granted during the year	-	870
Outstanding at 31 December	**780**	**830**

Reconciliation of outstanding share awards	**Number of Options in thousands 2024**	**Number of Options in thousands 2023**
Outstanding on 1 January	**-**	**2,030**
Forfeited during the year	-	(2,030)
Exercised during the year	-	-
Granted during the year	2,860	-
Outstanding at 31 December	**2,860**	**-**

21. Share based payment *(continued)*

LTIP Scheme	**Conditional Award at Grant Date**
Conditional Option Invitation date	April 2024
Year of Potential vesting	2027/2031
Share price at grant date	€0.52
Exercise price per share/share options	€0.52
Expected Volatility	40.67%
Expected life	7 years
Risk free rate	2.29%
Expected dividend yield	3.32%
Fair value at grant date	€0.16
Valuation model	Black & Scholes Model

The expected volatility was based on the standard deviation of the Company's historical price returns (weekly observations) over a period corresponding to the expected life of the options.

22. Financial risk management

The Group is exposed to various financial risks arising in the normal course of business. Its financial risk exposures are predominantly related to changes in foreign currency exchange rates and interest rates, as well as the creditworthiness of our counterparties.

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

a) Liquidity and capital
The Group defines liquid resources as the total of its cash, cash equivalents and short term deposits. Capital is defined as the Group's shareholders' equity and borrowings.

The Group's objectives when managing its liquid resources are:

- To maintain adequate liquid resources to fund its ongoing operations and safeguard its ability to continue as a going concern, so that it can continue to create value for investors;
- To have available the necessary financial resources to allow it to invest in areas that may create value for shareholders; and
- To maintain sufficient financial resources to mitigate against risks and unforeseen events.

Liquid and capital resources are monitored on the basis of the total amount of such resources available and the Group's anticipated requirements for the foreseeable future. The Group's liquid resources and shareholders' equity as at 31 December 2024 and 31 December 2023 were as follows:

	2024	**2023**
	€'000	**€'000**
Cash and cash equivalents	15,027	20,482
Loans and borrowings	37,683	40,112
Shareholders' equity	152,315	154,251

22. Financial risk management *(continued)*

a) Liquidity and capital *(continued)*

The Group frequently assess its liquidity requirements, together with this requirement and the rate return of long term euro deposits, the Group has decided to keep all cash readily available that is accessible within a month or less. Cash at bank earns interest at floating rates based on daily bank deposits. The fair value of cash and cash equivalents equals the carrying amount.

Cash and cash equivalents are held by major Irish, European, United States, Canadian and Australian institutions with credit rating of A3 or better. The Company deposits cash with individual institutions to avoid concentration of risk with any one counterparty. The Group has also engaged the services of a depository to ensure the security of the cash assets.

Risk of counterparty default arising on cash and cash equivalents and derivative financial instruments is controlled by dealing with high-quality institutions and by policy, limiting the amount of credit exposure to any one bank or institution.

At year-end, the Group's total cash and cash equivalents were held in the following jurisdictions:

	31 December 2024 €'000	31 December 2023 €'000
Ireland	666	2,088
Americas	4,471	3,517
Australasia	1,098	657
Europe, Middle East, Africa	8,792	14,220
Total cash, cash equivalents and short term deposits	15,027	20,482

There are currently no restrictions that would have a material adverse impact on the Group in relation to the intercompany transfer of cash held by its foreign subsidiaries. The Group continually evaluates its liquidity requirements, capital needs and availability of resources in view of, among other things, alternative uses of capital, the cost of debt and equity capital and estimated future operating cash flow.

In the normal course of business, the Group may investigate, evaluate, discuss and engage in future company or product acquisitions, capital expenditures, investments and other business opportunities. In the event of any future acquisitions, capital expenditures, investments or other business opportunities, the Group may consider using available cash or raising additional capital, including the issuance of additional debt. The maturity of the contractual undiscounted cash flows (including estimated future interest payments on debt) of the Group's financial liabilities as at 31 December were as follows:

	Total Current Value of Cash Flows €'000	Total Undiscounted contractual Cash Flows €'000	Less than 1 Year €'000	1-3 Years €'000	3-5 Years €'000	More than 5 Years €'000
At 31 December 2023:						
Deferred consideration	1,998	2,045	442	1,603	-	-
Loans and borrowings	32,486	33,124	11,212	6,738	14,520	654
Lease liabilities	7,626	7,769	2,869	3,061	963	876
Trade and other payables	10,505	10,505	10,505	-	-	-
Accrued and other financial liabilities	8,596	8,596	8,596	-	-	-
Total at 31 December 2023	61,211	62,039	33,624	11,402	15,483	1,530
At 31 December 2024:						
Deferred consideration	1,641	1,670	680	495	495	-
Loans and borrowings	29,802	30,357	11,295	13,358	4,950	754
Lease liabilities	7,881	8,039	2,617	2,998	1,825	599
Trade and other payables	9,170	9,170	9,170	-	-	-
Accrued and other financial liabilities	8,095	8,095	8,095	-	-	-
Total at 31 December 2024	56,589	57,331	31,857	16,851	7,270	1,353

22. Financial risk management *(continued)*

b) Foreign currency risk

The Group is a multinational business operating in a number of countries and the euro is the presentation currency. The Group, however, does have revenues, costs, assets and liabilities denominated in currencies other than euro.

Transactions in foreign currencies are recorded at the exchange rate prevailing at the date of the transaction. The resulting monetary assets and liabilities are translated into the appropriate functional currency at exchange rates prevailing at the reporting date and the resulting gains and losses are recognised in the income statement. The Group manages some of its transaction exposure by matching cash inflows and outflows of the same currencies. The Group does not engage in hedging transactions and therefore any movements in the primary transactional currencies will impact profitability. The Group continues to monitor the appropriateness of this policy.

Foreign currency denominated financial assets and liabilities which expose the Group to currency risk are disclosed below. The amounts shown are those reported to key management translated into EURO at the closing rate:

	Short-term exposure			Long-term debt		
	USD	SEK	ZAR	USD	SEK	ZAR
	€'000	€'000	€'000	€'000	€'000	€'000
At 31 December 2024:						
Financial assets	28,004	11,370	10,196	-	-	-
Financial liabilities	(3,054)	(1,880)	(1,119)	(2,645)	(642)	(333)
Total Exposure	24,950	9,490	9,077	(2,645)	(642)	(333)
At 31 December 2023:						
Financial assets	27,756	13,387	9,675	-	-	-
Financial liabilities	(3,666)	(2,235)	(1,386)	(3,010)	(892)	(764)
Total Exposure	24,090	11,152	8,289	(3,010)	(892)	(764)

The following table illustrates the sensitivity of profit and equity in relating to the Group's financial assets and financial liabilities and the USD/EUR exchange rate, SEK/EUR exchange rate and ZAR/EUR exchange rate 'all other things being equal'.

It assumes a +/- 3% change of the EUR/USD exchange rate for the year ended as at 31 December 2024 (2023: 1%).

A +/- 1% change is considered for the EUR/SEK exchange rate (2023: 2%).

It assumes a +/- 2% change of the EUR/ZAR exchange rate for the year ended as at 31 December 2024 (2023: 8%).

Both of these percentages have been determined based on the average market volatility in exchange rates in the previous twelve months.

	Profit for the year			Equity		
	USD	SEK	ZAR	USD	SEK	ZAR
	€'000	€'000	€'000	€'000	€'000	€'000
31 December 2024	(34)	19	12	566	243	210
31 December 2023	(10)	34	54	194	499	722

	Profit for the year			Equity		
	USD	SEK	ZAR	USD	SEK	ZAR
	€'000	€'000	€'000	€'000	€'000	€'000
31 December 2024	36	(19)	(12)	(601)	(248)	(219)
31 December 2023	10	(36)	(64)	(198)	(519)	(847)

22. Financial risk management *(continued)*

b) Foreign currency risk

The Group has material subsidiaries with a functional currency other than the euro, such as US dollar, Australian dollar, South African rand, and Swedish krona. Changes in the exchange rate year on year between the reporting currencies of these operations and the Euro, have an impact on the Group’s consolidated reported result.

The Group's worldwide presence creates currency volatility, as reported in the Group's results, when compared year on year. During 2024, the currencies that the Group trades with were volatile due to local economic performances and geopolitical issues. As a result, all major currencies that we trade in weekend against the euro in 2024.

In 2024, 57% (2023: 56%) of Mincon’s revenue €146 million (2023: €157 million) was generated in AUD, SEK and USD. The majority of the Group’s manufacturing base has a euro, US dollar or Swedish Krona cost base. While management makes every effort to reduce the impact of this currency volatility, it is impossible to eliminate or significantly reduce given the fact that the highest grades of our key raw materials are either not available or not denominated in these markets and currencies. Additionally, the ability to increase prices for our products in these jurisdictions is limited by the current market factors.

The Group is also exposed to foreign currency risk on its liquid resources (cash) as shown in the table below.

	2024		2023	
Currency	**Amount in Local currency ’000**	**Euro (€) equivalent ’000**	**Local currency amount ’000**	**Euro(€) equivalent €’000**
US Dollar	USD3,300	3,200	USD4,200	3,800
Swedish Krona	SEK32,600	2,800	SEK38,800	3,500
Canadian Dollar	CAD2,900	1,900	CAD1,400	973
South African Rand	ZAR18,300	934	ZAR21,500	1,100

The Euro exchange rates used by the Group in 2024 and 2023 are as follows:

	2024		2023	
Euro exchange rates	**Closing**	**Average**	**Closing**	**Average**
US Dollar	1.04	1.08	1.10	1.08
Australian Dollar	1.67	1.64	1.62	1.63
South African Rand	19.55	19.81	20.18	19.94
Swedish Krona	11.46	11.43	11.13	11.47

c) Credit risk

Credit risk is the risk that the possibility that the Group’s customers may experience financial difficulty and be unable to meet their obligations. The Group monitors its collection experience on a monthly basis and ensures that a stringent policy is adopted to provide for all past due amounts. The majority of the Group’s customers are third party distributors and end users of drilling tools and equipment.

Credit risk management

The credit risk is managed on a group basis based on the Group’s credit risk management policies and procedures.

The credit risk in respect of cash balances held with banks and deposits with banks are managed via diversification of bank deposits, and are only with major reputable financial institutions.

The Group continuously monitors the credit quality of customers. Where available, external credit ratings and/or reports on customers are obtained and used. The credit terms range between 30 and 90 days. The credit terms for customers as negotiated with customers are subject to an internal approval. The ongoing credit risk is managed through regular review of ageing analysis.

Trade receivables consist of a large number of customers in various industries and geographical areas.

22. Financial risk management *(continued)*

c) Credit risk *(continued)*

Trade receivables and contract assets

The Group applies the IFRS 9 simplified model of recognising lifetime expected credit losses for all trade receivables as these items do not have a significant financing component.

In measuring the expected credit losses, the trade receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due and also according to the geographical location of customers.

Trade receivables are written off (i.e. derecognised) when there is no reasonable expectation of recovery. Failure to make payments within 180 days from the invoice date and failure to engage with the Group on alternative payment arrangement amongst other is considered indicators of no reasonable expectation of recovery.
The closing balance of the trade receivables loss allowance as at 31 December 2024 reconciles with the trade receivables loss allowance opening balance as follows:

	Trade receivables
	€'000
Opening loss allowance as at 1 January 2023	**1,103**
Loss allowance recognised during the year	**410**
Loss allowance as at 31 December 2023	**1,513**
Loss allowance recognised during the year	**172**
Loss allowance as at 31 December 2024	**1,685**

Expected credit loss assessment
The Group allocates each exposure to a credit risk grade based on data that is determined to be predictive of the risk of loss and applying experienced credit judgement. Credit risk grades are defined using quantitative factors that are indicative of the risk of default and are aligned to past experiences. Loss rates are based on accrual credit loss experience over the past five years.(Note 15)

The maximum exposure to credit risk for trade and other receivables at 31 December 2024 and 31 December 2023 by geographic region was as follows:

	2024	2023
	€'000	€'000
Americas	8,617	8,704
Australasia	1,957	1,900
Europe, Middle East, Africa	13,906	11,012
Total amounts owed	**24,480**	**21,616**

d) Interest rate risk

Interest Rate Risk on financial liabilities
Interest rates continued to increase during 2024, while not at the rate in 2023 we still could see the impact due to the various fixed loans that we entered into in 2024. While the variable rates decreased from Q3 2024 onwards, there was little movement in the income statement compared to 2023.

Interest Rate Risk on cash and cash equivalents
Our exposure to interest rate risk on cash and cash equivalents is actively monitored and managed, the rate risk on cash and cash equivalents is not considered material to the Group

22. Financial risk management *(continued)*

e) Fair values

Fair value is the amount at which a financial instrument could be exchanged in an arms-length transaction between informed and willing parties, other than in a forced or liquidation sale. The contractual amounts payable less impairment provision of trade receivables, trade payables and other accrued liabilities approximate to their fair values.

Financial assets and financial liabilities measured at fair value in the consolidated statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

• Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
• Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
• Level 3: unobservable inputs for the asset or liability.

Mincon Group plc only apply level 3 for fair value, using the detail displayed above.

Deferred consideration
The movements in respect of the deferred consideration value in the year to 31 December 2024 are as follows:

	Level 3
	€'000
Balance at 1 January 2024	**1,998**
Arising on acquisition	-
Cash payment	(452)
Foreign currency translation adjustment	93
Unwinding of discount on deferred consideration	2
Balance at 31 December 2024	**1,641**

Deferred consideration includes multiple deferred payments for prior acquisitions over a fixed period of time. These carry no significant observational inputs.

23. Subsidiary undertakings

At 31 December 2024, the Group had the following subsidiary undertakings:

Company	Group Share %*	Registered Office & Country of Incorporation
Mincon International Limited Manufacturer of rock drilling equipment	100%	Smithstown, Shannon, Co. Clare, Ireland
Mincon Rockdrills PTY Ltd Manufacturer of rock drilling equipment	100%	8 Fargo Way, Welshpool, WA 6106, Australia
1676427 Ontario Inc. (Operating as Mincon Canada) Manufacturer of rock drilling equipment	100%	400B Kirkpatrick Street, North Bay, Ontario, P1B 8G5, Canada
Mincon Carbide Ltd Manufacturer of tungsten carbide Note 9	100%	Windsor St, Sheffield S4 7WB, United Kingdom
Mincon Inc. Sales company	100%	109 Norfolk Ave SW,Suite 3, Roanoke, VA 24011, USA
Mincon Sweden AB Sales company	100%	Industrivagen 2-4, 61202 Finspang, Sweden
Mincon Nordic OY Sales company	100%	Menotie 1, 33470 YLÖJÄRVI, Pirkanmaa Finland.
Mincon Holdings Southern Africa (Pty) Sales company	100%	Cnr. Harriet Ave. & James Bright Ave. Driehoek, Gauteng, RSA
Mincon Australia Pty Ltd Sales company	100%	2/57 Alexandra Street, North Rockhampton, Queensland, 4701 Australia
Mincon West Africa SL Sales company	100%	Calle Adolfo Alonso Fernández, s/n, Parcela P-16, Zona Franca de Gran Canaria, Puerto de la Luz, Código Postal 35008, Las Palmas de Gran Canaria, Spain
Mincon Poland Dormant company	100%	ul.Mickiewicza 32, 32-050 Skawina, Poland
Mincon Canada – Western Service Centre (previously Pacific Bit of Canada) Sales company	100%	3568-191 Street, Unit 101, Surrey BC, V3Z 0P6, Canada

23. Subsidiary undertakings *(continued)*

Company	Group Share %*	Registered Office & Country of Incorporation
Mincon Rockdrills Ghana Limited Dormant company	100%	C1, Alfesco Estate, Okpoi Gonno, Accra, Ghana. GZ-190-5540
Mincon S.A.C. Sales company	100%	Calle La Arboleda 151, Dpto 201, La Planicie, La Molina, Peru
Ozmine International Pty Limited Dormant company	100%	Gidgegannup, WA 6083, Australia
Mincon Chile Sales company	100%	Américo Vespucio 1385, Módulo 31 Quilicura, Santiago, Chile
Mincon Namibia Pty Ltd Sales company	100%	Unit 402, 4th Floor, Frans Indongo Gardens, Dr FA Indongo Street, Windhoek, Naminia
Mincon Mining Equipment Inc Sales company	100%	808 Nelson Street, Suite 1008, Vancouver, BC V6Z 2H2
Mincon Exports USA Inc. Group finance company	100%	109 Norfolk Ave SW,Suite 3, Roanoke, VA 24011, USA
Mincon International Shannon Dormant company	100%	Smithstown, Shannon, Co. Clare, Ireland
Smithstown Holdings Holding company	100%	Smithstown, Shannon, Co. Clare, Ireland
Mincon Canada Drilling Products Inc. Holding company	100%	400 Kirkpatrick St, North Bay, ON P1B 8655
MGP Investments Limited Holding Company	100%	Smithstown, Shannon, Co. Clare, Ireland
Lotusglade Limited Holding company	100%	Smithstown, Shannon, Co. Clare, Ireland
Floralglade Company Holding company	100%	Smithstown, Shannon, Co. Clare, Ireland
Spartan Drilling Tools Manufacturing facility	100%	1882 US HWY 6 & 50 Fruita, CO 81521, USA

23. Subsidiary undertakings *(continued)*

Company	Group Share %*	Registered Office & Country of Incorporation
Castle Heat Treatment Limited Holding company	100%	Smithstown, Shannon, Co. Clare, Ireland
Mincon Microcare Limited Holding company	100%	Smithstown, Shannon, Co. Clare, Ireland
Driconeq AB Holding company	100%	Svetsarevägen 4, 686 33, Sunne, Sweden
Driconeq Production AB Manufacturing facility	100%	Svetsarevägen 4, 686 33, Sunne, Sweden
Driconeq Fastighet AB Property holding company	100%	Svetsarevägen 4, 686 33, Sunne, Sweden
Driconeq Do Brasil Dormant company	100%	Rua Dr. Ramiro De Araujo Filho, 348, Jundai, SP, Brasil
Mincon South Africa Manufacturing facility	100%	Cnr of Harriet and James Bright Avenue, Driehoek. Germiston 1400, RSA
Driconeq Australia Holdings Pty Ltd Holding company	100%	Welshpool, WA 6106, Australia
Driconeq Australia Pty Ltd Manufacturing facility	100%	Welshpool, WA 6106, Australia
Mincon Drill String AB Holding company	100%	Svetsarevägen 4, 686 33, Sunne, Sweden
EURL Roc Drill Sales company	100%	3 Rue Charles Rolland, 29650 Guerlesquin, France
Attakroc Inc Sales company	100%	6330-300, Zéphirin-Paquet, Quebec, QC G2C 0M2
Mincon Quebec Holding company	100%	3000-1 Place Ville-Marie, Montreal, Quebec, H3B 4N8

*All shares held are ordinary shares.

24. Leases

A. Leases as Lessees (IFRS 16)

The Group leases property, plant and equipment across its global operations.

Mincon Group PLC has elected to apply the practical expedient allowed under IFRS 16 for short-term leases by class of underlying asset to which the right of use relates. A class of underlying asset is a grouping of underlying assets of a similar nature and use in an entity's operations. The class of underlying assets this applies to short term leases of office equipment.

Information about leases for which the Group is a lessee is presented below.

i) Right-of-use assets

	31 December 2023
	€'000
Balance at 1 January 2023	6,768
Depreciation charge for the year	(2,205)
Additions to right of use assets	1,013
Disposal of right of use asset	(89)
Foreign exchange difference	(183)
Balance at 31 December 2023	**5,304**

	31 December 2024
	€'000
Balance at 1 January 2024	5,304
Depreciation charge for the year	(2,070)
Additions to right of use assets	3,182
Disposal of right of use asset	(192)
Foreign exchange difference	223
Balance at 31 December 2024	**6,447**

ii) Amounts recognised in income statement.

	2024	**2023**
	€'000	**€'000**
Interest on lease liabilities	445	698
Expenses related to short term leases	4	5
Leases under IFRS 16	449	703

iii) Amounts recognised in statement of cash flows

	2024	**2023**
	€'000	**€'000**
Total cash outflow for leases	3,058	4,194
Total cash outflow of leases	**3,058**	**4,194**

24. Leases *(continued)*

A. Leases as Lessees (IFRS 16) *(continued)*

iv) Extension options

Some property leases contain extension options exercisable by the Group. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group is reasonably certain it will not incur future lease liabilities beyond what is currently calculated.

The following table sets out a maturity analysis of lease liabilities, showing the undiscounted lease payments to be paid after the reporting date.

	31 December 2024 €'000
Less than one year	2,010
One to two years	2,530
Two to five years	1,763
More than 5 years	580
Total	**6,883**

	31 December 2023 €'000
Less than one year	2,068
One to two years	2,042
Two to five years	788
More than 5 years	850
Total	**5,748**

B. Leases as Lessor (IFRS 16)

i) Financing Lease

The Group subleased a properties that had been recognised as a right of use asset in Finland and Australia. The Group recognised income interest in the year in relation to this totalling €10,000 (2023: €132,000).

The Group manages the risk to retain the right to the assets as they have a right to inspect the property, the right to enforce the contractual arrangement with the lessee and the right to perform maintenance.

The following table sets out a maturity analysis of lease receivable, showing the undiscounted lease payments to be received after the reporting date.

	31 December 2024 €'000	31 December 2023 €'000
Less than one year	-	11
Balance at 31 December	**-**	**11**
Unearned finance income	-	-
Total undiscounted lease receivable	**-**	**11**

ii) Operating leases

The group leases company owned property out to tenants in the USA under various agreements. The group recognises these leases as operating leases from a lessor perspective due to the fact they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

Rental income recognised by the Group during 2024 was €133,000 (2023: €120,000).

24. Leases *(continued)*

B. Leases as Lessor (IFRS 16)

i) Operating leases *(continued)*

The following table sets out a maturity analysis of lease receivable, showing the undiscounted lease payments to be received after the reporting date.

	31 December 2024 €'000
Less than one year	32
One to two years	68
Two to three years	36
Total	**136**

	31 December 2023 €'000
Less than one year	73
One to two years	30
Two to three years	32
Total	**135**

25. Commitments

The following capital commitments for the purchase of property, plant and equipment had been authorised by the Directors as at 31 December 2024:

	31 December 2024 €'000	31 December 2023 €'000
Contracted for	2,017	1,585
Not-contracted for	-	-
Total	2,017	1,585

26. Litigation

The Group is not involved in legal proceedings that could have a material adverse effect on its results or financial position.

27. Related parties

As at 31 December 2024, the share capital of Mincon Group plc was 56.32% owned by Kingbell Company which is ultimately controlled by Patrick Purcell and members of the Purcell family. Patrick Purcell is also a Director of the Company.

In June 2024, the Group paid a final dividend for 2023 of €0.0105 to all shareholders. The total dividend paid to Kingbell Company was €1,256,477.

In December 2024, the Group paid an interim dividend for 2024 of €0.0105 to all shareholders. The total dividend paid to Kingbell Company was €1,256,477 (December 2023: €1,256,477).

The Group has a related party relationship with its subsidiary undertakings (see note 23) for a list of these undertakings), Directors and officers. All transactions with subsidiaries eliminate on consolidation and are not disclosed.

27. Related parties *(continued)*

Transactions with Directors
The Group is owed €Nil from Directors and shareholders at 31 December 2024 and 2023. The Group has amounts owing to Directors of €Nil as at 31 December 2023 and 2024.

Key management compensation
The profit before tax from continuing operations has been arrived at after charging the following key management compensation:

	2024	2023
	€'000	€'000
Short term employee benefits	1,430	1,616
Bonus and other emoluments	16	24
Post-employment contributions	128	156
Social security costs	101	117
Share based payment charged in the year	26	(160)
Total	**1,701**	**1,753**

The key management compensation amounts disclosed above represent compensation to those people having the authority and responsibility for planning, directing and controlling the activities of the Group, which comprises the Board of Directors and executive management (twelve in total at year end). Amounts included above are time weighted for the period of the individuals employment.

28. Events after the reporting date

The Board of Mincon Group plc is recommending the payment of a final dividend for the year ended 31 December 2024 in the amount of €0.0105 (1.05 cent) per ordinary share, which will be subject to approval at the Annual General Meeting of the Company in May 2025. Subject to Shareholder approval at the Company's annual general meeting, the final dividend will be paid on 13 June 2025 to Shareholders on the register at the close of business on 23 May 2025.

At 31 December 2024, the property, plant and equipment owned by Mincon Carbide was in the process of being sold to a third party. The sale was completed on 17 January 2025 for a total consideration of £1.8 million (€2.2 million).

29. Approval of financial statements

The Board of Directors approved the consolidated financial statements on 10 March 2025.