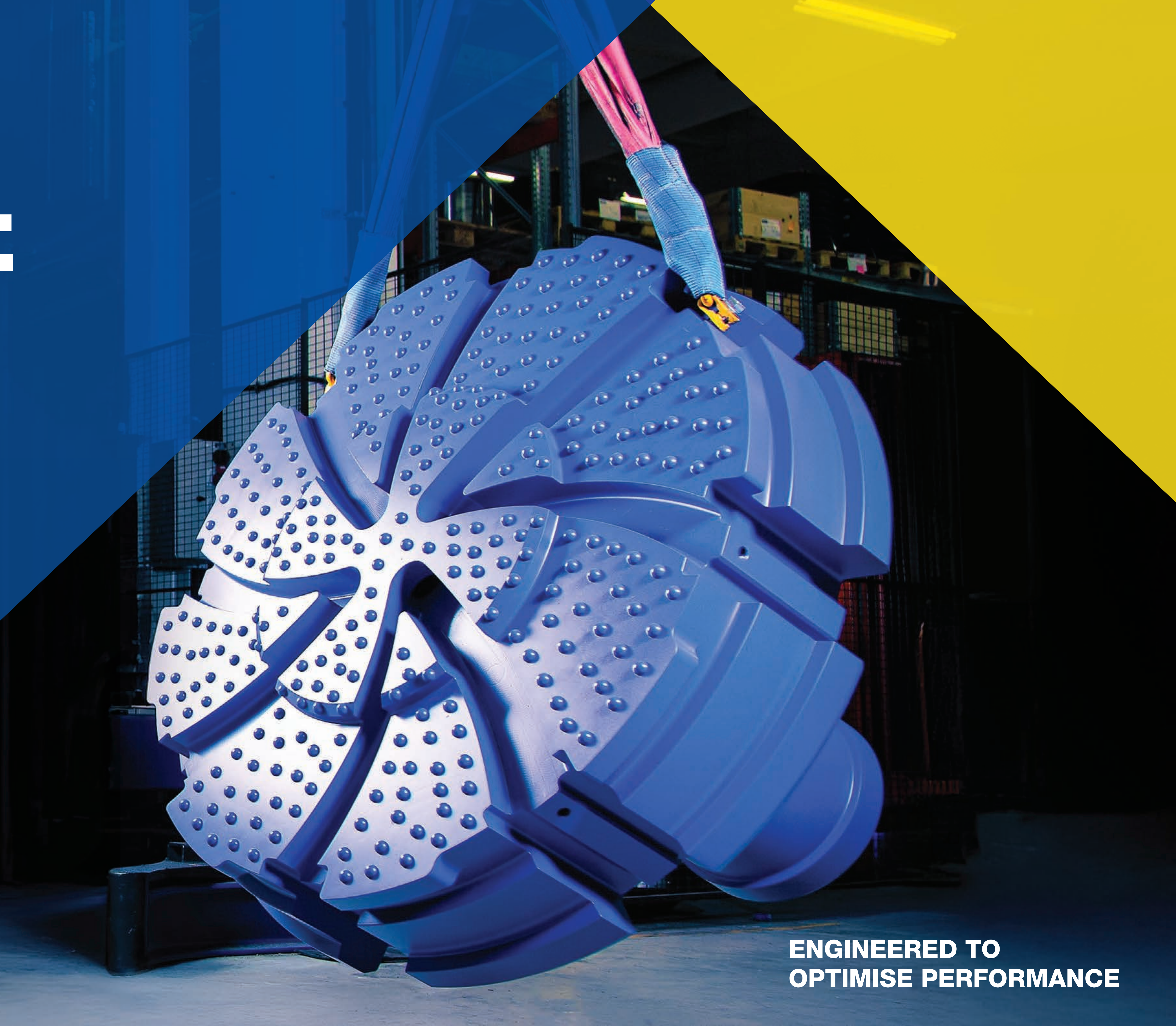
The Driller's Choice

ANNUAL REPORT 2024



ENGINEERED TO OPTIMISE PERFORMANCE

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CORPORATE PROFILE

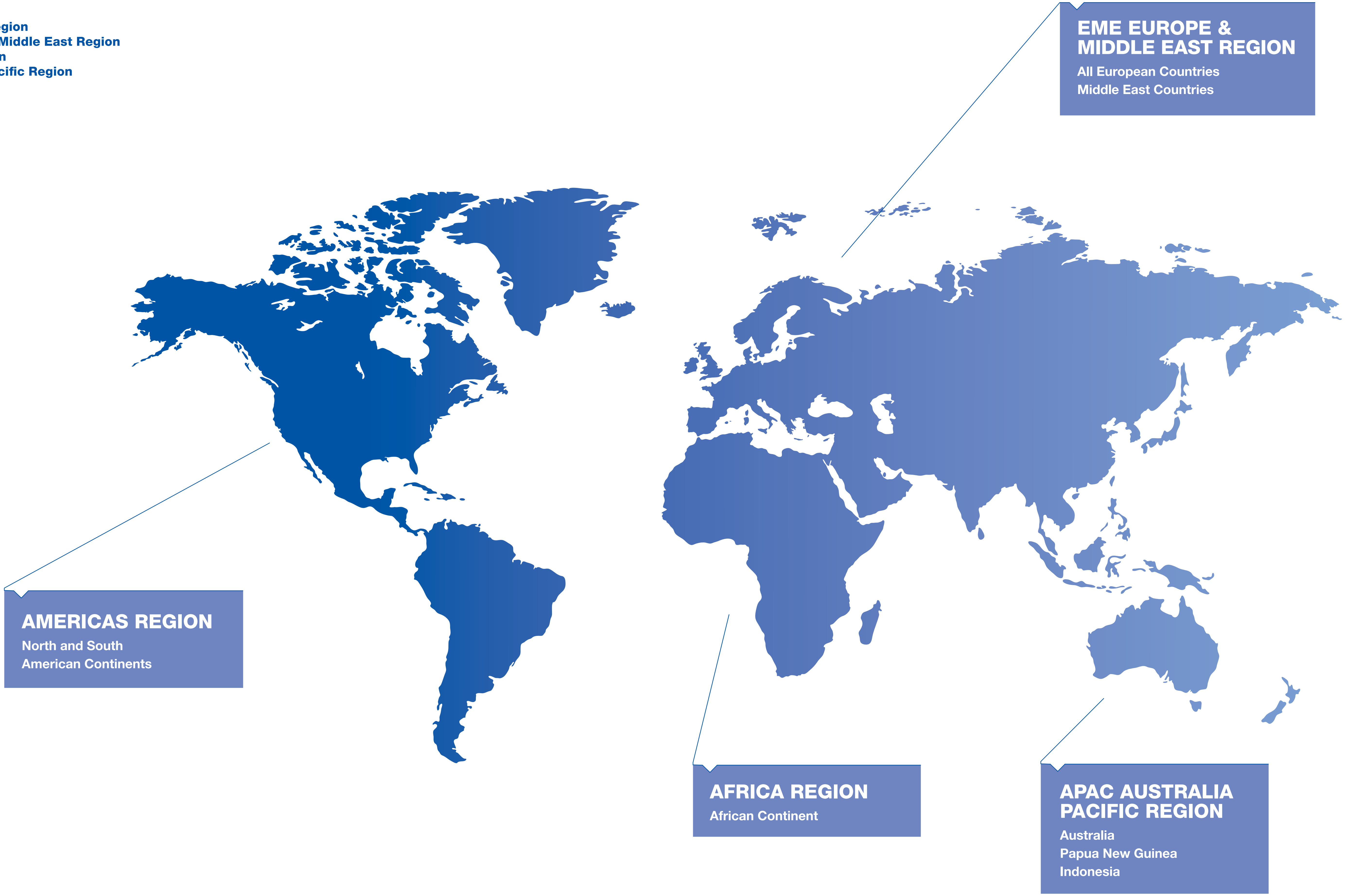
Mincon Group Plc ("Mincon" "the Company" or "the Group") is an Irish engineering group whose shares trade on the AIM market of the London Stock Exchange and the Euronext Growth Market.

Mincon specialises in the design, manufacture, sale and servicing of rock drilling tools and associated products. The Group's strategy is to increase its share of the global rock-drilling consumables market through organic growth and acquisitions. Its manufacturing facilities are located in Ireland, Finland, the USA, South Africa, Canada, Sweden and Australia. The Group also maintains a network of sales and distribution companies in a number of international markets to provide after sales support and service to customers.

Directors:	Hugh McCullough – Non-Executive Chairman (Irish) Paul Lynch – Senior Non-Executive Director (Irish) Patrick Purcell – Non-Executive Director (Irish) Pirita Mikkanen – Non-Executive Director (Finnish) Orla O'Gorman – Non-Executive Director (Irish) Joseph Purcell – Chief Executive Officer (Irish) Thomas Purcell – Chief Operations Officer (USA)
Company Secretary:	Mark McNamara (Irish)
Registered Office:	Smithstown Industrial Estate, Shannon, Co. Clare, Ireland
Nominated Adviser, Euronext Growth Adviser and Joint Broker:	Davy, 49 Dawson Street, Dublin 2, Ireland
Joint Broker:	Shore Capital, Cassini House, 57 St James's Street London SW1A 1LD, United Kingdom
Legal advisers to the Company:	William Fry, 2 Grand Canal Square, Dublin 2, Ireland
Auditor:	Grant Thornton Chartered Accountants & Statutory Audit Firm 13-18, City Quay, Dublin 2, Ireland
Registrar:	Computershare Investor Services (Ireland) Limited 3100 Lake Drive, Citywest Business Campus Dublin 24, D24 AK82, Ireland
Principal Bank:	Allied Irish Banks plc, 10 Molesworth Pl, Dublin, D02 W260
Company Website:	www.mincon.com
Ticker Symbols:	Euronext Growth: MIO.IR AIM: MCON.L

MINCON GROUP FOUR GLOBAL REGIONS

Americas Region
Europe and Middle East Region
Africa Region
Australia Pacific Region



CHAIRMAN'S STATEMENT

Year in Review

2024 was a very busy year for the Group, presenting a number of challenges which we have addressed and, I believe, largely resolved.

Our revenue contracted by 7.1% in 2024. The largest decrease of industry revenue was in the waterwell / geothermal industry which contracted by €6.2 million. All of the contraction in this industry was across Sweden, Finland and Norway where there was a significant reduction in geothermal well drilling in 2024. Geothermal is used in the construction of new homes in Sweden, Finland and Norway. In Sweden, the number of new homes built was the lowest since the early 2000's. In Finland, the construction of new homes almost came to a standstill in the early months of the year. In Norway, the decline was not as severe, however the housing market did contract by 20%. Across the three countries mentioned, the contraction was largely due to rising interest rates, which increased housing-related costs and reduced demand.

Our sales from mining and exploration - related products had declined during 2023 and that decline continued into the first half of 2024. We have seen that market begin to recover in the second half of 2024 and the destocking that some of our mining clients were effecting during that period came to an end and they began purchasing again.

North America is our largest market for construction related products and it had been negatively impacted by the interest rate environment. This market has begun to recover as the rates began to fall and we are looking forward to a more positive market in 2025. We vigorously pursued new business in the construction sector in other markets and this resulted in the winning of three major construction contracts in Australia. These were our first significant contract wins in this sector in Australia and we believe that they will lead to increasing construction revenue there over the years to come. Our reputation in the construction sector is developing strongly and we will work hard to diversify our global business in coming years.

We took steps during the period to develop alternative sources of raw material at more competitive prices and this will begin to show through in our margins through the first half of 2025 and thereafter.

Our root and branch review of the Group's businesses resulted in the closure of our carbide factory in Sheffield, U.K. and we were sorry to lose many hard-working colleagues in the process. We also terminated a loss - making contract in Chile and re-organised our South African operations, both of which will result in an improved result on the bottom line.

In 2024, we sold to almost 1,900 customers across 79 countries. We are continuing to examine the component parts of our business to determine how we can optimise our production and the access to our markets. Whilst there is currently considerable uncertainty in international markets arising from both trade and military wars, and political upheaval in Europe, the US and elsewhere, we have been working to diversify our business so that we can ameliorate as much as possible the potentially negative outcomes caused by these uncertainties.

Shareholder Returns

We are very conscious of the need to improve our financial performance, especially in terms of return on capital employed and earnings per share. We are confident that the steps we have taken will improve those metrics in 2025 and I can assure shareholders that there will be a continuing focus on these efforts for the foreseeable future.

Business Model

What sets us apart from our competitors is our singular focus on innovative engineering which involves the design and development of new drilling tools which will not only drill faster at less cost but will also contribute significantly to the sustainability requirements of our clients. A case in point is the development of our Greenhammer hydraulic drilling system which has now been thoroughly tested in the field and has demonstrated significant advances on the current standard drilling systems on the bases of cost per metre, drilling speeds and associated emission reductions. In 2025, we expect to roll out the Greenhammer system in at least one major open pit mine. We have other advanced engineering projects under development such as a system of underwater drilling to attach floating offshore wind turbines to the seabed. This system is on track for full scale offshore testing off the Scottish coast in March this year as part of the process for official certification of the system prior to commercialisation. We have also developed a simple but cost-effective means of drilling the foundations for onshore solar panels.

Allied to our advanced engineering model is a dedicated field service team which actively seeks ways of improving the effectiveness of our drilling tools in the particular field conditions in which each tool is operating.

Corporate Governance

As Board Chair, I am very conscious of the need to ensure that the Board has the skills and experience to advise and assist the Executive in the development of the Group's business worldwide. I believe that we have developed an exceptional board with strong corporate leadership skills across a range of industries and businesses. We have achieved an improved gender and geographic balance at board level and we are conscious in particular of the importance of the latter in view of the Group's global reach.

Board performance reviews, both externally facilitated and internal, now form an important part of the Board's annual work programme. I have found these reviews to be particularly useful and they have led to measurable improvements in our overall delivery in areas of decision making, governance and the management of our research and development programmes.

We endeavour to maintain close contact with all of our stakeholders and we will continue to work to increase such contact where possible.

Dividend

During 2024, we paid a final and interim dividend to shareholders of €4.5 million.

Sustainability

A significant element of our innovative engineering approach, referred to above, is the sustainability benefit which the use of our products can bring to our clients. Faster drilling rates with lower emissions and lower fuel input are important elements of our offering. These benefits are being increasingly sought by our clients who are under increasing pressure to deliver on their sustainability targets. In 2024 we reduced our total manufacturing CO_2e by 3.6%, year-on-year. We achieved higher scores across all five of our UN Sustainable Development Goals and we continued our programme of Ongoing Social Impact and held 45 events across our four global regions.

Future

We see our business in the medium-term future to be focused on the products that we have specially designed to address specific requirements in their respective markets. I believe that we have turned a corner in our global business and with healthy order books, we are looking forward to a much better year ahead.

I would like to thank our senior leadership team across the globe for their work in refining and developing our business in a way that we believe will show improved results, starting in this year of 2025. I thank all of our 530 staff members upon whom the success of the Group is based. I would also like to thank my very experienced and committed Board colleagues, each of whom has brought particular skills and insight to the Board table.

Hugh McCullough
Chairman

10 March 2025

CHIEF EXECUTIVE OFFICER'S REVIEW

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.

Geographic Markets

Revenue in the Americas was down on the prior year by 11% primarily due to softness in all market segments [in H1 2024] and also the decision to exit an unprofitable mining supply contract in Chile. 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. At the beginning of this financial year, the Group has a strong order book. Whilst there is some uncertainty due to the developing global tariff situation, the Group believes that its strong manufacturing footprint in the region can mitigate some of the risks there.

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% which was 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. 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.

Business Development

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 revenues 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 exciting solution represents for Mincon, Subsea Micropiles, and the offshore renewables industry.

Sustainability

Mincon has embraced the challenges around complying with CSRD across the Group. 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 is incorporated within this year's annual report.

Conclusion

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.

Joseph Purcell
Chief Executive Officer

10 March 2025

STRATEGY OF THE GROUP – BUSINESS MODEL AND STRATEGY

Mincon's strategy is to develop long term sustainable competitive advantage through designing and manufacturing world class products, that will bring value for our stakeholders. Our business development is focused on growth, creating new opportunities and continued improvement in all aspects of our business, and we can accomplish this through our strategic goals:

- To market competitive products centred on an ethos of innovative engineering and service that is committed to adding value for our customers.
- To seek new opportunities in new markets and to diversify our income streams to increase our global footprint.
- To manufacture our products in strategic locations that allows a better service for our customers and reduce the requirement for trans-ocean distribution of our products.
- To build a sustainable, long-term business that provides excellent opportunities and returns for all our stakeholders.
- To meaningfully contribute to the environment, through investing in manufacturing that requires less energy, and to make positive contributions in the communities where we have businesses.

The Group has a five-year rolling strategy, which is reviewed by the Executive and the Board each year. We examine and reflect on our decisions, continually review our processes and act to mitigate adverse outcomes.

The Group's strategy and business model and amendments thereto, are developed by the Chief Executive Officer and his Executive team, and approved by the Board. The Executive Management Team, led by the Chief Executive Officer, is responsible for implementing the strategy and managing the business at an operational level.

The Group's overall strategic objective is to develop long term sustainable competitive advantage with our products and services for customers, for the benefit of our shareholders and all stakeholders.

The Group's focus has been on manufacturing hammers and bits for surface drilling for mining production, mining exploration, horizontal drilling, geotechnical and construction projects, waterwell and geothermal applications.

We continue to diversify our income streams by extending our addressable market into those industries, while also examining opportunities in other industries. We continue to improve the ranges of hammers and bits that we offer, not only to further our market reach, but also to complement our complete range of surface drilling solutions. We continue to develop the drill string components that support a full product range and service offering. Our strategic direction is to provide market leading products, manufactured, supplied and serviced by the Group, to a diversified range of industries. The diversification of income streams into industries with differing business cycles is designed to minimise volatility in earnings growth.

We seek to market competitive products centred on an ethos of innovative engineering and service and are committed to adding value for our customers by partnering with them to find lower total drilling cost solutions. We supply markets and customers across the world. Our broad geographical spread enables us to obtain feedback from the use of our products in a wide range of drilling environments. This constant iteration from the end customer to engineering and back to the market drives our design and process improvements. We continue to devote significant resources to refining and improving current products.

The Group manufactures and sells rock drilling consumable products. The timely supply and service of these products is paramount to our business model. Since the markets that we serve across the world are geographically dispersed, and the lead times for delivery are set by customer requirements and competition to a large degree, we have built a wide network of customer service centres backed by manufacturing plants in key markets.

We continue to review our factory operations and from time to time we relocate the manufacture or part manufacture of some products from one factory to another, in some cases, to achieve better economies of scale, and in other cases, to manufacture products with long lead times closer to their markets so that we can adapt to changing customer needs in a more timely fashion and reduce our trans-ocean freight costs. These factory reviews are ongoing as part of the Company's rolling strategic plan.

We have a procurement strategy in place where we have developed relationships with raw material suppliers in different markets to ensure we are acquiring the most appropriate quality of raw material at the best available prices to our manufacturing plants. While also continue our supply relationships with raw material suppliers closest to our manufacturing plants to ensure we have readily supply available, and we hold buffer stocks of the of raw materials used in the manufacturing of our larger sales volume products.

We continue to look for opportunities to increase our geographical footprint and the vertical integration of supply lines where they add strategic value for the Group and add margin. However, in the immediate years ahead the Company will focus more closely on organic growth of existing products in the regions that we service, and on bringing new drilling technologies, currently in development, to new markets.

In executing the Group's strategy and operational plans, the Executive Management Team typically confront a range of day-to-day challenges associated with key risks and uncertainties, and through compliance, audit, risk management and policy setting, we will aim to mitigate these risks and maximise the sustainable opportunity for success.

We are committed to:

- Designing, developing and manufacturing class leading products in the most energy efficient way possible to sell under the Mincon brand.
- Creating new drilling products and technologies and associated intellectual property, supported, inter alia, by patents.
- Engaging with customers to supply the most cost-effective hard rock drilling solutions for their business needs, while offering industry leading field service delivery; and
- Improving the skill sets of our teams.

The Group's principal risks and uncertainties are outlined in the next section. Mincon has adopted appropriate controls and recruited management with the necessary skills and experience to manage and mitigate these risks where possible and thus enable execution of the Group's business strategy.

Our customer offering:

Mincon manufactured product offering can be broken down into seven distinct product lines:

1. Conventional down the hole (DTH) product
2. Reverse circulation (RC) product
3. Horizontal directional drilling (HDD) product
4. Rotary drilling product
5. Geotechnical product
6. Drill pipe product
7. Mast attachments for excavators

Mincon manufactured hammers, bits (including rotary bits), pipes and mast attachments are used in a variety of drilling industries including production and exploration mining, waterwell, geothermal, construction, quarrying, and seismic drilling. Mincon also provides a hard-rock HDD system to provide access for fibre optic cable laying and similar activities.

The Mincon drill mast attachments for excavators and skid steers provide versatile, efficient drilling solutions for solar, construction and renewable energy installations. Seamless technology integrations with partners like Trimble for advanced machine control systems and GPS location tracking ensure precision and productivity.

DTH, RC & HDD products have distinct sales lines for associated parts, namely hammers, spares, bits and pipes. Bits and pipes can be sold separate from the hammer. Mincon manufactures a range of bits and pipes to an industry standard size which can be used in conjunction with hammers manufactured by competitors. Rotary bits are made to industry standard size and are used in the same mining applications as Mincon's DTH hammers and bits. Ring bits, pilot bits, casing systems and forepoling systems are generally sold with DTH products but can be sold separately.

The Mincon hammers, bits, casing systems, forepoling systems and pipes are considered consumable items in the drilling industry in contrast with capital items such as truck/track-mounted drilling rigs and large air compressors. Being of a consumable nature, Mincon products have a shorter life cycle than capital goods, such as rigs and compressors.

STRATEGY OF THE GROUP – PRINCIPAL AND SIGNIFICANT RISKS

PRINCIPAL AND SIGNIFICANT RISKS RELATING TO THE GROUP

Mincon Risk Management Process

The risk appetite of the Group is considered in light of the principal risks and their impact on the ability to meet its strategic objectives. The Executive Management Team considers the risk appetite of the Group in the context of the regulatory environment, its culture, the industries in which it operates and its four strategic pillars being:

1.	Continuous innovation of class-leading products.
2.	Manufacturing the most cost-effective hard-rock drilling solutions in the most energy efficient way possible.
3.	Building a sustainable, long-term business that provides excellent opportunities and returns for all our stakeholders.
4.	Providing the most effective service and best partner value while being recognised globally as “The Driller’s Choice” for rock drilling tools.

The Executive Management Team is responsible for setting and monitoring the risk appetite for the Group when pursuing its strategic objectives. Risk assessment is a collaborative effort involving various stakeholders of the Group. Effective communication and coordination among the stakeholders is vital for a comprehensive and successful risk management program.

The Board has ultimate responsibility for risk management and activities. The Group management reports to the Audit Committee and the Board at least annually with a detailed risk report. Each risk is analysed and ranked using the Risk Assessment Matrix as defined by ISO 17776. Through our risk management process, we describe the controls associated with a particular risk within Mincon, how we evaluate risks and mitigate them to bring them to an acceptable level for the Group. This process enables execution of the Group’s business strategy while enabling the Group to successfully manage rather than eliminate these risks.

RISKS AND UNCERTAINTIES

Principal Risks

The identification and evaluation of individual risks is a continuous process that considers both the external environment and the existing controls in place. Each risk is assessed based on the probability of the event occurring and the potential impact if it does. The assessment also accounts for the effectiveness of current preventive controls in determining the likelihood of the event.

Risk Categories

Strategic	Operational	People	Brand	Climate

Principal Risks Heat Map

LIKELIHOOD (In the next 12 months)	Insignificant	Minor	Moderate	Significant	Major
Almost Certain (>65%)	5	(8) 10	15	(6) 20	25
Likely (40%—65%)	4	8	(1) (5) 12 (4) (9)	16	20
Possible (20%—40%)	3	6	(3) 9	12	15
Unlikely (10%—20%)	2	4	6	(2) 8	(7) 10
Almost Never (<10%)	1	2	3	4	5

IMPACT (Negative Outcomes)

RISK Legend

1. Cyclical markets and economic conditions
2. Significant damage to the Group’s production facilities
3. Product obsolescence
4. Security of intellectual property
5. Raw material supply & cost
6. Competitors offering better value
7. Product development
8. Management spread too thinly
9. Geopolitical Risk

STRATEGY OF THE GROUP – PRINCIPAL AND SIGNIFICANT RISKS CONTINUED

RISK NO.	RISK CATEGORY	RISK NAME	RISK DESCRIPTION	RISK MITIGATION	RISK TREND
1.	Strategic	Cyclical markets and economic conditions	**The demand for the Group's products and services is affected by changes in customers' investment plans and activity levels.** Customer investment plans can change depending on global, regional and national economic conditions or a widespread financial crisis or economic downturn. Although the Group believes that its sales are well diversified with customers located in disparate geographic markets and industry segments, it is likely that the Group would be affected by an economic downturn in the markets in which it operates.	The Group has brought engineering expertise into new industries in the past and continues to seek and develop opportunities in other industries through R&D investments & testing know-how.	↔
2.	Climate	Significant damage to the Group's production facilities	**The Group has eight operating facilities located in Ireland, Sweden, Finland, Australia, South Africa, Canada and the United States. Should any of these facilities be destroyed or closed for any reason, or the equipment in the facilities be significantly damaged, the Group is likely to face setbacks in our ability to manufacture and distribute products to customers.** Damage to any facility could have a major impact on the Group meeting customer expectations and lead to loss in earnings and long-term reputational damage.	The manufacturing facilities of the Group are strategically located around the globe and close to end user markets. it is therefore less likely that damage could occur in more than one facility. The Group has options to move manufacturing to an alternative Mincon location or outsource more manufacturing locally. Sufficient levels of finished goods stock are held at customer centres, which could be used to cushion the impact on customer demand. The Group also has excellent relationships with critical machine suppliers which would be a key support in the event of disruption. Adequate levels of insurance for business interruption are also maintained.	↑
3.	Operational	Product obsolescence	**The Group's long-term growth and profitability is dependent on our ability to develop and successfully launch and market new products.** The Group's revenues and market share may suffer if it is unable to successfully introduce new products in a timely fashion or if any new or enhanced products or services are introduced by our competitors that customers find more advanced and/or better suited to their needs. If the Group is not able to keep pace with product development and technological advances, including shifts in technology in the markets in which it operates, or to meet customer demands, this could have a material adverse effect on the Group's business, results and financial condition.	The Group continuously invests in research and development to develop products in line with customer demand and expectations. The Group employs industry and engineering experts who continually work on new product developments. The Group is constantly focused on engineering solutions that should increase the use of Mincon products in the industry, once commercialised.	↔

RISK NO.	RISK CATEGORY	RISK NAME	RISK DESCRIPTION	RISK MITIGATION	RISK TREND
4.	Brand	Security of intellectual property	**The Group's proprietary products may be duplicated either directly or by misappropriation of intellectual property.** Some jurisdictions, in which the Group operates and in which our competitors manufacture, may not have an appropriate level of patent protection and enforcement of patents may be a lengthy process. If competitors duplicate the Group's proprietary products, it could have a material adverse effect on the Group's revenues and results.	The Group files patents where appropriate to limit the duplication of products. This prevents competitors replicating patented products and selling them in the markets where Mincon operate. IT security within the Group is reviewed to ensure there is up to date adequate security to limit the access to digital copies of IP internally and externally. Employees with access to IP are educated on appropriate handling of IP information and documentation.	↔
5.	Operational	Raw material supply & cost	**The Group's operations give rise to risks due to changes in the price of market-quoted raw materials, mainly steel and tungsten carbide.** The prices and availability can vary significantly during a period. Cost increases for Group products are passed onto customers, this may be a result of increased raw material costs. However, if the market conditions do not allow the passing on of increased raw material prices to customers, it may have an adverse effect on the Group's business, as could the sourcing of adequate raw material supplies.	The Group holds buffer stocks of raw material at each of its manufacturing locations to mitigate this risk. The Group seeks out new options on raw material supply and best price.	↓
6.	Operational	Competitors offering better value	**The markets for the Group's products are highly competitive in terms of pricing, product design, service and quality, the timing and development and introduction of new products, customer services and terms of financing.**	The Group continuously reviews costs of production to reduce manufacturing costs. to bring more value to customers. The Group's manufacturing locations give an advantage, being closer to end user markets and allowing the Group to work closer with our customers. Value is held in servicing our customers to a level higher than that of our competitors, and product development is at the heart of our product offerings.	↔
7.	Brand	Product development	**Introducing new products to a well established market is always a risk, even when the new product outperforms existing products.** This is compounded when the customer is required to invest in new equipment to operate a new product. Unsuccessful commercialisation of a new internally developed product can have a major impact on the Group's financial performance and position, along with reputational damage.	The relationship with our customers and the communication with them on product development is key to mitigating this risk. We also conduct product testing with our customers to identify any performance issues of all new market products, and we employ expert drillers to perform this testing.	↔

STRATEGY OF THE GROUP – PRINCIPAL AND SIGNIFICANT RISKS CONTINUED

RISK NO.	RISK CATEGORY	RISK NAME	RISK DESCRIPTION	RISK MITIGATION	RISK TREND
8.	People	Management spread too thinly	**Management can spread themselves too thinly when trying to address every new possibility that arises in the Group and consequently trying to cover all tasks.** Management burnout can result, and this can lead to poor decision making at a high level. The culture of the organisation can also be impacted.	An appropriate management structure within the Group allows for better communication, delegation by management and better team organisation which can reduce the risk of management being spread too thinly. The Group also reduces this risk by ensuring teams are properly resourced and use external experts when appropriate. The Group is in the process of recruiting a Chief People Officer who will advise on the development of the optimum management structure for the future.	↔
9.	Strategic	Geopolitical Risk	**The political decisions taken in the regions in which the Group operates could have a negative impact on the Group's operations.** The recent political turbulence across the globe could trigger tariffs by certain countries in which the Group operates. A trade war could result in an increase in inflation or an economic downturn in economies where the Group trades and manufactures.	In order to mitigate against this risk the Group manufactures close to or within their chosen markets. The Group can also move certain manufacturing from one region to another.	New Risk

OTHER SIGNIFICANT RISKS

Operations in emerging markets

The Group's international operations, in emerging markets, may be susceptible to political, social and economic instability and civil disturbances. **Risks of the Group operating in such areas may include:**

- disruption to operations, including strikes, civil actions, international conflict or political interference;
- changes to the fiscal regime including changes in the rates of income and corporation taxes;
- reversal of current policies encouraging foreign investment or foreign trade by the governments of certain countries in which the Group operates;
- limited access to markets for periods of time;
- increased inflation; and
- expropriation or forced divestment of assets.

Any of the above factors could result in disruptions to the Group's business, increased costs or reduced future growth opportunities. Potential losses caused by these disruptions may not be covered by insurance.

Operations in countries with less developed legal systems

Some countries in which the Group operates may have less developed legal systems than countries with more established economies, which may result in risks such as:

- effective legal redress in the courts of such jurisdictions, whether in respect of a breach of law or regulation or in an ownership dispute, being more difficult to obtain;
- a higher degree of discretion on the part of governmental authorities;
- a lack of judicial or administrative guidance on interpreting applicable rules and regulations;
- an inability on the part of the Group to adequately protect its assets in these jurisdictions;
- inconsistencies or conflicts between and within various laws, regulations, decrees, orders and resolutions; or
- relative inexperience of the judiciary and courts in such matters.

In some jurisdictions, the commitment of local businesspeople, government officials and agencies and the judicial system to abide by legal requirements and negotiated agreements may be more uncertain, creating particular concerns with respect to licences and agreements for business. These may be susceptible to revision or cancellation and legal redress may be uncertain or delayed. There can be no assurance that joint ventures, licences or other legal arrangements will not be adversely affected by the actions of government authorities or others and the effectiveness of and enforcement of such arrangements in these jurisdictions cannot be assured.

Currency Fluctuation

The Group's financial condition and results of operations are reported in euro, but a large proportion of its revenues are denominated in currencies other than euro, including the US dollar, the Canadian dollar, the Australian dollar, the Swedish Krona, Sterling and the South African rand. Adverse currency exchange rate movements may increase the cost of important materials and services from vendors and suppliers, may affect the value of its level of indebtedness, and may have a significant adverse effect on its revenues and overall financial results. In the past, the Group has experienced gains and losses from exchange rate fluctuations, including foreign exchange gains and losses from transaction risks associated with assets and liabilities denominated in foreign currencies, including inter-company financings.

Contractual Arrangements

The Group derives some of its revenue from large transactions (which may be non-recurring in nature). Prospective sales are subject to delays or cancellations over which the Group has little, or no control and these delays could adversely affect results, The Group focuses on securing new lines of business on a regular basis to address the non-recurring nature of some transactions.

Customer Concentration

During 2024, the Group's top ten customers have accounted for approximately 22% (2023: 21%) of its revenues. If, in the future, these customers fail to meet their contractual obligations, decide not to purchase the Group's products or decide to purchase fewer products, this could disrupt the Group's business and require it to expend time and effort to develop relationships with new customers, which could have a material adverse effect on the Group's business, results of operations and financial condition. There can be no assurance that, even if the Group could find alternate customers, the Group could receive the same price for its products.

Climate Change

The Group is at risk from the effects of climate change. This can occur in many ways such as pollution, access to resources which can affect supply chain, raw material prices, changes to local laws and regulations, increases in taxes and local tariffs. If the Group does not seek new methods of manufacturing to reduce its carbon footprint, or continue to source raw materials through appropriate supply chains, the Group risk arising from climate change will increase. The ongoing projects that the Group is directly involved in relation to climate change can be viewed on our corporate website at **https://corporate.mincon.com/esg/environmental-governance/**

Cyber Risk

Cyber fraud is an increasing risk as the business relies more on online systems, including our manufacturing software systems, customer service systems and banking systems. The security and processes around the Group's IT and banking systems are subject to review by subsidiary management, regional management and the Executive Management Team.

The Group relies on the ability to secure orders from new customers as well as maintaining relationships with existing customers to generate most of its revenue. Investors should not rely on period-to-period comparisons of revenue as an indicator of future performance.

Mincon has adopted the appropriate controls and procedures to mitigate the risks detailed above and has recruited experienced management with the necessary skills and experience to manage and alleviate risk where possible.

CHIEF FINANCIAL OFFICER'S REVIEW

Summary

- Group revenue decreased by 7.1% in 2024 compared to 2023, with significant declines in the geothermal and waterwell industry.
- During the year, we initiated a comprehensive review of the Group, included in this was the strategic decision to close the Carbide manufacturing plant in Sheffield.
- The gross margin impact in 2024 was largely due to increased competition, reduced pricing, employee cost inflation, and lower production volumes.
- With well-invested factories, the Group commissioned €3.6 million in capital equipment in 2024, which is €2.2 million less than the depreciation of owned equipment.

Revenue

Our revenue decreased by 7.1% in 2024 compared to 2023, with a constant currency basis showing a decrease of 6.9%. The geothermal and waterwell industry experienced the most significant decline at 23%, followed by the mining industry with a 7% decrease. Meanwhile, revenue from the construction sector remained unchanged from 2023.

In 2024, we generated revenue of €64 million in the mining industry, which represents a 7% decrease compared to 2023. Despite this decline, mining remains the Group's largest revenue-generating industry.

The most significant contraction occurred in the Americas region, primarily due to our strategic repositioning of the offering in South America for our Rotary product line. This decision was made to limit investment in rotary manufacturing to more profitable business opportunities in North America, where this product line experienced growth in 2024 due to increased availability of the product in the North American mining market.

Our mining revenue in North America contracted slightly in 2024, attributed to decreased requirements for drilling consumables, particularly DTH, from a key customer as they prepared their mine for the next stage of production drilling.

In Africa, our operations shifted from a distribution model to a direct approach in Ghana, with the goal of establishing a stronger market presence for future growth. In Q4 2024, we withheld a significant volume of product due to customers' slow payments, which impacted our revenue in the region. There was also a decrease in revenue in Australia due to adverse weather conditions in Eastern Australia.

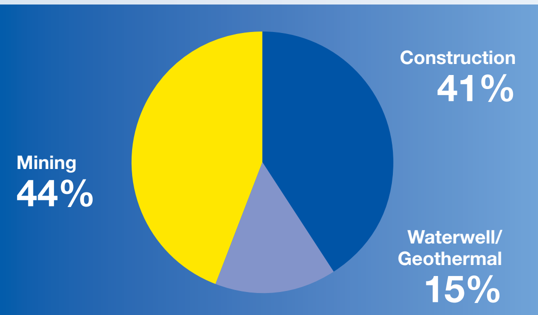
Conversely, in Europe and the Middle East, we achieved a 71% increase in mining revenue as customers resumed normal ordering patterns, having completed the reduction of previously high inventory levels.

Our revenue in the construction industry was flat at €60.5 million in 2024, maintaining its position as our second largest industry. Historically, we have generated the majority of our construction revenue from the North American and European markets. However, through strategic investments in other regions such as South America, Africa, and Australia, we expanded our footprint and achieved 11.5% of the Group's construction revenue from these areas in 2024. Notably, our most significant successes were in Australia, where we secured and invoiced two major construction projects during 2024.

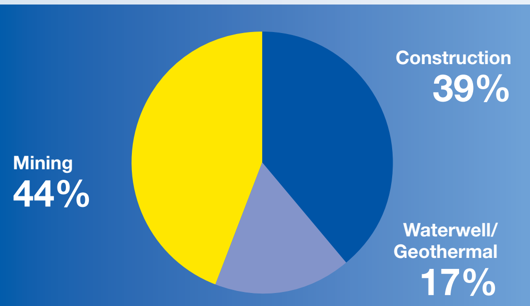
In North America, our construction revenue experienced a decline in 2024, primarily in the first half of the year due to project delays caused by high interest rates and inflation within the industry. Similarly, the European market faced a sluggish performance in 2024, attributed to a reduced volume of construction activities also influenced by high interest rates and inflationary pressures.

Our Three Main Industries Are Mining, Construction And Waterwell/Geothermal

2024 SALES MIX



2023 SALES MIX



MINING REVENUE 2024

€64.0m

CONSTRUCTION REVENUE 2024

€60.5m

INVESTMENT IN RESEARCH & DEVELOPMENT

€3.8m

VALUE OF CAPITAL EQUIPMENT COMMISSIONED IN 2024

€3.6m

SOLD TO APPROXIMATELY

1,900

CUSTOMERS ACROSS 79 COUNTRIES IN 2024

Our revenue in the waterwell and geothermal industry experienced a 23% decline in 2024. This decline was primarily concentrated in Northern Europe, where there was a substantial reduction in geothermal well drilling activities during the year.

Geothermal systems are commonly installed in the construction of new buildings, particularly residential homes across Northern Europe. The number of new buildings constructed in 2024 decreased significantly compared to 2023, reaching levels believed to be the lowest since the early 2000s. This contraction was mainly attributed to rising interest rates, high inflation, and decreased consumer confidence.

Gross and Operating Profits

In 2024, we initiated a comprehensive review of our business operations. Following this evaluation, we made the decision to close our Carbide manufacturing plant located in Sheffield, UK. Despite effective management, the plant was not achieving the required profit levels to warrant further investment, due to market circumstances beyond the control of management.

Mincon Carbide produced for Mincon bit manufacturers and third-party customers, with a split of approximately 70/30. In recent years, intergroup carbide pricing for Mincon bit manufacturers was not competitive compared to other Carbide suppliers, which subsequently affected the Mincon bit price offering to our third-party customers.

In September 2024, we commenced the wind-down of our Carbide business in Sheffield. By the end of October, all intergroup and third-party customer orders were fulfilled. The plant and equipment were sold during November and December. Consequently, all positions within the Carbide business were made redundant, and employees received fair redundancy packages based on their years of service.

These associated costs are included in discontinued operations, including the trade of Mincon Carbide in 2024, as shown separately in the income statement. A buyer for the Carbide manufacturing facility in Sheffield was secured, and the sale was finalised in January 2025, resulting in a profit for the Group. The building's sale proceeds covered the wind-down costs, resulting in no negative cash impact on the business during this process that covered Q4 2024 and January 2025.

Other areas covered in the root and branch review in 2024 included the re-organisation of the Mincon business in South Africa and the discontinuation of a product line in South America. As a result of this discontinuation, the Company did not renew a mining contract that had not been profitable for the Group. The root and branch review will continue in 2025, and further restructuring may occur in the coming year.

CHIEF FINANCIAL OFFICER'S REVIEW CONTINUED

The most significant impact on gross margin in 2024 was attributed to product pricing and volume through our manufacturing facilities. Increased competition coupled with reduced market activity affected pricing, particularly in the geothermal industry. To maintain market share, we reduced prices for some of our manufactured products. Our variable manufacturing costs, excluding manufacturing employee costs, remained constant as a percentage of revenue versus 2023, though they appear to have increased in proportion to revenue.

While manufacturing employee costs are typically considered variable, they include a fixed component. A certain number of employees are required to maintain manufacturing efficiencies. Manufacturing employees as a ratio of revenue in our larger plants, along with employee cost inflation affected our gross margins in 2024 compared to 2023 due to reduced volumes.

In 2024, the Group invested €3.8 million in research and development projects, representing a decrease of €0.3 million compared to 2023. The operational costs for the Group increased by €1 million during 2024. This increase was entirely attributable to the expenses related to the winding down of the business in Sheffield. Excluding these costs, our operating expenses decreased by €0.3 million which incorporates the operations in Mincon Carbide up to the sale of equipment and redundancy payments.

The Group's effective tax rate increased in 2024 due to intergroup write-offs resulting from the closure of the Group's manufacturing plant in Sheffield.

Balance Sheet

In 2024, €3.6 million was commissioned for capital equipment in our factories and service centres. This investment was €2.2 million less than depreciation for 2024 and included both expansion and replacement capital equipment. Included in the investment was robotic machining at the new building in our hammer plant in Shannon and new machining equipment at our drill pipe manufacturing plant in Sweden. Minor equipment and sales vehicles were also replaced, realising €0.3 million in cash from the sales of these transactions.

A total of €2.2 million was borrowed to fund these capital equipment projects, with the remainder sourced from cash reserves. Additionally, we repaid €8.1 million in borrowings from previous years related to capital equipment and acquisition projects. Our ongoing strategy has been to minimise new borrowing and prioritise high repayment levels to effectively reduce net debt and associated borrowing costs.

The increase in our debtors of €2.2 million, excluding FX effects, affected our year-end cash position. This was mainly due to delayed payments from debtors in the Africa region, most of which were resolved in January and February 2025. An increase in creditor payments also impacted cash flow, which was due to an increase in suppliers during the second half of 2024. In order to establish new, more cost-effective supplier trading relationships, it was necessary in certain instances to make upfront payments until these relationships could be fully developed.

Our inventory reduction programme continued in 2024, resulting in a decrease of €3.3 million, excluding FX effects. Despite this reduction, the average inventory period slightly increased to 7.6 months due to a decline in trading activity in 2024, compared to 7.5 months at the end of 2023. Over the previous two years, this initiative has successfully reduced inventory by a total of €8.9 million.

In 2024, the Group paid a total of €755,000 related to historical acquisitions in HDR (USA), RocDrill (France), the minority interest buyout in Mincon West Africa, and Campbells (USA). Additionally, the Group distributed €4.5 million in dividends to its shareholders in 2024.

Conclusion

The comprehensive review conducted in 2024 is set to enhance Group competitiveness, with the process continuing in 2025. The optimised raw material supply chain, now well-established and appropriately resourced, will positively impact our manufacturing operations and inventory management, subsequently bolstering overall Group competitiveness in our markets.

Market conditions are also showing signs of improvement, particularly within the construction and geothermal industries. This is mainly due to a reduction in inflation and a gradual reversal of interest rate hikes. However, it is anticipated that interest rates will not return to the lower levels seen in the decade prior to 2023.

Efforts to improve our net cash position continued throughout 2024, although the desired outcomes were not fully realised due to challenging market conditions in certain industries. Our factories have benefited from significant investment, as evidenced by the substantial capital allocation during previous years. The underutilised factory capacity is projected to be advantageous for the Group in the upcoming years. This, alongside enhanced products in our served markets and improved competitiveness are expected to improve key financial metrics for the Group such as Earnings Per Share (EPS) and Return on Capital Employed (ROCE).

Mark McNamara
Chief Financial Officer

10 March 2025

BOARD OF DIRECTORS

At 31 December 2024, the Board of Mincon comprised of five Non-Executive Directors and two Executive Directors. Details of the Directors are set out below:

NON-EXECUTIVE DIRECTORS

HUGH MCCULLOUGH

Non-Executive Chairman
Age 74

Hugh has over 40 years' experience in gold and base metal exploration, principally in Ireland, Ghana, Mali and Papua New Guinea. Having previously worked as a project geologist, in 1982 he became Chief Executive of Glencar Mining plc. Hugh was responsible for the management, financing and strategy of Glencar for over 27 years until it was acquired by Gold Fields Limited in September 2009.

Hugh is a geologist and holds an honours degree in geology from University College Dublin and a degree of Barrister-at-Law from the King's Inns, Dublin.

PATRICK PURCELL

Non-Executive Director
Age 87

Patrick served an apprenticeship in the Irish Air Corps in the 1950s and later qualified as an accountant in Australia in 1961. When he returned to Ireland in 1967 he joined Shannon Diamond & Carbide Ltd, (later Boart Longyear) and worked in various capacities with their European Group Companies for the next 10 years. His roles with Shannon Diamond & Carbide included that of cost accountant, sales and marketing director and a period as a general manager of their manufacturing plant in Norway before becoming their Director for European sales companies and product development.

Patrick founded Mincon in 1977 and developed the Group, firstly in Ireland and then into overseas areas including USA, Canada, Australia, South Africa and Sweden. Patrick remained as Executive Chairman until 2012 but continued to work with the Group as an adviser on new projects.

PAUL LYNCH

Senior Independent Non-Executive Director
Age 58

Paul currently acts as strategic adviser for a number of companies having recently served as Chief Financial Officer of Applegreen plc, a quoted petrol forecourt retailer in the Republic of Ireland and the United Kingdom, between 2014 and 2017. Paul qualified as a chartered accountant with Arthur Andersen in 1990, after which followed a wide-ranging career in corporate finance and senior management across a number of industry sectors. He was a director of Heiton Group plc for seven years, from 2000 to 2007, initially as Head of Corporate Development and subsequently as Managing Director of its Retail Division. Paul served as chief executive of large-scale businesses in the retail, manufacturing, waste management and facility services sectors and he has led and concluded over 20 M&A transactions across diverse industries and jurisdictions.

PIRITA MIKKANEN

Non-Executive Director
Age 59

Pirita is currently a Vice President of Energy with the Metsä Group, a Finnish forest industry group operating in international markets, focused on the responsible processing of northern wood into first-class products. Her team at Metsa works to ensure reliable and cost-effective energy production and leads the sustainable development of Metsä utilities. Prior to joining Metsa, her experience included roles with TM Systems Oy, an industrial air systems company with a focus on reducing energy usage and emissions, and serving as CEO of Lifa Air Ltd Oy, a pioneer in the development of services, machines and equipment that enable cleaner and healthier indoor air. She has acted as a fund manager and board member of climate funds. Pirita holds a Ph.D in Applied Physics, focusing on cleantech on pollution prevention, from the Helsinki University of Technology.

ORLA O'GORMAN

Non-Executive Director
Age 52

Orla has in-depth understanding of scaling companies through 25+ years' experience of working with them from the perspectives of an executive leader, advisor, capital markets operator and Non-Executive Director. Orla was formerly Head of Listing for Ireland and UK at Euronext. In 2015 she founded Euronext's IPO ready programme, to give companies the required skillsets for raising strategic finance. Orla is a strong advocate for funding scaling companies and is a member of Scale Ireland's Steering Group. Orla is a Non-Executive Director of Cairn Homes plc, Bon Secours Health System and Elite SpA; she is also a member of the Elkstone Ventures Advisory Board. Orla has a Bachelor of Commerce and Master of Accounting from University College Dublin. She is a Fellow of the Institute of Chartered Accountants in Ireland and is a member of their Ethics and Governance Committee, and Sustainability Expert Working Group.

BOARD OF DIRECTORS CONTINUED

EXECUTIVE DIRECTORS AND COMPANY SECRETARY

JOSEPH PURCELL

Chief Executive Officer
Age 58

Joseph qualified as a mechanical engineer in 1988 at University College Galway, in Ireland and since then has worked with Mincon in various capacities. DTH hammer design has been his main area of specialisation although he has extensive experience in manufacturing methods, heat-treatment and process development. His hammer design work has included seven years in Perth, Australia where he developed a successful range of reverse circulation and conventional DTH hammers for local and export markets. Joseph was appointed as chief technical officer for the Mincon Group on his return from Australia in 1998. In May 2015, Joseph was appointed Chief Executive Officer of Mincon Group plc.

THOMAS PURCELL

Chief Operations Officer
Age 53

Thomas Purcell had a background in accounting prior to immigrating to the USA to work with Mincon on a new joint venture opportunity in the country. He worked for the Mincon Group in the dimensional stone quarrying industry during which time he was key in setting up operations in Virginia and North Carolina. In 1996, Mincon sold its investment in the quarrying entities to Marlin Group of South Africa. He worked in various positions with their USA subsidiary from Purchasing and Safety Manager of four quarrying companies, to CFO and Operations Manager for their Atlanta based operation, Stone Connection. He re-joined the Mincon Group in 1999 as President of Mincon, Inc.

MARK MCNAMARA

Chief Financial Officer & Company Secretary
Age 44

Mark began his finance career in public practice in 2004 where he qualified as an accountant. He began working with Mincon as Financial Controller of Mincon International Ltd. in March 2010. He moved into the position as Group Financial Controller in 2013 prior to the IPO of Mincon where he was the lead accountant. Preceding his finance career Mark worked in airline operations and holds a bachelor's degree in information technology.

DIRECTORS' REPORT

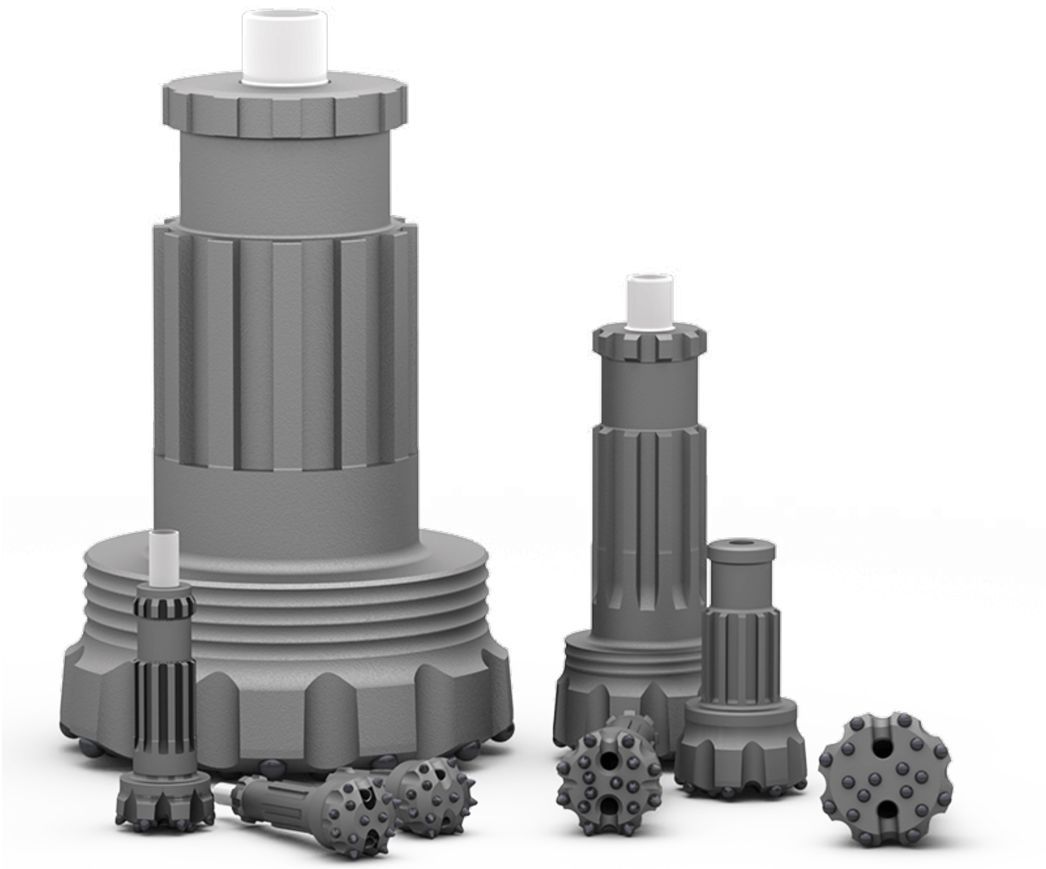
The Directors present the directors' report and the consolidated financial statements of Mincon Group plc for the year ended 31 December 2024.

Principal activities of the Group

Mincon is an Irish engineering Group, specialising in the design, manufacture, sales and servicing of rock drilling tools and associated products. The Group's manufacturing facilities are located in Shannon, Ireland, in Sunne, Sweden, in Tampere, Finland, in Perth, Australia, in Johannesburg, South Africa, in Benton, Illinois and Fruita, Colorado in the USA, and North Bay Ontario in Canada.

Mincon has a clear vision and determined focus giving priority towards:

- highest design specifications;
- best manufacturing methods and processes; and
- delivery of superior products to our customers.



Mincon also maintains a network of sales and distribution companies in a number of international markets to provide after-sales support and service to customers. Products, comprising both Mincon manufactured products and third party products that are complementary to Mincon's own products, are sold directly to the end user or through distributors.

Business review

Commentaries on performance in the year ended 31 December 2024, including information on recent events and likely future developments, as reviewed by the Board are contained in the Chairman's Statement (page 6), Chief Executive Officer's Review (page 8) and Chief Financial Officer's Review (page 18). The performance of the business (pages 75-76) and its financial position (page 77) is included in the Chief Financial Officer's Review.

The Directors review KPI's for Operating Profit, Inventory and Debtors throughout the year. The KPI's are also discussed in the Chief Financial Officers Review on pages 18-21.

The principal risks and uncertainties faced by the Group are reflected in the principle and significant risk review section (pages 12-17).

Dividend

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

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), subject to approval at the AGM. (Note 28)

Directors and Secretary

The dates of appointments and resignations of the Company's Directors and Secretary are set out in the table below:

DIRECTORS	DATE OF APPOINTMENT
Patrick Purcell	16 August 2013
Hugh McCullough	13 December 2016
Joseph Purcell	23 September 2013
Thomas Purcell	23 September 2013
Paul Lynch	05 December 2019
Pirita Mikkanen	14 March 2022
Orla O'Gorman	06 December 2023
COMPANY SECRETARY	
Mark McNamara	03 August 2023

DIRECTORS' REPORT
CONTINUED

Substantial shareholders

As at close of business on 10 March 2025, in so far as is known to the Company, the following persons are, directly or indirectly, interested in 3% or more of the issued share capital of the Company:

SHAREHOLDER	ORDINARY SHARES AS AT THE DATE OF THIS DOCUMENT	PERCENTAGE OF ISSUED ORDINARY SHARE CAPITAL
Kingbell Company	119,671,200	56.32%
Setanta Asset Management	26,788,627	12.61%
Fidelity Investments	21,247,237	10.00%
Rentrop Investment Office	18,726,990	8.81%
Davy Stockbrokers	8,962,081	4.22%

None of the Group's major shareholders, as listed above, have different voting rights attaching to ordinary shares held by them in the Group. The Purcell family vehicle, Kingbell Company, have certain Board nomination rights for so long as their respective shareholdings remain above certain thresholds.

A breakdown of the Directors' and Company Secretary's' interest in the issued share capital of the company is detailed in page 36.

Financial risk management

The Group's operations expose it to financial risks including credit risk, interest rate risk and foreign currency risk. The Group manages risk in order to reduce the impact of these risks on the performance of the Group and it is the Group's policy to manage these risks on a non-speculative manner. The Group does not utilise derivative financial instruments to hedge economic exposures. Details of the Group's financial risk management objectives and policies are set out in note 22 to the financial statements.

Compliance Statement

The Directors acknowledge that they are responsible for securing compliance by Mincon Group plc (the 'Company') with its relevant obligations as are defined in the Companies Act, 2014 (the 'Relevant Obligations'). The Directors confirm they have drawn up Company policies with respect to compliance by the Company with its Relevant Obligations. The Directors further confirm the Company has put in place appropriate arrangements or structures that are, in the Directors' opinion, designed to secure material compliance with its relevant obligations including reliance on the advice of persons employed by the company and external legal and tax advisers as considered appropriate from time to time and that they have reviewed the effectiveness of these arrangements or structures during the financial year to which this report relates.

Political contributions

The Group and Company did not make any contributions during the year disclosable in accordance with the Electoral Act 1997.

Research and development

The Group's strategy around research and development is set out in the Strategy section of this Annual Report. The Group invested €3.8 million on research and development in 2024 (2023: €4.1 million), €NIL of which has been capitalised (2023: €NIL).

Corporate governance

The Board of Mincon is committed to achieving high standards of corporate governance, integrity and business ethics for all activities as set out in the Statement of Directors' Corporate Governance of this Annual Report.

Accounting records

The Directors believe that they have complied with the requirement of Sections 281 to 285 of the Companies Act 2014 with regard to maintaining adequate accounting records by employing accounting personnel with appropriate expertise and by providing adequate resources to the financial function. The accounting records of the company are maintained at the company's offices at Smithstown Industrial Estate, Shannon, Co Clare.

Significant events since year-end

Details of significant events since year-end are set out in note 28 to the financial statements.

Going Concern

The Directors, having made enquiries, have a reasonable expectation that the Group and the Company have adequate resources to continue in operational existence for the foreseeable future.

Mincon Group continues to monitor the war in Ukraine and review the procedures that we have in place to mitigate the effects this is having on our operations. Additionally, the political landscape of the countries in which we operate is closely watched to ensure that we can implement necessary strategies to ease any negative impact political decisions could have on the Group.

The Group availed of the option to enter into overdraft facilities and to draw down loans of €2.2 million during 2024. Mincon Group has loans and borrowings totalling €37.7 million as at 31 December 2024, of which €14 million is recognised as current, as detailed in note 18 to the financial statements. The low level of total debt as a percentage of total assets and the availability of funds if required gives the Directors comfort that there are minimal Going Concern indicators as at 31 December 2024.

The Directors have also taken account of the financial outlook to 31 March 2026 which included reviewing the Group's cash flow forecast. The Directors separately considered the Fair Value less Cost to Sell (FVLCS) impairment assessment highlighted in note 12 of the financial statements which did not indicate an impairment issue. This compounded with the Groups cash forecast review indicates the appropriateness of the Director's opinion on adopting the Going Concern basis of accounting. Mincon Group also has identified a number of other mitigating factors that can be implemented to preserve cash and other resources in the event of any decline in operations. The Directors believe that sufficient financial resources are available to enable the Group to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Disclosure of information to the auditor

Each of the Directors individually confirms that:

- in so far as they are aware, there is no relevant audit information of which the Company's statutory auditor is unaware; and
- and that they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's statutory auditor is aware of such information.

Auditor

The auditors, Grant Thornton, continue in office in accordance with Section 383(2) of the Companies Act 2014.

On behalf of the Board

Hugh McCullough
Chairman

Joseph Purcell
Chief Executive Officer

10 March 2025

Mincon's strategy is to develop long term sustainable competitive advantage through designing and manufacturing world class products, that will bring value for our customers.

STATEMENT OF DIRECTORS' CORPORATE GOVERNANCE

The Board of Mincon is committed to maintaining the highest standards of corporate governance. The Group is required to apply the principles of a recognised corporate governance code, and the Board acknowledges the importance of adhering to this code.

The Board confirm that the Group complies with the principles and provisions of the QCA Corporate Governance Code, as issued by the Quoted Companies Alliance in April 2018. This includes a code of best practice for AIM companies, comprising principles intended as a minimum standard, and recommendations for reporting corporate governance matters. The Directors recognise the importance of sound corporate governance and have taken account of the principles of the QCA Guidelines, wherever possible and as appropriate to the size, nature and resources of the Group. It is also our intention to be as open and transparent about our governance arrangements as possible and use the annual report to give details of changes and improvements made during the year.

The Board

The Company is controlled through its Board of Directors. As at the date of this report, the Board comprises five Non-Executive Directors and two Executive Directors. Biographical details on the Board members are set out in the section entitled "Board of Directors". The Board's primary roles are to create value for shareholders, to provide leadership to the Group, to approve the Group's strategic objectives and to ensure that the necessary financial and other resources are made available to the Group to enable them to meet those objectives.

All of the Directors are subject to election by shareholders at the first Annual General Meeting after their appointment to the Board and seek re-election at least once every three years. When a Director retires or resigns the Board seat is filled through the Nomination & Governance Committee of the Board and the individual is also subject to regulatory approval by the Stock Exchange, and the support of our Nomad.

The Board is responsible to the shareholders for the proper management of the Group and the Directors hold Board meetings at least six times per annum and at other times as and when required to review the operational and financial performance of the business, and to be updated on strategic, commercial, product and service matters. All key capital investment decisions, and acquisitions, new activities and distribution points are subject to approval by the Board.

The Board considers itself to be sufficiently independent. The QCA Code suggests that a board should have at least two independent Non-Executive Directors. One of the five Non-Executive Directors, Mr. Patrick Purcell, is the company founder and majority shareholder through a trust. None of the rest of the Board is a significant shareholder, save through that trust for certain executive members. The Senior Independent Non-Executive Director is Mr. Paul Lynch.

Non-Executive Directors receive their fees only in the form of cash emoluments fully taxed in compliance with the income tax regime of the Irish residence of the Mincon Group plc. Certain receipted travel expenses are also paid to accommodate the attendance at Board meetings.

The Board is responsible for formulating, reviewing and approving the Group's strategy, budgets and corporate actions. The Board has delegated responsibility for the day-to-day management of the Group to the Executive Management Team. There are clear divisions of responsibilities between the roles of the Chairman and Chief Executive Officer.

Managing and communicating risk and implementing internal control

The Board is responsible for putting in place and communicating a sound system to manage risk and implementing internal control.

The Board is responsible for reviewing the effectiveness of the systems of risk management and internal control. The internal controls are designed to manage rather than eliminate risk and provide reasonable but not absolute assurance against material misstatement or loss. Through the activities of the Audit Committee, the effectiveness of these internal controls is reviewed annually, progress is reported on as systems and procedures are developed, and explanations are requested from management on such matters as may come or be brought to the attention of the Committee.

The Audit Committee meets with the Auditors both separately and with the Executive Management Team, to consider such matters as may be reported on formally and regularly, but also to discuss the business compliance with, and the development of systems, risk mitigation and commercial procedures.

The Directors have outlined in the principal and significant risks section the key risks facing the Group and strategies to manage these risks.

A comprehensive budgeting process is completed once a year for the coming year, and this sits within an updated rolling three-year plan. It is reviewed and approved by the Board. The Group's results, compared with the budget and the prior year, together with any foreseen risk and other matters, are reported in detail to the Board at each Board meeting.

The Group maintains appropriate insurance cover in respect of actions taken against the Directors because of their roles, as well as against material loss or claims against the Group. The insured values and type of cover are comprehensively reviewed on a periodic basis.

The compliance, audit, risk and policy matters are reported to the executive as they occur, are discussed among the executive and reported on to the Board and to the Chair together with the actions taken and proposed to respond appropriately to the matter flagged.

Corporate communication and investor relations

The Group recognises the importance of shareholder communications. The Group seeks to maintain a regular dialogue with both existing and potential new shareholders in order to communicate the Group's strategy and progress and to understand the needs and expectations of shareholders.

Beyond the Annual General Meeting, the Chief Executive Officer, Chief Financial Officer and Chief Operations Officer, and such other key executive members as may be relevant to the matter, meet regularly with investors and analysts to provide them with updates on the Group's business and to obtain feedback regarding the market's expectations of the Group.

This follows on from the half year and full year announcements of the results for the Group when the Chief Executive Officer, Chief Financial Officer, Chief Operations Officer and certain other key executives travel to meet existing and prospective shareholders and analysts/commentators on an individual and collective basis. These meetings have on occasion been carried out by way of online video calls also since the COVID-19 pandemic. It also occurs during any particular year on an ad hoc basis with the announcements of key events around contracts, products, and corporate transactions.

We provide further updates as required on acquisitions, performance of key elements, products and markets as may be necessary and which may be important to the understanding of the strategy, the market position, the business, the products and the team. In addition, though there is no regulatory requirement for it, the Group has decided to provide quarterly updates over recent years to provide more timely insight for stakeholders, and to provide a platform for more informed decision making and questioning by stakeholders. Attention is drawn to these announcements on the corporate website. In addition to this, shareholders are actively encouraged to visit key sites, meet key people and discuss the business of the Group.

Necessary up-to-date experience, skills and capabilities

The Board considers that all of the Non-Executive Directors are of sufficient competence and calibre to add strength and objectivity to its activities, and bring considerable experience in our industry, and in the general operational and financial development of our companies. This may be direct experience of corporate finance and investment and the mining industry in general from hands on experience.

The Board regularly reviews the composition of the Board to ensure that it has the necessary breadth and depth of skills to support the ongoing development of the Group.

The Chairman, in conjunction with the Company Secretary, ensures that the Directors' knowledge is kept up to date on key issues and developments pertaining to the Group, and on its operational environment and to the Directors' responsibilities as members of the Board.

Board evaluation

The Board conducted a self-evaluation process in 2024, which included assessing the overall Board performance and that of the subcommittees. This followed an external Board evaluation in 2023. The self-evaluation involved a similar procedure, with the Executive Management Team and all Board members being interviewed by the Chairman on behalf of the Board and the Chairperson in relation to each Board subcommittee. All recommendations resulting from the process were shared with the Board.

Directors' independence

The Board has determined that Hugh McCullough, Paul Lynch, Pirita Mikkanen and Orla O'Gorman are independent within the meaning of the QCA Guidelines. Patrick Purcell is not considered independent within the requirements of the QCA Guidelines by virtue of his shareholding in the Company. The two Executive Directors on the Board are Joseph Purcell and Thomas Purcell.

Governance structures and processes

The Board has overall responsibility for promoting the success of the Group through the Executive Management Team. The Executive Directors and the Executive Management Team have day-to-day responsibility for the operational management of the Group's activities. The Non-Executive Directors are responsible for bringing independent and objective judgement to Board decisions.

STATEMENT OF DIRECTORS' CORPORATE GOVERNANCE CONTINUED

Governance structures and processes continued

There is a clear separation of the roles of Chief Executive Officer and Non-Executive Chairman. The Chairman is responsible for overseeing the running of the Board, ensuring that no individual or group dominates the Board's decision-making and that the Non-Executive Directors are properly briefed on matters. The Chairman has overall responsibility for corporate governance matters in the Group.

The Chief Executive Officer has the responsibility for implementing the strategy approved by the Board and managing the day-to-day business activities of the Group. In addition, the CEO, along with the CFO and COO, engages with the shareholders and other stakeholders of the Group when appropriate to do so. The Executive Directors have primary responsibility for engagement with the shareholders and other stakeholder Groups. In addition, the Senior Independent Director is available to discuss specific issues, as well as being available to shareholders generally, should they have concerns that have not been addressed through the normal channels. The Company Secretary is responsible for ensuring that Board procedures are followed and that the Group complies with applicable rules and regulations.

The Board has established an Audit Committee, a Remuneration Committee, a Nomination & Governance Committee and an Environment & Sustainability Committee with formally delegated duties and responsibilities. The Board deals with matters relating to health and safety and risk through the Board (as opposed to through a separate committee).

The ultimate responsibility for reviewing and approving the annual financial statements and interim statements remains with the Board. The Audit Committee works with the executive team to obtain such explanations and information as it requires, and may, supported by the external auditors, ask that the executive amend, adjust or provide explanations to the Board, through the Board to the Stock Market, on our website, or in the annual or other reports as it may see fit.

Communication on how the Group is governed

The Group places a high priority on regular communications with its various stakeholder groups and aims to ensure that all communications concerning the Group's activities are clear, fair and accurate. The Board communicates on such matters and on how the Group is governed through the annual report, and may also give updates through announcements and presentations to shareholders on an individual or Group basis.

The Group's website is regularly updated, and users can register to be alerted when announcements or details of presentations and events are posted onto the website. The Group's financial reports and notices of General Meetings of the Company can be found on the website.

The results of voting on all resolutions are posted to the RNS section of the Group's website, including any actions to be taken as a result of resolutions for which votes against have been received.

Audit committee

Further details on the duties and activities of the Audit Committee can be found in the Audit Committee Report on page 38 to 40.

Nomination & Governance Committee

Further details on the duties and activities of the Nomination & Governance Committee can be found in the Nomination & Governance Committee Report on page 41 to 43.

Remuneration Committee

Further details on the duties and activities of the Remuneration Committee can be found in the Remuneration Committee Report on page 44 to 46.

Environment & Sustainability Committee

Further details on the duties and activities of the Environment & Sustainability Committee can be found in the Environment & Sustainability Committee Report on page 47.

Share ownership and dealing

Mincon has adopted a share dealing policy that complies with Rule 21 of the AIM Rules and Rule 21 of the Euronext Growth Rules relating to Directors' dealings as applicable to AIM and Euronext Growth companies respectively. Mincon takes all reasonable steps to ensure compliance by applicable employees.

Directors' remuneration

Details of individual remuneration of Directors are set out in the Remuneration Committee Report page 46.

STATEMENT OF DIRECTORS' CORPORATE GOVERNANCE CONTINUED

DIRECTORS' AND COMPANY SECRETARY'S SHARE INTERESTS

The beneficial interests of the Directors and Company Secretary (including those of their spouses and children) who held office at 31 December 2024 in the share capital of the Company was as follows:

NAME	ORDINARY SHARES HELD	PERCENTAGE OF ISSUED ORDINARY SHARE CAPITAL
Kingbell Company	119,671,200	56.32%
Paul Lynch	95,851	0.04%
Hugh McCullough	46,763	0.02%
Mark McNamara	69,703	0.03%

Kingbell Company, is a company controlled by Patrick Purcell.

No Director or member of a Director's family has a related financial product referenced to the Company's share capital. There are no outstanding loans as at 31 December 2024 (2023: €Nil) granted or guarantees provided by any company in the Group to or for the benefit of any of the Directors other than amounts disclosed in note 27 to the financial statements. There have been no changes in the interests of the other Directors and the Company Secretary in the period to 10 March 2025.

Other transactions with the Directors are set out in note 27 to the consolidated financial statements.

Stakeholder's and social responsibilities and their implications for long-term success

The Group understands that a number of different stakeholders have an interest and are impacted by the activities of the Group. Amongst those stakeholders are the direct owners and employees of the Group, investors and dependents, and our suppliers and customers. There are also the regulatory authorities in the jurisdictions in which we have activities, employees and customers, and legal and environmental frameworks with which our businesses are required to comply.

The Group is aware of its corporate social responsibilities and the need to maintain effective working relationships across a range of stakeholder groups. These include the Group's employees, partners, suppliers, regulatory authorities and the customers involved in the Group's activities. The Group's operations and working methodologies take account of the need to balance the needs of all of these stakeholder groups while maintaining focus on the Board's primary responsibility to promote the success of the Group for the benefit of its members as a whole.

The Group endeavours to take account of feedback received from stakeholders, making amendments to working arrangements and operational plans where appropriate and where such amendments are consistent with the Group's longer-term strategy.

The Group takes seriously the well-being of its employees consistent with the guidelines in the various jurisdictions and industries within which it works.

The Group takes due account of any impact that its activities may have on the environment and seeks to minimise this impact wherever possible, as detailed on page 47, and in our Environment & Sustainability Committee report. Through the various procedures and systems, that it operates, the Group works to ensure full compliance with health and safety and environmental legislation relevant to its activities.

The Group reviews its environmental footprint, across our manufacturing sites, with goals being set and targets to be achieved.

The objectives are to reduce our footprint, to reduce the energy and waste costs of our business, and to achieve a higher rating for environmental considerations while also reducing the cost associated with our production.

Mincon Group plc's energy management policy aims to;

- avoid unnecessary energy costs
- monitor overall electricity, gas, oil, process gases and lubricant oils usage on a regular basis;
- monitor electricity usage of the significant energy using equipment;
- report energy performance indicators (EnPIs) at quarterly and annual management review meetings;
- improve the cost effectiveness of producing a safe, comfortable working environment and,
- comply with current energy and environmental legislation and protect the environment by minimising CO_2 emissions.

Further details regarding these planned objectives are outlined on page 47 and in our Environment & Sustainability Committee report.

Corporate culture

The Board seeks to maintain the highest standards of integrity and probity in the conduct of the Group's operations. These values are preserved in the written policies and working practices adopted by all employees in the Group. An open culture is encouraged within the Group, with regular communications to staff regarding progress and staff feedback regularly sought. The Executive Management Team regularly monitors the Group's cultural environment and seeks to address any concerns that may arise, escalating these to Board level as necessary.

The Group seeks to act with fairness towards its stakeholders, and its competitors, in the conduct of its business, and expects that this would be reciprocated.

The Group is committed to providing a safe environment for its staff and all other parties for which the Group has a legal or moral responsibility in this area. The Executive operates a health and safety team in each of the manufacturing facilities which meets monthly to monitor, review and make decisions concerning health and safety matters.

The Group's health and safety policies and procedures are enshrined in the Group's documented quality systems, which encompass all aspects of the Group's day-to-day operations. The Board asks for a quarterly report on health and safety matters encompassing the compliance, audit, risk and policy development of the Group and the subsidiaries. There were no significant OHS incidents during the year. The Groups OHS policy can be viewed on our website at **https://mincon.com/our-company/health-safety**

AUDIT COMMITTEE REPORT

On behalf of the Board, I am pleased to present the report of the Audit Committee (the "Committee"), for the year ended 31 December 2024.

This report provides an overview of the principal duties and responsibilities of the Committee, its role in ensuring the integrity of the Group's published financial information and an outline of its activities for the year.

Duties and Responsibilities

The Committee's role is to assist the Board in fulfilling its oversight responsibilities. The Committee monitors and reviews the integrity of the Group's financial reporting and other announcements relating to its financial reporting and manages the relationships between the Company and its external auditor. The Committee makes recommendations to the Board based on its activities, all of which were accepted during the year.

The Committee's responsibilities are set out in its Terms of Reference ("Terms") which were reviewed during the year and can be accessed on the Company's website (corporate.mincon.com). **The main duties and responsibilities to the Committee are summarised as follows:**

- monitoring the integrity of the Group's financial statements including reviewing significant financial reporting judgements/ estimates and changes in accounting policies;
- reviewing internal control and risk management systems;
- reviewing periodically the requirement for an Internal Audit function and the performance of Internal audit duties in the absence of such a specific function;
- making a recommendation to the Board in relation to the continued appointment and remuneration of the external auditor; and
- assess the performance of the external auditor, including their independence and objectivity.

Membership

The Committee currently comprises three Non-Executive Directors, Orla O'Gorman (Chair), Paul Lynch and Pirita Mikkanen, all of whom are considered independent by the Board. As part of the internal evaluation process and in line with best corporate governance practice it was agreed that the Chair of the Board would no longer be a member of the Committee but would be invited to join meetings.

Members are appointed to the Committee by the Board, based on the recommendations of the Nomination & Governance Committee in consultation with the Chair of the Committee. The Board is satisfied that the members of the Committee bring a wide range of skills, expertise and experience in commercial, financial and audit matters arising from the senior positions they hold or held in other organisations, as can be seen from the biographies on pages 22 to 24 of this Annual Report.

The Board is satisfied that the mix of business and financial experience enables the Committee to effectively fulfil its responsibilities. The company secretary or his nominee acts as the secretary to the Committee and the Committee may obtain, at the Group's expense, outside legal or other professional advice needed to perform its duties. The Committee has unrestricted access to the Group's finance team.

Meetings

Committee meetings are scheduled at appropriate times in the reporting and auditing cycle. During 2024, the Committee met on six occasions and attendance is noted as per the table below. Meetings are generally scheduled to complement the financial reporting cycle and thus enable the Committee to carry out its duties in relation to the financial statements. Meetings are called by the secretary at the request of any of the Committee members or at the request of the external auditor. Reports are circulated in advance of the meetings to allow the Committee access to information in a sufficiently timely manner.

The Committee invites the Chief Financial Officer, members from the finance function, the Group Compliance Officer, members of management, other Board members, and other relevant personnel to attend the Committee meetings as required. The external auditor (Grant Thornton) is invited to attend meetings of the Committee on a regular basis. In general, the Committee meets in advance of Board meetings and reports to the Board on the key outcomes from each meeting.

The Committee has unrestricted access to the Group's auditor, with whom it meets at least three times a year. The Committee meets with the external auditor, without the Executive Management being present on an annual basis in order to discuss any issues which may have arisen during the year.

COMMITTEE MEMBER	MEETING ATTENDANCE
Orla O'Gorman (Chair)	6/6
Paul Lynch	6/6
Pirita Mikkanen *	4/5
Hugh McCullough **	5/5

* Pirita Mikkanen was appointed to the Audit Committee in February 2024

** Hugh McCullough resigned from the Audit Committee in November 2024

Committee Evaluation

The Committee conducted an internal evaluation of its role and effectiveness in 2024. The output was discussed at the Committee and it was concluded that it continued to operate effectively throughout the year. The Committee's Terms were updated as part of this process.

KEY AREAS OF FOCUS DURING 2024

Financial Reporting

The Committee has an important role in providing the Board with assurance as to the integrity of the Group's financial reporting processes and financial statements. As part of this role, the Committee considers significant accounting policies, any changes made to them, and any significant estimates and judgements.

The Committee reviews the transparency and integrity of disclosures in the financial statements. The Committee has reviewed in detail the areas of significant judgement in respect of the financial statements for the year ended 31 December 2024. In order to carry out these duties the Committee had detailed discussions on these matters with management and considered a report from the external auditor on the work carried out and conclusions reached. A summary of this report is included in the Audit Report set out on pages 66 to 74.

The Committee reviewed the key areas in which estimates and judgement had been applied in the preparation of the financial statements including, but not limited to:

Goodwill Impairment Assessment

The Committee considered the goodwill impairment assessment carried out by management, in accordance with the requirements of IAS 36 'Impairment of assets' as set out in note 12 of the financial statements.

In performing their impairment assessment management determined the recoverable amount of the Cash Generating Unit ("CGU") and compared this to the carrying value at the date of testing. The recoverable amount of the CGU is determined based on fair value less cost to sell calculation.

The Committee considered and discussed with the Executive Management Team and Grant Thornton, the key assumptions to understand their impact on the CGU's recoverable amount.

The Committee was satisfied that the methodology used by management and the results of the assessment, together with the disclosures were appropriate.

Going Concern

The Committee considered the use of the going concern basis of accounting and reviewed the assessment prepared by management. The Committee was comfortable with the assessment and has a reasonable expectation that the Group has adequate resources to continue in operation for the foreseeable future.

Fair, Balanced and Understandable

The Committee, on behalf of the Board, reviewed the content of the Annual Report to ensure that, taken as a whole, it is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Group's performance, position, business model and strategy.

Risk Management, Internal Control and Internal Audit

The Board has responsibility for maintaining effective systems in relation to risk management and internal control. This includes approving the Group's risk appetite and ensuring that there is an effective risk management framework, including the overall risk assessment process, and the identification and management of new and emerging risks. On behalf of the Board, the Committee has a role in the continued development of a risk awareness culture by driving the integration of risk and strategy; the integration of robust internal controls; and the requisite behaviours and beliefs to support this at all levels of the organisation.

The Committee receives and reviews the Group's risk register to ensure that the processes for identifying, managing and mitigating risks are operating effectively. As the Group continues to grow, the Committee will continue to evaluate those processes against best practice with a particular focus on ensuring that any changes to the Group's risk profile are recognised and matched by appropriate mitigating factors. The Board and Committee performed reviews of the updates to the Group's risk management framework as

AUDIT COMMITTEE REPORT CONTINUED

presented by the Executive Management Team during the year. As a result, and from direction of the Committee the principal and significant risks of the Group were updated and are outlined on pages 12 to 17.

The Committee engages regularly with the Executive Management Team to ensure that appropriate measures are taken to address risks as they are identified or as their risk profile changes.

During the year the Group appointed a Group Compliance Officer with responsibility for the compliance control framework. The Committee receives regular reports from the Group Compliance Officer and approves the annual compliance work plan. The Committee also reviewed the observations on internal control prepared by the External Auditor as part of the audit process.

The Committee continues to encourage the development of policies, procedures, management systems and internal controls that are designed to enhance the existing risk management framework.

Whistleblowing and Fraud Arrangements

The Board is responsible for overseeing whistleblowing and ensuring that the Group maintains suitable whistleblowing arrangements. The Group has a Speak Up Policy and a process that enables employees to raise concerns in a confidential and anonymous manner. During the year, the Board reviewed this policy and process. The Committee is updated if any cases are raised, and none have been reported in 2024.

External Auditors

The Committee is responsible for overseeing the Group's relationship with the external auditor, including reviewing the effectiveness and quality of their performance, their external audit plan, their independence from the Group and their audit fee proposals. The Group's external auditors, Grant Thornton, were appointed in May 2022 on completion of an audit tender process.

During the year, the Committee met with the external auditor, without management being present.

Independence and Provision of Non-Audit Services

The Committee is responsible for ensuring that the external auditor is objective and independent. As such, Grant Thornton is prevented from engaging in certain non-audit services that would compromise its independence, violate any laws and regulations, and affect its appointment as auditor.

The Committee performed a review of the audit and non-audit services provided by the external auditor and the fees charged for those services in respect of the year ending 31 December 2024. Following this review and the confirmation in writing received from the Group's auditor reaffirming its independence and objectivity, the Committee is satisfied as to Grant Thornton's independence and objectivity.

Effectiveness

The external auditor presented their audit plan to the Committee prior to the commencement of the 2024 year end audit highlighting their areas of focus, significant audit risks, key audit matters, audit scope and materiality amongst other matters.

The Committee considers the effectiveness of the external auditor on an annual basis. In determining the appropriateness of the auditor, the Committee had full regard to the auditor's competence, the quality and efficiency of the audit, and whether the audit fee is appropriate in relation to size, complexity, and risk and control profile of the Group. In addition, this was supported through discussion and review of the audit plan, timings and resources presented. On reviewing all of the above factors, the Committee continues to be satisfied with the performance of Grant Thornton and has informed the Board accordingly.

Corporate Sustainability Reporting Directive ("CSRD")

During the year the Committee was engaged in implementing the governance processes and procedures in order to be ready to comply with CSRD.

Focus for 2025

Looking ahead to 2025, the Committee's primary focus areas will remain consistent with those for the year under review, in accordance with its Terms. The Committee will also take a proactive approach in anticipating and preparing for upcoming legislative and regulatory changes, particularly in the area of climate change and sustainability.

I will be present at the Group's AGM to answer questions on the Committee's activity and matters within the scope of our responsibilities.

On behalf of the Audit Committee

Orla O'Gorman
Chairperson of the Audit Committee

10 March 2025

NOMINATION & GOVERNANCE COMMITTEE REPORT

On behalf of the Nomination and Governance Committee and the Board, I am pleased to present the report of the Committee for the year ended 31 December 2024.This report details the Nomination and Governance Committee's responsibilities and how the Committee discharged these duties in 2024.

Duties and Responsibilities

The duties, responsibilities and authorities of the Nomination and Governance Committee are clearly communicated in our written Terms of Reference as displayed on our corporate website. **These include, but are not limited to, the following:**

- reviewing the structure, size and composition of the Board compared to its current position and make recommendations to the Board with regard to any changes
- identifying and nominating candidates for approval by the Board to fill Board vacancies, considering candidates on merit and against objective criteria and with due regard to the benefits of diversity on the Board, including gender, taking care that appointees have enough time available to devote to the position
- considering succession planning for the Directors and senior executives in the course of its work, accounting for the challenges and opportunities facing the Group, and the skills and expertise needed on the Board and by the Group in the future
- evaluating the balance of skills, knowledge, experience, and diversity on the Board
- carry out a biennial performance evaluation of the Board, its Committees, and individual Directors.
- give due consideration to applicable legal, regulatory and listing requirements including, the provisions of the Quoted Companies Alliance Corporate Governance Code for Small and Mid-size Quoted Companies, the AIM Rules for Companies published by the London Stock Exchange plc from time to time, the Euronext Growth Rules for Companies published by Euronext, the Companies Act, 2014;
- monitor the Company's compliance with corporate governance best practice and recommend to the Board such changes or additional actions as the Committee deems necessary;
- advise the Board periodically of significant developments in the law and practice of corporate governance; and
- arrange for periodic reviews of its own performance and, at least annually, review its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

Membership

Members, including the Chairman, are appointed to the Committee by the Board. The Nomination & Governance Committee comprises Hugh McCullough (Chair), Patrick Purcell, Paul Lynch and Orla O'Gorman. The Board is satisfied that the members of the Committee, other than Patrick Purcell are Independent. The biographical details of each member are set out on pages 22 to 24. Only members of the Committee have the right to attend Committee meetings, however, the Chief Executive Officer and external advisers may be invited to attend, as and when appropriate. The Company Secretary or his nominee acts as the Secretary to the Committee.

Meetings

The Committee meets at least twice a year In line with the Committee's Terms of Reference and otherwise as is required. During 2024, the Committee met on three occasions and the attendance is below:

Committees Attendance

COMMITTEE MEMBER	MEETING ATTENDANCE
Hugh McCullough (Chair)	3/3
Patrick Purcell	3/3
Paul Lynch	3/3
Orla O'Gorman	3/3

The matters dealt with by the Committee during 2024 included the following:

Discussion on the creation of a senior HR function at executive level

The Committee met to discuss the creation of a new senior executive function in the role of Chief People Officer. It was felt that the Group's senior executive function would benefit from the inclusion of senior human resources input, especially in the context of talent identification and development across the global leadership team. Following Board approval, external consultants were retained and the process of identifying and appointing a suitable candidate in the position of Chief People Officer, reporting to the Chief Executive Officer, is currently underway.

NOMINATION & GOVERNANCE COMMITTEE REPORT CONTINUED

Amendments to the title and terms of reference of the Committee

The Committee discussed the title and terms of reference of the Nomination Committee and felt it the title and terms of reference should be amended and expanded to incorporate matters of corporate governance which were not specifically included in the terms of reference of the other Board Committees. The Committee was renamed the Nomination & Governance Committee.

Annual Board performance evaluations and individual NED and Chair evaluations

Following the externally facilitated Board performance evaluation carried out in 2023, the Committee arranged for an internal Board performance review to be carried out during 2024.

The findings of this internal review were that the Board is functioning well and possesses an appropriate breadth of experience and expertise for a company of our size. A number of potential areas of focus were identified including management of our R&D process, risk management, board education and the above - mentioned proposal to appoint a Chief People Officer.

The root and branch review of the Group's business and structure continued from 2023 into 2024. A number of steps were taken as a result of this review, including the closure of our Sheffield carbide plant. The review is ongoing and further refinements of our business structure are anticipated.

Review of the performance of the Committee

The Committee conducted an internal evaluation of its role and effectiveness in 2024. Each member of the Committee was interviewed by the Chairman to determine the member's views on the functioning of the Committee. Each member of the Committee expressed themselves to be satisfied that the Committee was operating effectively.

Board and Management Succession

The Committee reviewed the Board composition and concluded that there was no immediate need to consider expanding the Board since the Committee was of the view that the existing skillset and experience of Board members was appropriate.

The Committee also discussed Management and Executive Management succession and determined that additional analysis and consideration in that area was required. This analysis and consideration is ongoing and it is anticipated that it will be amplified by the addition of the Chief People Officer, referred to above, when appointed.

Board Education

The Committee resolved to continue the process of Board education and a presentation was delivered to the Board by the Company's advisors on the revised QCA Code.

Board Committees and duration of Tenure

The appointment dates of the Directors on the four Board Committees can be seen below:

NOMINATION & GOVERNANCE COMMITTEE		
Hugh McCullough (Chair)	Appointed 2018	Independent
Patrick Purcell	Appointed 2013	
Paul Lynch	Appointed 2024	Independent
Orla O'Gorman	Appointed 2024	Independent

AUDIT COMMITTEE		
Orla O'Gorman (Chair)	Appointed 2023	Independent
Hugh McCullough*	Appointed 2016	Independent
Paul Lynch	Appointed 2019	Independent
Pirita Mikkanen	Appointed 2024	Independent

REMUNERATION COMMITTEE		
Paul Lynch (Chair)	Appointed 2020	Independent
Patrick Purcell	Appointed 2013	
Hugh McCullough	Appointed 2024	Independent

ENVIRONMENT & SUSTAINABILITY COMMITTEE		
Pirita Mikkanen (Chair)	Appointed 2022	Independent
Hugh McCullough	Appointed 2022	Independent
Paul Lynch	Appointed 2022	Independent
Orla O'Gorman	Appointed 2024	Independent

* Hugh McCullough resigned from the Audit Committee in November 2024

I would like to thank the members of the Committee for their commitment and input during the year.

On behalf of the Nomination & Governance Committee

Hugh McCullough
Chairman of the Nomination & Governance Committee

10 March 2025

REMUNERATION COMMITTEE REPORT

On behalf of the Remuneration Committee and the Board, I am pleased to present the report of the Committee for the year ended 31 December 2024.This report details the Remuneration Committees responsibilities and how the Committee discharged these duties in 2024.

Duties and Responsibilities

The role, responsibilities and authorities of the Remuneration Committee are clearly communicated in the Committee's Terms of Reference' as displayed on our corporate website. **The primary duties include the following:**

- ensuring that remuneration policy and practise is aligned to the Groups values and is clearly linked to the delivery of the Groups long term goals;
- in arriving at this policy ensuring all factors such as relevant legal and regulatory requirements are followed, these factors should include the suggestions and provisions in the Quoted Companies Alliance Corporate Governance Code for Small and Mid-Size Quoted Companies;
- establish and agree with the Board the framework for the remuneration of the Chief Executive Officer, the Chief Operations Officer, the Chief Financial Officer. The Committee Chairperson, together with a Committee of the Executive Directors, shall make recommendations to the Board in relation to the remuneration of Non-Executive Directors that will be within the limits set by shareholders;
- determine the total individual remuneration package of the Chief Executive Officer, the Chief Operations Officer, the Chief Financial Officer, and other senior management, including bonuses, incentive payments and share options or other share awards;
- direct and approve targets for performance related pay schemes to be implemented by the Group and approve the total annual payments under such schemes; and
- direct and recommend for approval by the Board targets and quantum of awards issued under the long term incentive programme.

Membership

Members, including the Chairperson, are appointed to the Committee by the Board on the recommendation of the Nomination & Governance Committee. At least two members of the Committee shall be independent Non-Executive Directors of the Group. During the year to 31 December 2024 the Remuneration Committee initially comprised Paul Lynch (chair), John Doris and Patrick Purcell. On John's retirement from the Board in February his place on the committee was taken by Hugh McCullough.

Only members of the Committee have the right to attend Committee meetings, however other individuals including external advisers may be invited to attend, as and when appropriate. The Chairperson acts as the secretary to the Committee.

Committees Attendance

COMMITTEE MEMBER	MEETING ATTENDANCE
Paul Lynch (Chair)	4/4
Hugh McCullough	4/4
Patrick Purcell	4/4
John Doris *	1/4

* John Doris retired from the Board of Mincon Group in February 2024.

Our Approach to Remuneration

The Committee's overall remuneration philosophy is to ensure pay levels for Executive Directors the Executive Management Team and senior management are fair and appropriate, that management are incentivised to implement the Board's strategy and that remuneration is aligned with the interests of shareholders and other stakeholders over the longer term.

Meetings

During 2024 the Committee met on four occasions and had a quorum of members present for all these meetings. The matters dealt with by the Committee during 2024 included the following:

Bonus scheme for senior management 2024

The Committee agreed a short-term incentive program for the 2024 financial year, through which the senior management team could earn up to 50% of their salary based on:

- The achievement of budgeted profit after tax for the year (up to 35% of salary)
- The delivery of targeted number of weeks' inventory being carried at the end of the year (up to 7.5% of salary)
- The delivery of a targeted number of debtors days (up to 2.5% of salary)
- The delivery of revenue and commercial target for Greenhammer (up to 5% of salary)

Review of proposal for issue of awards under 2022 LTIP plan

The Committee reviewed and approved the proposal to issue options over 2,860,000 shares at the market price prevailing at time of award to 22 executives across the group. These options will vest three years from date of issue conditional as to 50% on the achievement of CAGR of at least 25% in the three years to 31 December 2026 and 50% on the delivery of an ROCE of at least 13% in the year to 31 December 2026.

The Committee also determined that on the exercise of any vested options by Senior Executives in the Group they will be precluded from selling any shares for a period of two years save as required to fund the payment of related taxes.

Inflationary increase in salary

In locations where there was an agreed inflationary increase for all employees in the region it was agreed by the Remuneration Committee that these would also apply to relevant members of the senior executive team. These increases ranged from 2.5% to 4%.

Review of Terms of Reference for the Remuneration Committee

The Committee reviewed the Terms of Reference for the Committee and determined that they were still appropriate and did not require amendment.

Review of the performance of the Remuneration Committee

The Chairman undertook a review with the Committee members, other members of the Board and senior management to evaluate the effectiveness of the Remuneration Committee. In summary it was broadly agreed that it was fit for purpose and played an effective role in the construction of remuneration packages for the key executives. It was felt that the Executive Team, in the most part, were appropriately incentivised while ensuring the packages were at least in line with their peer group and aligned with the interests of the all the shareholders.

Review of remuneration packages relative to industry peers

The CEO and COO undertook a review of the remuneration packages of the key regional executive team relative to similar positions at peers in the industry. It was reckoned that in most cases packages were in line with the market albeit that due to company performance bonuses had not been paid. The Executive Management Team undertook to review the short term incentive programme for 2024 and in particular consider the balance between regional and group criteria and the potential for additional bonus for significant outperformance.

Performance for year ended 31 December 2024

Mincon did not meet its profit targets during 2024 with a backdrop of a more competitive environment and weaker market conditions in certain of our regions and segments. The Company did however make good progress in driving cash generation from inventory during the year.

Pay Outcomes for 2024

The impact of Mincon's performance in 2024 on the parameters of the bonus scheme were as follows:

- PAT target with a potential benefit of 35% of salary – No bonus accruing
- Inventory target with a potential benefit of 7.5% of salary – while progress was made the minimum target was not hit, no bonus accrued
- Debtor target with a benefit of 2.5% of salary – this target was partially met
- Greenhammer targets with a potential benefit of 5% of salary – No bonus accruing

Overall the executives were entitled to an bonus of 2% of salary in respect of the 2024 performance.

REMUNERATION COMMITTEE REPORT CONTINUED

Directors' Remuneration

Details of individual remuneration of Directors are set out in the table below:

	31 DECEMBER 2024					31 DECEMBER 2023				
NAME	SALARY €'000	BONUS €'000	FEES €'000	PENSION €'000	TOTAL €'000	SALARY €'000	BONUS €'000	FEES €'000	PENSION €'000	TOTAL €'000
Non-Executive Chairman **Hugh McCullough**	-	-	65	-	65	-	-	65	-	65
Non-Executive Director **Patrick Purcell**	-	-	-	-	-	-	-	-	-	-
Non-Executive Director **John Doris**	-	-	5	-	5	-	-	55	-	55
Non-Executive Director **Paul Lynch**	-	-	55	-	55	-	-	55	-	55
Non-Executive Director **Pirita Mikkanen**	-	-	55	-	55	-	-	55	-	55
Non-Executive Director **Orla O'Gorman**	-	-	55	-	55	-	-	4	-	4
Chief Executive Officer **Joseph Purcell**	200	-	-	30	230	200	5	-	29	234
Chief Operations Officer **Thomas Purcell**	222	4	-	30	256	222	5	-	30	257
Total executive and non-executive remuneration	**422**	4	**235**	**60**	**721**	**422**	**10**	**234**	**59**	**725**

Evaluation of the Remuneration Committee

The performance of the Committee is evaluated by the Nomination & Governance Committee as detailed in the terms of reference (7.1.11) of the Nomination & Governance Committee as displayed our corporate website.

On behalf of the Remuneration Committee

Paul Lynch
Chairperson of the Remuneration Committee

10 March 2025

ENVIRONMENT & SUSTAINABILITY COMMITTEE REPORT

On behalf of the Environment & Sustainability Committee and the Board, I am pleased to present the report of the Committee for the year ended 31 December 2024. This report details the Environment & Sustainability Committees responsibilities and how the Committee discharged these duties in 2024.

Duties and Responsibilities

The role, responsibilities and authorities of the Environment & Sustainability Committee are clearly communicated in the Committee's Terms of Reference' as displayed on our corporate website. **The primary duties include the following:**

- assess the effectiveness of the Group's policies, programmes, practices and systems for: identifying, managing, and mitigating or eliminating Environmental and Sustainability risks in connection with the Group's operations and corporate activity; and ensuring compliance with relevant legal and regulatory requirements and industry standards and guidelines applicable to Environmental and Sustainability matters;
- monitor and review current and emerging Environmental and Sustainability trends, relevant international standards and legislative requirements and identify how these are likely to impact on the strategy, operations, and reputation of the Group; and determine whether and how these are incorporated into or reflected in the Group's Environmental and Sustainability policies and objectives;
- assess the performance of the Group with regard to the impact of decisions relating to Environmental and Sustainability matters, including any social or community projects undertaken, and related actions upon employees, communities and other third parties;
- review the quality and integrity of internal and external reporting of Environmental and Sustainability matters and performance to ensure that the Company provides appropriate information, complies with reporting obligations and good industry practice;
- support and provide guidance to management in developing and updating policies and procedures relating to employee health and safety, environment and social responsibility; and
- make recommendations to the Board on any of the matters listed above that the Committee considers appropriate.

Membership

Members, including the Chairman, are appointed to the Committee by the Board on the recommendation of the Nomination & Governance Committee. The Environment & Sustainability Committee comprises Pirita Mikkanen (Chair), Hugh McCullough, Paul Lynch and Orla O'Gorman. Only members of the Committee and the Committee Secretary have the right to attend Committee meetings.

However, other individuals, including the Chairman of the Board (where not a member of the Committee), the Group Chief Executive Officer, and other Mincon executives from within individual business units of the Company and its subsidiaries and external advisers may be invited by the Committee Chair to attend for all or part of any meeting when considered appropriate. The Committee Chairman acts as the secretary to the Committee.

Meetings

The committee shall meet at least two times in each year, and at such other times as the Committee Chair may determine. During 2024, the Committee met on three occasions and had a quorum present at all these meetings. The Committee also regularly invites the Executive Management Team, relevant Mincon employees and external experts to attend the Committee meetings.

COMMITTEE MEMBER	MEETING ATTENDANCE
Pirita Mikkanen (Chair)	3/3
Hugh McCullough	3/3
Paul Lynch	3/3
Orla O'Gorman	3/3

Performance Outcome and Environment & Sustainability for 2024

Mincon has adopted the UN Sustainable Development Goals (SDG) as the framework for sustainability activities. Simultaneously, the Committee is working with Mincon management to fulfil the future requirements of EU legislation and stakeholder demands. Consequently, Mincon is adopting the requirements of Corporate Sustainability Reporting Standard (CSRD) and incorporating climate risk assessment into annual risk review.

The Sustainability report of Mincon is published for the full year of 2024 along with annual reporting. This report includes the measures and initiatives to meet the company's sustainability goals by 2040. Mincon has shown good progress for the selected 5 out of 17 SDG targets that are the most relevant for our business.

On behalf of the Environment & Sustainability Committee

Pirita Mikkanen
Chairperson of the Environment & Sustainability Committee

10 March 2025

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Statement of Directors' Responsibilities in Respect of The Annual Report and The Financial Statements

The Directors are responsible for preparing the annual report and the Group and parent company financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and parent company financial statements for each financial year. As required by the AIM Rules, they are required to prepare the Group financial statements in accordance with IFRS as adopted by the EU. The Directors have elected to prepare the Group financial statements in accordance with IFRS as adopted by the European Union ("EU") and as applied in accordance with the Companies Act 2014. The Directors have elected to prepare the parent company financial statements in accordance with FRS 101 Reduced Disclosure Framework as applied in accordance with the provisions of the Companies Act 2014.

Under company law the Directors must not approve the Group and parent company financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Group and parent company and of the Group's profit or loss for that year. **In preparing each of the Group and parent company financial statements, the Directors are required to:**

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Group and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or Parent Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position of the Group and parent company and the profit and loss of the Group and which enable them to ensure that the financial statements comply with the provision of the Companies Act 2014. The Directors are also responsible for taking all reasonable steps to ensure such records are kept by its subsidiaries which enable them to ensure that the financial statements of the Group comply with the provisions of the Companies Act 2014. They are responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have a general responsible for safeguarding the assets of the parent company and the Group, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors are also responsible for preparing a Directors' report that complies with the requirements of the Companies Act 2014.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the Republic of Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the Board

Hugh McCullough
Director

Joseph Purcell
Director

10 March 2025

SUSTAINABILITY REPORT

The Mincon Sustainability Statement

Mincon aims to lead and inspire the transition to a sustainable society across all aspects of environmental, social, governance responsibilities, both now and in the future. Sustainability is fundamental to how we innovate, manufacture, and grow our business. We are committed to continuous improvements, recognising this as essential to our success.

We aim to combine our engineering ethos – driven by efficiency, durability and performance – with environmental stewardship that respects and preserves the planet's resources. This pursuit of efficiency serves both environmental and economic goals: **reducing resource consumption while delivering superior performance for our customers.**

Beyond the environment, we also actively work to make positive societal impacts through responsible business practices, community engagement, and the development of our people. This holistic approach ensures that as we grow, we create lasting value for our employees, communities, and stakeholders.

Sustainability is integral to our work and mindset. We have embraced a structured approach with clear priorities and robust governance. Through monitoring and transparent reporting, we hold ourselves accountable for creating a more sustainable future for the planet and its people.

2024 Sustainability Snapshot

01
CO_2 Reduction
In 2024 we reduced total manufacturing CO_2e by 3.6%, year-on-year.

02
Emissions Intensity Reduction
We lowered our emissions intensity 0.9%, year-on-year, as measured in tons of carbon dioxide equivalent (tCO_2e) per €1m revenue.

03
Ongoing Social Impact
2024 saw continued activity in our Social Impact CSR programme, with 45 events across our four global regions.

04
Disaster Relief Response
Our teams at Mincon North America responded rapidly to help deliver disaster relief for communities affected by Hurricane Helene in late 2024.

05
UN SDGs Performance
In 2024, we achieved higher scores across all five Sustainable Development Goals.

06
Sustainability Investments
Investment and planning in sustainable energy, including EV chargers and photovoltaic solar panel installations.

07
ISO Compliance
A second Mincon facility gained ISO 14001 certification in 2024.

08
Sustainable R&D Milestones
Our Greenhammer and water hammer technologies have reached significant milestones towards providing ongoing carbon savings for their respective industries.

09
Reporting Developments
Major steps were made towards CSRD and ESRS compliance, including commencing a double-materiality assessment that is due for completion in Q1 2025. During 2024, we continued refining processes to ensure more accurate reporting for Scope 3 emissions.

Please refer to pages 119-120 for a lexicon of the sustainability jargon used in this section of the report.

SUSTAINABILITY REPORT CONTINUED

LETTER FROM THE ENVIRONMENTAL & SUSTAINABILITY COMMITTEE CHAIRPERSON

Mincon continued its sustainability efforts despite economic challenges. The company has set long-term goals to achieve net zero emissions by 2040. By the end of 2024, Mincon reduced its Scope 1 and 2 emissions by 15.8% compared to 2021. This aligns with our commitment to climate action. The primary impact on climate comes from our clients' businesses and how Mincon can help them operate more efficiently. Overall, Mincon's combined Scope 1, 2, and 3 emissions in 2024 were 31.8% lower than their respective reference years.

In collaboration with our partners, we are enhancing our innovation through advanced engineering and value chain partnerships, establishing mutually beneficial alliances committed to sustainability. Essentially, Scope 3 emissions encompass the Scope 1 and 2 emissions of other companies within our value chain. It is imperative that the entire value chain commits to climate action collectively. By doing so, we not only achieve significant emission reductions for Mincon but also set a precedent for future businesses.

While addressing the global climate challenge, we also recognise our social and economic role regionally and locally. Mincon's corporate social responsibility (CSR) programme impacts people and the environment within our own operations, and throughout our value chain. We focus on our employees' health, safety, and wellbeing, while also emphasising diversity, equity, and inclusion through our Diversity, Equality, and Inclusivity policy launched in 2024. Additionally, we have identified several environmental, social, and governance topics relevant to our business and everyday sustainability efforts, in alignment with the UN Sustainable Development Goals.

The increasing significance of sustainability reports arises from the demand by investors and other stakeholders for companies to disclose comprehensive information regarding their sustainability initiatives and environmental, social, and governance (ESG) strategies. Numerous legislative documents on ESG, mandating the disclosure of sustainability information, have already come into effect and are being prepared at Mincon as well. The forthcoming Corporate Sustainability Reporting Directive (CSRD) and European Sustainability Reporting Standards (ESRS), which draw upon the Global Reporting Initiative (GRI) and partly on the Greenhouse Gas (GHG) Protocol, form the foundation of the current reporting practices at Mincon.

While sustainability activities have recently focused on developing reporting and preparing for CSRD, our Mincon team and partners are engaging in consistent work and effective activities. The Environmental & Sustainability Committee collaborates with Mincon management to meet stakeholder demands and regulatory requirements. We continuously monitor progress and assess the impact of our sustainability activities on our stakeholders. Although, we recently carried out our Double Materiality Analysis (DMA) with stakeholder assessment, we welcome ongoing feedback from our stakeholders

Pirita Mikkanen
Chairperson of the Environment & Sustainability Committee

Our Sustainability Roadmap

In line with the CSRD (Corporate Sustainability Reporting Directive) and ESRS (European Sustainability Reporting Standards), our double-materiality assessment was carried out during 2024 and is due for completion in Q1 2025. This assessment was carried out in collaboration with key stakeholders across the Group. Through questionnaires, in-depth interviews, and workshops, we have gathered insights from employees, customers, suppliers, and other groups.

We assessed impacts by evaluating their scale, scope and irremediability to determine their severity and likelihood. Similarly, risks and opportunities were evaluated based on financial materiality, considering their magnitude and likelihood of potential occurrences.

Based on the findings of our double-materiality assessment and from discussions with our key stakeholders, we will establish our sustainability agenda and structure our approach to address all relevant sustainability topics.

Relevance
Information addresses the needs of users and focuses on material matters

Faithful Representation
Information is complete, neutral, and free from material error

Comparability
Disclosures enable stakeholders to compare data over time and access entities

Verifiability
Reported data is backed by evidence and auditable

Understandability
Reporting is concise and easily interpretable

United Nations Sustainable Development Goals

OUR SUSTAINABILITY FRAMEWORK

Mincon is committed to sustainable and responsible business practices, which we implement using recognised frameworks for sustainability initiatives. In 2022 we adopted the United Nations Sustainable Development Goals (UN SDGs) as our sustainability framework.

We identified the following five Sustainable Development Goals (SDGs) that directly apply to our business:

- SDG 7: Affordable and Clean Energy
- SDG 8: Decent Work and Economic Growth
- SDG 9: Industry, Innovation, and Infrastructure
- SDG 12: Responsible Consumption and Production
- SDG 13: Climate Change

These goals have guided us in identifying areas for delivering positive impacts and contributing to a more sustainable future for our planet, communities, and business. Our sustainability strategy includes initiatives that contribute to each sustainable development goal, as well as policies for ensuring sustainability becomes integral to our decision-making processes. This approach has resulted in steady progress across all five SDGs – as detailed in the table at the end of this section.

SDG 7: Affordable and Clean Energy

Our transition to cleaner energy sources continues to gain momentum through both strategic initiatives and operational improvements across our global manufacturing network.

At our Shannon facility, the successful commissioning of rooftop solar installations now partially meets factory electricity requirements, complemented by active electric vehicle charging infrastructure and targeted efficiency measures including heating system optimisation and upgraded heat-treatment equipment.

While our North Bay facility in Canada maintained its focus on energy efficiency through systematic maintenance programs.

These improvements, combined with our ongoing investments in energy-efficient manufacturing technologies, demonstrate our maturing approach to energy management and emissions reduction.

SDG 8: Decent Work and Economic Growth

Paramount to our success is the culture of the Group and the people involved in our business. In 2024, we developed our Diversity, Equality and Inclusivity policy, strengthening our commitment to creating a workplace that is equal and inclusive for all. By continuing to foster a diverse and inclusive work environment, the individual and collective talents and perspectives of employees will benefit our business.

A Group Occupational Health and Safety Report has been disclosed to the Board of Directors each quarter during 2024. In 2024, we had one major incident to report which resulted in a total of 92 lost workdays. All reported minor incidents have been resolved. During 2024, we amended the Group Occupational Health and Safety Policy which has been shared with all Mincon employees.

There has been a notable improvement across the Group in safety meetings, risk assessments and training/re-training efforts. Risk assessments have shown positive progress, along with an increase in near miss reporting. Opportunities for improvement include re-inducting employees, developing safe work procedures, carrying out task observations, and providing refresher training. Additionally, site audits will be implemented to assess the effectiveness of group policy implementation and we will be further developing KPI's for the Group on OHS.

During 2024, we commenced the Mincon academy and training initiatives. This provides employees with a structured learning platform and upon completion of any training program, a certificate of completion is received. The academy and training involves upskilling and deepening our sales and services employees' knowledge of our product offering. This will be instrumental in building collaborative relationships between Mincon and our customers. During the year, Mincon employees completed a total of 417 hours training focused on the DTH, Drill Pipe, Rotary and Geotech markets, enhancing their ability to align our product offerings with our sales strategy moving forward.

During 2024, Mincon maintains a corporate culture that respects the principles aimed at promoting, protecting, and supporting all internationally recognised human rights as outlined in the UN's Universal Declaration of Human Rights and other relevant international guidelines. Human rights are preserved in laws, regulations, and international standards and create a foundation for a safe, respectful, and inclusive work environment. Mincon is committed to protecting the human rights of all involved in their business operations and adhere to upholding the following basic human rights.

SUSTAINABILITY REPORT CONTINUED

SDG 8: Decent Work and Economic Growth continued
Mincon's business operations are operated in compliance with all applicable laws and guiding principles on human rights, in particular, the UN's Universal Declaration of Human Rights. We expect everyone working directly or indirectly with us to adhere to these regulations and principles on human rights and to abide by Mincon's Human Rights Policy. Trust and respect in all business dealings are core values that the Group upholds. The moral and ethical values of all participants, both internal and external, to the Group are evaluated throughout our relationship with all involved with Mincon.

Continuous learning and development in human rights are promoted within our organisation. Indicators that could point to potential human rights breaches are highlighted to everyone working within the Group. Systems and processes have been implemented throughout all of our operations to assess and identify any potential areas of risk.

SDG 9: Industry, Innovation, and Infrastructure
Innovation remains central to our identity as industry leaders, with our R&D initiatives increasingly focused on the intersection of technical excellence and sustainability. Our investment in next-generation technologies, supported by excellence in customer service, continues to yield solutions that will deliver measurable carbon reduction for our customers while enhancing operational efficiency. Our excellence service ensures high usability and low energy intensity.

This dual focus on innovation and sustainability has become deeply embedded in our product development process, driving improvements across our entire value chain. Included in this is our water hammer technology for the offshore wind energy industry, which is at an advanced stage, and in the US market we have developed products, complemented with technical partnerships, that offer turnkey solutions for the solar industry. By aligning our technical expertise with sustainable infrastructure solutions, we are helping to shape the future of our industry while supporting our customers' environmental objectives.

SDG 12: Responsible Consumption and Production
The integration of sustainable practices throughout our value chain reached a significant milestone in 2024 with the introduction of Environmental Product Declarations (EPDs) at our Finnish operations. These comprehensive life cycle assessments of our ring bits and pilot bits represent our evolving commitment to environmental transparency and product stewardship.

This initiative complements our ongoing development of premium, energy-efficient drill tooling, in addition to working with customers to maximise product lifespans, further embedding sustainability principles into our core business operations.

SDG 13: Climate Change
Our climate strategy matured significantly in 2024 through the implementation of sophisticated risk and opportunity assessments aligned with ESRS frameworks. These evaluations have enhanced our understanding of climate-related impacts across our business operations and local communities, enabling more targeted and effective mitigation strategies.

By integrating climate considerations into our strategic planning processes, we have strengthened our ability to adapt to environmental challenges while identifying opportunities for business innovation. This systematic approach to climate risk management represents the evolution of our environmental commitment from isolated initiatives to comprehensive business strategy.

Benchmarking sustainability
Our commitment to transparent reporting includes documenting progress within the identified SDGs, sharing our achievements, challenges, and lessons learned. The table below details the scores (higher scores indicate progress) from our B-Impact UNSDG assessment, which evaluates the Group's overall sustainability performance across policies, practices, and outcomes.

We have improved on all the results compared to the initial UN SDG assessment for 2021. Within SDGs 7, 9, and 13 we now outperform the industry averages. We recognise that further efforts are required to realise improvements in SDG 8, specifically around supply chain practices, and SDG 12, focusing on product lifecycle sustainability and customer use impact.

Benchmark name	Mincon Baseline (FY2021)	Mincon FY2024	Sector Average 2024
Baseline	51.1%	64.1%	29.6%
SDG 7	14.9%	31.3%	13.8%
SDG 8	9.9%	13.7%	19.2%
SDG 9	17.4%	20.2%	19.6%
SDG 12	8.8%	13.0%	22.2%
SDG 13	9.5%	31.5%	14.2%

*Data above was obtained using the B-Impact UN SDG assessment tool (https://app.bimpactassessment.net/)

Environmental Strategy and Goals
Mincon is committed to reducing our environmental impact and promoting sustainable practices across our operations. We have set ambitious targets to address climate change, including a goal to halve manufacturing-related emissions (Scope 1 and 2) by 2030 and achieve net zero carbon emissions by 2040 – a decade ahead of the European Union's timeline.

Our environmental reporting is evolving to meet the highest standards of transparency and accountability. While our historical reporting focused solely on our manufacturing facilities, with baseline audits conducted between 2017 and 2022, 2025 will mark a significant expansion of the scope for our emissions tracking.

From 2025, our reporting will include sales offices and service centres in our calculations, in addition to all manufacturing facilities that were included in previous years. With this, we will establish a corrected baseline emissions figure, aligned with CSRD requirements, to ensure consistent and comprehensive reporting moving forward.

Our Emissions Goals
- 2040: Target year for Net Zero carbon emissions.
- 50% reduction in manufacturing emissions intensity by 2030.
- 100% of manufacturing sites using a mix of fossil fuel-free energy sources by 2040.

Emissions Actions
- Developing energy-efficient drilling solutions for customers.
- Investing in renewable energy generation.
- Partnering with industry pioneers to expand wind energy installations.
- Decarbonise our manufacturing operations.
- Increase energy efficiency of our factories.
- Implementing the Greenhouse Gas Protocol.

Our Key Targets
- **50%** non-fossil fuel energy usage by 2030.
- **Investing in R&D** for solutions that reduce emissions.

Emissions Reduction Strategy
1. Energy Management: Implementing automation, smart energy monitoring, and power management systems to optimise energy usage.
2. Renewable Energy: Installing solar panels and exploring renewable energy generation projects across our sites. This includes investing in energy-storage systems to reduce reliance on fossil fuels.
3. Operational Upgrades: Modernising manufacturing facilities through investments in energy-efficient technologies, such as:
   - Modern heat-treatment systems.
   - Automation.
4. Digital Transformation: Embracing digitalisation to reduce waste and minimise travel-related emissions by promoting virtual meetings.

Our approach extends beyond internal operations. As "The Driller's Choice", we aim to develop innovative solutions that help customers reduce both costs and environmental impacts. This commitment is deeply rooted in our core engineering values of sustainability and efficiency.

This environmental statement reflects our comprehensive and proactive approach to addressing climate change. By setting clear, ambitious targets and implementing a multi-faceted strategy, we demonstrate our dedication to environmental responsibility – which extends beyond compliance by showcasing a genuine commitment to sustainable practices and playing a leadership role in reducing the environmental footprint of the industries in which we operate.

	2018	2019	2020	2022	2023	2024	2030	2040
Actions	Shannon baseline audit	Johannesburg baseline audit	All other ops baseline audit	10% reduction in Group emissions	Scope 3 emissions reporting started	Continued reduction of fossil fuels for energy	50% reduction in Group emissions	Mincon achieves net zero emissions
Comment	Mincon Group carbon project commences	Reflecting normal (pre-pandemic) operations	Established scope 1 and 2 baseline to benchmark improvements	From baseline Scope 1 and 2	Reported separately to Scope 1 and 2	Electrification forming the basis for emissions reduction	The midpoint in Mincon's journey	Celebrate success and lock in processes for continuous improvement

SUSTAINABILITY REPORT CONTINUED

Mincon Group Environmental Report

Mincon's long-term goal is to achieve net zero emissions by 2040, a decade ahead of the European Union's timeline. Our medium-term goal is to halve manufacturing emissions intensity by 2030, and in 2024 we passed the halfway mark. Our emissions intensity (tCO_2e/€1m revenue), based on Scope 1 and 2 emissions, has reduced by 26% since our inaugural sustainability report 2021).

We measure our emissions reductions against different starting years: 2021 for Scope 1 and 2, and FY2022 for Scope 3, as Scope 3 calculations were finalised after our initial assessment. Compared to these respective starting points, Scope 1 and 2 emissions (tCO_2e) in 2024 were reduced by 15.8%, while Scope 3 emissions saw a 31.9% decrease. Overall, the Group's combined Scope 1, 2, and 3 emissions in 2024 were 31.8% lower than their respective reference years. Year-on-year, our manufacturing bases achieved an emissions reduction of 3.6%.

Emissions intensity, based on Scope 1 and 2 emissions, has declined from 56.8 tCO_2e/€1-million in 2021 to 41.9 tCO_2e/€1-million in 2024, a 26.2% reduction. This metric accounts for changes in business growth or contraction, providing a more meaningful comparison of our carbon efficiency over time, regardless of operational scale.

Mincon Group Scope 1, 2 & 3			
	Emissions Intensity (tCO_2e/€1m)	**Scope 1 + 2 (tCo_2e)**	**Scope 3 (tCo_2e)**
2024	41.89	6,457	960,215
2023	42.26	6,698	1,139,188
YoY % Difference	(0.90%)	(3.60%)	(15.70%)

	Emissions Intensity (tCO_2e/€1m)	**Scope 1 + 2 (tCo_2e)**	**Scope 3 (tCo_2e)**
Since measurement started	56.80	7,670	1,410,423
Difference %	(26.30%)	(15.80%)	(31.90%)

Our environmental reporting is based on the Greenhouse Gas (GHG) Protocol, a globally recognised standard for measuring and managing greenhouse gas emissions. Through annual carbon reports, we have established initial measurements for emissions across Scopes 1, 2, and 3 for all Mincon manufacturing facilities, enabling us to accurately track our progress and identify opportunities for further reductions in our environmental impact.

Across Mincon's global manufacturing operations, the majority of emissions are attributable to Scope 3, reflecting a consistent trend across the board. This underscores the importance of refining Scope 3 data collection to improve accuracy and inform targeted reduction strategies. **The Group has already implemented significant measures to cut emissions, with notable successes at key sites:**

- Factories in Sunne, Sweden, and Ylöjärvi, Finland, benefit from renewable electricity, with Sunne operating on 100% renewables and Ylöjärvi at 44% renewable power, while both utilise wood chip-fuelled district heating.
- Solar panel systems have been installed at our Shannon, Ireland facility, with evaluations underway for similar installations across other sites.
- Operational efficiencies, such as automation, have contributed to both safety improvements and energy savings.
- Regional energy procurement strategies are being reassessed to mitigate emissions increases caused by supplier changes, as seen in our Finnish and Irish operations.

Similarly, we have identified emissions trends across the group, due to operational changes and data refinements:

- Ongoing efficiency programmes at our North American factories resulted in the largest reduction for Scope 3 emissions in 2024.
- Higher Scope 1 and 2 emissions in Finland, due to supplier shifts, and Ireland, through expansion of manufacturing, highlight the need for greener energy procurement strategies.
- Relatively high emissions in South Africa are attributed to the use of diesel for on-site electricity generation, and alternatives being explored to lower dependency on fossil fuels.

Since 2021, we have made significant progress in sustainability reporting, including factory reports, GHG protocol implementation, and setting science-based emissions reduction targets. Starting in 2025, Mincon Group will centralise its carbon reporting requirements. This will enable high-quality, consistent, and comprehensive reporting through quarterly reviews, enhancing our ability to quickly identify and respond to opportunities that will improve our environmental performance.

Mincon remains committed to continuous improvement in sustainability efforts, balancing business growth with responsible environmental management to achieve our net zero ambition by 2040.

Commitment to Progress

We remain committed to our approach of continuous improvement in environmental sustainability, ensuring that operations consistently seek out opportunities to reduce emissions, improve efficiency, and minimise negative environmental impacts.

Our manufacturing units and sales offices will implement targeted initiatives and innovative solutions to enhance their environmental performance. This will take place within a structured approach, including developing guidelines for efficiency as well as mechanisms for sharing knowledge about energy and carbon reduction initiatives. These measures will range from simple actions, such as upgrading to LED lighting, to advanced projects, such as implementing rainwater harvesting systems. In each case, each facility will be encouraged to adopt measures to address their unique circumstances.

In addition to these anticipated efficiency guidelines, our businesses have started identifying specific initiatives that would contribute to reduction in emissions and energy consumption:

- Photovoltaic (PV) solar panel systems to meet some or of the electrical demand for a facility, depending on its requirements.
- Identifying greener energy providers in markets where energy companies offer renewable energy with guarantees of origin.
- Innovative heat-loss prevention systems for factories, such as air screens.

In addition to environmental projects at our businesses, we will continue to monitor advancements in technology and sustainability practices, ensuring that our actions align with global best practices. By implementing both group-wide guidance and site-specific initiatives, we are confident in our ability to achieve measurable improvements in environmental performance that will support our long-term goals.

Mincon Social Impact

Mincon's Social Impact, the corporate social responsibility (CSR) programme earned its name from the same term that embodies the effectiveness of Mincon's world-class products: impact. It perfectly encapsulates the work that we do as part of our commitment to the communities in which we do business.

This programme was founded after we formalised our core values and developed an integrated strategy for becoming a more responsible global corporate citizen. It is a group-wide initiative that sees businesses across our four global regions embracing Mincon's culture when giving back to their local communities.

Our subsidiaries have historically been involved in social programmes, and Mincon Social Impact provides a framework for formalising efforts and providing ongoing support. CSR champions in each region work to identify causes that align with our goals and values.

SUSTAINABILITY REPORT CONTINUED

FOCUSED IMPACT DESPITE CHALLENGING CONDITIONS

Throughout 2024, despite a challenging economic environment, Mincon maintained its commitment to community engagement through 45 targeted initiatives across our global operations. Our teams demonstrated remarkable resourcefulness, creating meaningful change through strategic community partnerships that maximised impact with available resources.

With a strategy focused on enabling local communities and organisations, we maintained long-term partnerships while establishing new ones, particularly in youth development and community support programs. From educational initiatives and healthcare support to environmental sustainability projects, each program aligned with our core values of creating opportunities for the next generation, making a positive impact on society, and building a better world for the future.

SOCIAL IMPACT ACTIONS IN 2024

Across our global operations in 2024, Mincon's commitment to community engagement manifested through targeted programs and sustainable partnerships, each addressing specific local needs.

Our Irish operations deepened existing community relationships while establishing new ones. Building on successful second-year partnerships with Music Generation Clare and Clare Cancer Support, we expanded our impact through new multi-year commitments to Focus Ireland and Clare Crusaders. These partnerships reflect our emphasis on creating lasting social change, from supporting youth music education to providing essential services for children with special needs. In Sweden, our Sunne facility maintained its valued partnership with Team Rynkeby, marking the third year of supporting their charity cycling initiatives for seriously ill children.

Our Canadian operations combined hands-on involvement in STEM education through the First Robotics Competition with sustained support for vulnerable community members through programs like Bassin for Kids and the Joy Program. The team at the North Bay factory also focused on staff engagement and professional development through three team-building events, underscoring the sense of community that is encouraged across our businesses.

Prioritising immediate community needs was exemplified by our US operations' disaster response support for Hurricane Helene victims. Mincon teams arranged vehicles and coordinated multiple deliveries of relief aid to affected communities. We also partnered with a prominent drilling company, providing financial aid and equipment to enable drilling of emergency water wells for schools, churches, and fire departments. Our Benton facility also continued supporting its local community through support of nineteen initiatives spanning youth development, emergency services, and local education.

In Peru, our commitment to community welfare took multiple forms, including sports development through sponsorship of an adult basketball team in Lima, and an impactful initiative in collaboration with Crochetísima entrepreneurship. This engagement saw the provision of childhood development essentials for those who use the services of the Westfalia Children's Village, which provides comprehensive care for vulnerable children and single mothers.

In Africa, our operations focused on addressing fundamental community needs and environmental sustainability. Mincon Namibia launched an innovative partnership with Menstrual Cup of Sweden, targeting girls' education retention in two schools. Meanwhile, our South African operations combined environmental responsibility with social impact through their partnership with Take Note Recycling Company.

Our Australian operations, maintained its focus on youth development and inclusive community programs. Our ongoing support of the Fremantle Surf Life Saving Club's Starfish Nippers program continued to create opportunities for children with special needs, while our sponsorship of the Cottesloe Junior Rugby Club fostered youth sports development.

CORPORATE RESPONSIBILITY

One of Mincon's strategic goals is to meaningfully contribute to the environment, to the communities in which we operate and to the benefit of all our stakeholders.

Environment & Sustainability

Our objective is to take the necessary steps to reduce our carbon footprint through further investing in manufacturing that requires less energy and to develop more environmentally friendly products for our customers.

The process of rock drilling is extremely energy-intensive and Mincon meets this challenge by designing and manufacturing highly efficient rock-drilling solutions to make the most of the planet's limited natural resources. Mincon's rock-drilling solutions offer ongoing savings for fuel and energy, rather than single, one-time savings. Additionally, Mincon's solutions are increasingly being used for the installation of environmentally friendly geothermal energy systems. This emphasis on efficiency and sustainability will also give Mincon a business advantage as our customers start favouring suppliers that can help reduce their own carbon emissions.

In our own business practices Mincon's environmental policy comprises three pillars: energy management, waste management, and sustainable practices.

Energy Management

Mincon is committed to responsible energy management and the Group practices energy-efficient thinking throughout the enterprise. This includes the use of reliable sources of energy and water to sustain our activities, with the aim to procure and manage these supplies in the most cost-effective manner.

Mincon's energy management initiatives include a Carbon Disclosure Project (CDP) – an EU plan for businesses to declare their energy usage and associated carbon dioxide emissions. As part of this, Mincon has implemented solutions for measuring and monitoring all forms of energy usage. The outcome of this is to reduce carbon dioxide emissions, comply with environmental legislation, and improve cost-effectiveness.

The CDP helps us to identify trends and areas where investments can be made to allow a more efficient use of energy. Successful measures and technologies will be shared with other businesses in the Group for implementation, where possible, to reach the Group-wide goal of reducing emissions and energy consumption.

Efficiency and sustainability is integral to our business growth strategy. We have manufacturing facilities in the same regions as customer operations in order to drastically reduce our reliance on carbon-intensive intercontinental logistics, while simultaneously improving our customer service.

The core focus of all Mincon's engineering efforts is to improve the energy efficiency of our products. As such, we're also motivated to reduce the energy requirements – and related emissions – associated with the manufacturing of our products. Our engineering and environmental ethos ensures that there will be ongoing savings once products are in our customers' hands.

As with Mincon's product engineering, our energy consumption efforts will be subject to an ethos of continuous improvement, with the eventual goal of achieving a carbon-neutral status. The value of these investments will be realised through ongoing, long-term savings for the Group, and a reputation as a responsible business with a mindset for sustainability.

Our goal is to achieve net zero emissions by 2040 – one decade ahead of the 2050 deadline for EU member states to achieve carbon neutrality.

Our corporate environmental responsibility (CER) goal will be achieved by implementing guidelines set out in the Greenhouse Gas (GHG) protocol – a groupwide effort that will span all areas of our operations.

Waste Management

Mincon's factories actively reclaim and recycle waste material generated during manufacturing. Recycled materials include, but are not limited to scrap metal, swarf, offcuts, lubricating oils, cutting fluids, and solid oily waste. Recycling and collection are done in conjunction with certified local recyclers and waste-management experts.

Wood, cardboard, and office wastepaper are also recycled. Efforts have been made to reduce single-use packaging. In instances where Mincon products are shipped in crates, the wood is recycled or provided to local communities to be repurposed.

Electronic waste, including unused computers, printers, batteries, and consumables, are also recycled in conjunction with local recyclers or council-provided facilities (in the case of jurisdictions where disposal fees are included in taxes or the purchase price).

Sustainable Practices

Mincon educates employees about the importance of the planet's limited resources, to foster a culture of sustainability and environmentally friendly practices. Employees are encouraged to be vigilant about the environment and are given opportunities to present improvements that can be made for the benefit of the business or local communities.

The result of this is seen at Mincon offices around the world, where consideration is given to using low-energy lighting and appliances; plants that require less water in arid climates; participation in recycling initiatives; the use of environmentally friendly alternatives; products that have less single-use plastics; and consumption of food and/or drinks that result in compostable organic waste.

The Group strives to partner with suppliers that share our values when it comes to sustainable practices, and this includes working with low-carbon logistics providers.

Governance and Ethics

Mincon is steadfast in our commitment to conducting our business operations with integrity and transparency and to uphold the highest ethical standards.

Human Rights & Anti-Slavery Policies

Mincon's Board, and the Executive Management Team and senior Management are committed to ensuring all Mincon businesses respect human rights throughout their operations.

Mincon's human rights policy is modelled on the UN guiding principles for business and human rights. We provide all the basic needs to our employees as set out in these guidelines. Additionally, Mincon's commitment to human rights extends to dealings with suppliers, who are critical to the success of the business. Mincon endeavours to ensure that products and services provided by suppliers are ethically sourced and do not breach human rights laws in the countries in which they originate. This will be achieved through intense scrutiny of the ethical and moral values of potential new suppliers.

We are committed to operating our businesses in compliance with all applicable laws, to respect human rights and to conduct business in an honest, open, and ethical manner. Our Anti-Slavery policy sets out our approach to ensure that there is no modern slavery, human trafficking or forced labour in any part of our business. We expect employees to comply with all applicable laws relating to human rights wherever we operate, and to abide by the relevant Mincon corporate policies. Trust and respect in all business dealings are core values that the Group upholds.

Mincon's regional and country managers have been entrusted to respect the local communities and to abide by the company's values. Each manager will ensure that their business, and by extension, Mincon, is not in breach of local or national regulations and laws. Any employees found to be in breach of these regulations and laws will face disciplinary action, while corrective measures will be implemented.

CORPORATE RESPONSIBILITY CONTINUED

Employees

Mincon realises the value of honest and trustworthy employees. Creating a safe and positive work environment for our employees is a high priority across the Group. Employees are treated with dignity and respect. The resulting employee morale and work ethic is evident in the important business metrics that we use to report on the success of the Group.

We are committed to developing the skills of our employees. Many of our manufacturing facilities engage in co-operative learning programs with universities and colleges. Mincon invests time and finances in developing undergraduates and postgraduates, benefiting both the participants and the Group.

Mincon is committed to complying with all labour laws in the countries where it operates. The Group incorporates and develops best practice in terms of employee wellbeing.

- Induction programs for new employees
- Accident reporting & first aid
- Working conditions
- Use of personal protective equipment
- Hours of work & overtime
- Smoke-free workplace
- Breaks and rest periods
- Alcohol and drug free workplaces
- Health and safety policies

Our Diversity, Equality and Inclusivity policy has been created to outline our commitment to equality of opportunity for existing and potential employees and to creating a workplace which provides for:

- Equal opportunities for all staff and potential staff and where their dignity is protected and respected at all times.
- All persons regardless of gender, civil status, family status, race, religious beliefs, sexual orientation, disability, age, or ethnic minorities will be provided with equality of access to employment. All persons will be encouraged and assisted to achieve their full potential. We will continue with a culture of equality right through our businesses.
- An inclusive environment where every individual feels respected, valued and included. Open communication, collaboration and mutual respect among all persons is actively promoted throughout the Group.

We aim to ensure that no job applicant or employee receives less favourable treatment on any grounds which cannot be shown to be justified. This applies to recruitment and selection, training, promotion, pay and employee benefits, employee grievances, discipline procedures and all terms and conditions of employment.

We place considerable emphasis on Health and Safety matters. We undertake our business in a manner that will ensure the safety, health, and welfare of all our employees, visitors, and the public. This commitment is in accordance with applicable Environmental Health and Safety legislation.

We are committed to providing a safe and secure working environment that is free from all forms of harassment and bullying. We have set a standard for all members of staff to be treated with the utmost levels of dignity and respect. Mincon is committed to the implementation of all necessary measures required to protect the dignity of employees and to encourage respect in the workplace. We achieve this by implementing effective procedures to deal with any complaints of such conduct as it may arise.

Corruption and bribery issues

We are committed to continuously operating our business with integrity and being accountable for our actions. We maintain a strict stance against bribery and corruption across all our businesses. Our internal control structures are designed to mitigate reputational risk and to assist in preventing any potential corruption and bribery. We consistently review and assess the robustness of our internal controls to further strengthen our business.

Corruption is dishonest and illegal behaviour by those in a position of trust in order to gain an undue advantage. The risks of corruption are not always obvious, therefore we inform our employees how corruption and bribery may occur through our Anti-corruption and bribery policy.

Corruption and bribery issues are the responsibility of our Executive Management Team. Once a claim is made, the Executive Management Team will respond to the allegation within a reasonable length of time and an investigation will begin. Such an investigation may include internal reviews or reviews by external lawyers, accountants or an appropriate external body. If the claim of malpractice or misconduct is substantiated, appropriate disciplinary action will be taken against the responsible individuals.

Our Speak Up policy exists to enable all staff across our Group to feel confident that they can expose wrongdoing without any risk to themselves. Mincon will not tolerate malpractice and attaches extreme importance to identifying and remedying any issues in relation to corruption or bribery.

Corporate Social Responsibility

Mincon has always been an active member of the communities in which we operate and this is reflected through our core social values:

- Creating opportunities for those in need
- Making a positive impact on society
- Leaving a better world for the next generation

In addition to the Group-funded CSR activities, all Mincon businesses participate in programmes that benefit their local communities. Our current programmes are updated through our website at: **https://corporate.mincon.com**

Throughout 2024, we also focused on increasing our preparedness for the new reporting requirements under the EU Corporate Sustainability Reporting Directive (CSRD).

GROUP FINANCIAL STATEMENTS

FINANCIAL STATEMENTS

SEPARATE FINANCIAL STATEMENTS OF THE COMPANY

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MINCON GROUP PLC

Opinion

We have audited the financial statements of Mincon Group PLC (the "Company") and its subsidiaries (the "Group''), which comprise the Consolidated Income Statement and Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Financial Position, the Consolidated Statement of Cash Flows, the Consolidated and Company Statements of Changes in Equity for the financial year ended 31 December 2024, and the related notes to the financial statements, including the material accounting policy information.

The financial reporting framework that has been applied in the preparation of the financial statements is Irish law and IFRS Accounting Standards as adopted by EU ('IFRS') for the Group and accounting standards issued by the Financial Reporting Council including FRS 101 "Reduced Disclosure Framework"(Generally Accepted Accounting Practice in Ireland) for the Company.

In our opinion:

- the consolidated financial statements give a true and fair view in accordance with IFRS, of the assets, liabilities and financial position of the Group as at 31 December 2024 and of the Group's financial performance and cash flows for the financial year then ended;
- the Company's statement of financial position gives a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland, of the assets, liabilities and financial position of the Company as at 31 December 2024; and
- the Group and Company financial statements have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) ('ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the 'Responsibilities of the auditor for the audit of the financial statements' section of our report. We are independent of the Group and Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, including the Ethical Standard for Auditors (Ireland) issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and the ethical pronouncements established by Chartered Accountants Ireland, applied as determined to be appropriate in the circumstances for the entity. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the entity's ability to continue as a going concern basis of accounting included:

- Gaining an understanding of the business and the associated processes of management in the going concern assessment.
- Evaluating management's future cash flow forecasts, the process by which they were prepared, and assessed the calculations are mathematically accurate the cashflow forecast is prepared up to 31 December 2027.
- Challenging the underlying key assumptions such as expected cash inflow from product sales and cash outflow from purchases of inventory and other operating expenses.
- Regarding revenue expectations, challenging the estimates made by management by assessing whether the estimates regarding sales forecasts and sales prices are in line with historical revenues to date and current contracts in place.
- We also assessed a sensitivity analysis of management using the low end of revenue forecasts and accompanying key assumptions to ascertain the extent of change in those assumptions that either individually or collectively would lead to alternative conclusions.
- Making inquiries with management and reviewing the board minutes and available other available written communication in order to understand the future plans and to identify potential contradictory information.
- Assessing the adequacy of the disclosures with respect to the going concern assertion.

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

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

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current financial period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and the directing of efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and therefore we do not provide a separate opinion on these matters.

Overall audit strategy

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example, in respect of significant accounting estimates in particularly regarding the valuation of intangibles and goodwill and investment in subsidiary undertakings that involved making assumptions and considering future events that are inherently uncertain. We also addressed the risk of management override of internal controls, including evaluating whether there was any evidence of potential bias that could result in a risk of material misstatement due to fraud.

Based on our considerations as set out below, our areas of focus included:

- Revenue recognition (cut-off)
- Valuation of intangibles and goodwill,
- Investment in subsidiary undertakings (Company only)

How we tailored the audit scope

Mincon Group PLC is an Irish engineering Group listed on the AIM Market of the London Stock Exchange and the Euronext Growth Market. The Group specialises in the design, manufacture, sale and servicing of rock drilling tools and associated products.

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including the Group's system of internal control and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the directors that may have represented a risk of material misstatement.

We performed an audit of financial information of 10 components and performed specified procedures (designed by group audit) for a further four components. The components we performed an audit of financial information accounted for 79% of total assets, 76% of total inventories and 75% of total revenue before consolidation adjustments. The components we performed specified procedures (designed by group auditor) accounted for another 7% of total assets, 12% of total inventories and 13% of total revenue before consolidation adjustments.

Components represent companies across the Group considered for audit scoping purposes.

INDEPENDENT AUDITOR'S REPORT CONTINUED

Materiality and audit approach

The scope of our audit is influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, such as our understanding of the Group and its environment, the history of misstatements, the complexity of the Group and the reliability of the control environment, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the financial statements as a whole.

	2024	2023
OVERALL GROUP MATERIALITY	**€700,000**	**€500,000**
Basis for determining materiality	**0.5% of Group revenue**	**5% of Group profit before taxation**
Rational for the benchmark applied	For 2023 audit, the Group profit before tax measure was determined to be the appropriate benchmark considering that the Group is profit-making and its principal activities as an engineering company is to design, manufacture, selling and servicing of rock drilling tools and associated products. For 2024 audit, we have reassessed our determination of the benchmark used to determine materiality. Based on our professional judgment, using a profit before tax as benchmark will not facilitate an effective and efficient group audit. We have performed an understanding of the Group's business, policies and procedures, and have noted that total revenue is also relevant to the users of the Group's financial statements in making key economic decisions about the allocation of Group's resources and assessing its performance. Therefore, we have determined that the Group revenue is the more appropriate benchmark in the current year. We allocated group materiality to significant components dependent on the size and our assessment of the risk of material misstatement of that component.	
Performance materiality	**€455,000**	**€325,000**
Basis for determining performance materiality	65% of materiality having considered our prior year experience of the risk of misstatements, business risks and fraud risks associated with the entity and its control environment, our expectations about misstatements and our understanding of the business and processes of the Group and Company. This is to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements in the financial statements exceeds materiality for the financial statements as a whole.	

We agreed with the audit committee and directors that we would report to them misstatements identified during our audit above 3% of group materiality, as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Significant matters identified

The risks of material misstatement that had the greatest effect on our audit, including the allocation of our resources and effort, are set out below as significant matters together with an explanation of how we tailored our audit to address these specific areas in order to provide an opinion on the financial statements as a whole. This is not a complete list of all risks identified by our audit.

SIGNIFICANT MATTERS IMPACTING THE GROUP	DESCRIPTION OF SIGNIFICANT MATTER AND AUDIT RESPONSE
Revenue recognition (cut-off) **(Notes 3 and 4)**	Under ISA (Ireland) 240 'The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements', there is a presumption that there are risks of fraud in revenue recognition. The Group's policy in recognising revenue depends on when one of the following conditions are met: (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 when goods ship. As a consequence, some revenue arrangements have a cut-off risk at year end. Based on the above we considered this as a key audit matter. Revenue for the financial year ended 31 December 2024 was €145.9m (2023: €156.9m). **We performed the following audit procedures to address the risk:** • We obtained an understanding and assessed the design and implementation of revenue processes and relevant controls in place in relation to revenue recognition; this includes performing a walkthrough per revenue stream. • We performed substantive procedures over a sample of revenue transactions. These were vouched to supporting documents to assess the appropriateness of revenue recognition in terms of IFRS 15 criteria. • We reviewed and tested subsequent quantity adjustments from the end customer and verified that it is adequately reflected in the revenue recognised for the financial year ended 31 December 2024. • We performed cut off testing around year-end transactions to verify that revenue was recognised in the correct period and verified that the corresponding cost of sales were appropriately accounted for by reviewing manual adjustments. • We reviewed and tested the credit notes issued from 01 January 2025 up to the date of the report to ensure revenue is not materially overstated. • We reviewed the margins on sales and reviewed the extent to which open customer orders were supported by inventory to support the margin, in order to identify any increased risk exposure. **Key observations:** On the basis of the work performed we consider the policies applied to revenue recognition to be reasonable. We did not identify any material misstatements.

INDEPENDENT AUDITOR'S REPORT CONTINUED

SIGNIFICANT MATTERS IMPACTING THE GROUP	DESCRIPTION OF SIGNIFICANT MATTER AND AUDIT RESPONSE
Valuation of Intangible Assets and Goodwill **(Notes 3 and 12)**	Management performs an annual impairment assessment in terms of Intangible Assets and Goodwill. Conducting this review is complex, judgemental and applies numerous significant assumptions regarding growth, revenue forecasts, EBITDA margin and WACC. There is a significant risk that an inappropriate amount is estimated for the value in use of an asset or cash-generating unit or fair value less costs of disposal when measuring recoverable amount. There is also a risk that the impairment testing disclosures (under IAS 36) are incomplete, inaccurate or not fairly presented. Intangible Assets and Goodwill as at 31 December 2024 were €40.1m (2023: €40.6m). Based on the foregoing, we considered this as a key audit matter. **We performed the following audit procedures to address the risk:** • We obtained an understanding of the design and implementation of the processes and relevant controls over the valuation of intangible assets and goodwill. • We obtained and critically assessed the impairment models and the supporting documentation prepared by management regarding the recoverability of both internally generated intangible asset and goodwill held as at the financial year-end. • Critically reviewed and challenged management's assessment and considered whether further indicators should have been assessed based on our knowledge of the business, its operating environment, industry knowledge, current market conditions and other information obtained during the audit. • We performed procedures to evaluate and conclude on the competence and independence of the management expert. • Critically reviewed the Discounted Cash Flow model used in the impairment assessment for goodwill and challenged the appropriateness of estimates and assumptions. • We reviewed the sensitivity analysis prepared by management/management expert and reviewed the key assumptions/inputs of the sensitivity analysis. • We performed integrity checks on the applicable models. • We reviewed the financial statements disclosures to ensure adequate disclosure. **Key observations:** Based on the work performed we considered that the policies applied to the valuation of Intangible Assets and Goodwill are reasonable. We did not identify any material misstatements. We have assessed management's judgements and estimates to be supported with appropriate assumptions. We concluded that the disclosure for the Intangible Assets and Goodwill provided sufficient detail to the user to allow an understanding of the impairment assessment.

SIGNIFICANT MATTERS IMPACTING THE GROUP	DESCRIPTION OF SIGNIFICANT MATTER AND AUDIT RESPONSE
Valuation of Investments in subsidiary undertakings (Company only) **(Note 1 and Note 3)**	The investment in subsidiary undertakings is carried at the Company's financial statements at cost less impairment. The investment in subsidiary undertaking as at 31 December 2024 was €66.5m (2023: €66.7m) has been identified as a material balance to the Company's financial statements. In addition, there is a significant risk that the future cash flows and performance of the undertakings might not be sufficient to support the carrying value of the investment; therefore an impairment would be recognised. As a result, we considered this as a key audit matter. **We performed the following audit procedures to address the risk:** • We obtained an understanding of the design and implementation of the processes and relevant controls over the valuation of investments in subsidiary undertakings. • We reviewed management's assessment of the recoverability of investments in subsidiary undertaking and critically assessed and evaluated the assumptions made in management's assessment. • We obtained the net asset details of each subsidiary undertaking and compared it to the carrying amount of the investment undertakings recognised. • We inquired about significant changes that could have an adverse effect on the Company's subsidiary undertakings and have taken place during the period, or are expected to take place in the near future, in the extent to which, or manner in which, the company undertakings' operates. • We reviewed minutes of meetings, other external sources and risk registers to identify any matters which could impact on the recoverability of the investments in subsidiary undertakings. **Key observations:** Based on the procedures performed we have assessed management's measurement of the carrying value of the investment in subsidiary undertakings to be appropriate. We did not identify any material misstatements.

INDEPENDENT AUDITOR'S REPORT CONTINUED

Other information

Other information comprises information included in the annual report, other than the financial statements and the auditor's report thereon, including the Directors' Report, Statement of Directors' Corporate Governance, Audit Committee Report, Nominations and Governance Committee Report, Remuneration Committee Report, Environment and Sustainability Committee Report, Sustainability Report and Corporate Responsibility. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies in the financial statements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by the Companies Act 2014

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited.
- The financial statements are in agreement with the accounting records.
- In our opinion the information given in the Directors' Report is consistent with the financial statements. Based solely on the work undertaken in the course of our audit, in our opinion, the Directors' report has been prepared in accordance with the requirements of the Companies Act 2014, excluding the requirements on sustainability reporting in Part 28.

Matters on which we are required to report by exception

Based on our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

Under the Companies Act 2014 we are required to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by sections 305 to 312 of the Act have not been made. We have no exceptions to report arising from this responsibility.

Responsibilities of management and those charged with governance for the financial statements

As explained more fully in the Statement of Directors' Responsibilities, the Directors are responsible for the preparation of the financial statements which give a true and fair view in accordance with IFRS for the Group and in accordance with Generally Accepted Accounting Practice in Ireland, including FRS 101, for the Company, and for such internal control as they determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group and Company's financial reporting process.

Responsibilities of the auditor for the audit of the financial statements

The objectives of an auditor are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Irish Auditing and Accounting Supervisory Authority's website at: **http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf.** This description forms part of our auditor's report.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatement in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (Ireland). The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Based on our understanding of the Group and industry, we identified that the principal risks of non-compliance with laws and regulations related to compliance with Euronext Growth Stock Exchange Listing Rules, AIM Listing Rules as per the London Stock Exchange, Data Privacy Law, Employment Law and Health & Safety, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the local law, Companies Act 2014 and Irish tax legislation. The Audit engagement partner considered the experience and expertise of the engagement team to ensure that the team had appropriate competence and capabilities to identify or recognise non-compliance with the laws and regulation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial performance and management bias through judgements and assumptions in significant accounting estimates, in particular in relation to significant one-off or unusual transactions. We apply professional scepticism through the audit to consider potential deliberate omission or concealment of significant transactions, or incomplete/inaccurate disclosures in the financial statement.

INDEPENDENT AUDITOR'S REPORT CONTINUED

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud (continued)
The group engagement team shared the risk assessment with the component auditors so that they could include appropriate audit procedures in response to such risks in their work.

In response to these principal risks, our audit procedures included but were not limited to:

- enquiries of management, board, and audit committee on the policies and procedures in place regarding compliance with laws and regulations, including consideration of known or suspected instances of non-compliance and whether they have knowledge of any actual, suspected or alleged fraud;
- inspection of the Group's regulatory and legal correspondence and review of minutes of board and audit committee meetings during the year to corroborate inquiries made;
- gaining an understanding of the entity's current activities, the scope of its authorisation and effectiveness of internal controls established to mitigate risk;
- discussion amongst the engagement team in relation to the identified laws and regulations and regarding the risk of fraud, and remaining alert to any indications of non-compliance or opportunities for fraudulent manipulation of financial statements throughout the audit;
- identifying and testing journal entries to address the risk of inappropriate journals and management override of controls;
- designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing;
- challenging assumptions and judgements made by management in their significant accounting estimates, including deferred consideration, climate-related matters, impairment assessment of goodwill and trade and other receivables, and useful life and residual values of intangible assets;
- performing a detailed review of the Group's year-end adjusting entries and investigating any that appear unusual as to nature or amount and agreeing to supporting documentation;
- reviewing of the financial statement disclosures to underlying supporting documentation and inquiries of management; and
- requesting the component auditors to report any identification of instances of non-compliance with laws and regulations that could give rise to a material misstatement of the group financial statements as part of the Group instructions and procedures that were required to be performed.

The primary responsibility for the prevention and detection of irregularities including fraud rests with those charged with governance and management. As with any audit, there remains a risk of non-detection or irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or override of internal controls.

The purpose of our audit work and to whom we owe our responsibilities
This report is made solely to the company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Cathal Kelly

For and on behalf of

Grant Thornton
Chartered Accountants & Statutory Audit Firm
13-18 City Quay
Dublin 2
Ireland

10 March 2025

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

The notes on pages 80 to 113 are an integral part of these consolidated financial statements.

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**

The notes on pages 80 to 113 are an integral part of these consolidated financial statements.

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**

The notes on pages 80 to 113 are an integral part of these consolidated financial statements.

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**

The notes on pages 80 to 113 are an integral part of these consolidated financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

	Share capital €'000	Share premium €'000	Merger reserve €'000	Undenominated 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**

The notes on pages 80 to 113 are an integral part of these consolidated financial statements. See note 19 for explanation of movements in reserve balances.

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)

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

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.

(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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

3. MATERIAL ACCOUNTING PRINCIPLES AND SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS CONTINUED

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.

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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

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 financial liabilities 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 liabilities 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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

3. MATERIAL ACCOUNTING PRINCIPLES AND SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS CONTINUED

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.

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.

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).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

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.

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 million) 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

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 Directors 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**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

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.

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 2023–31 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**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

12. INTANGIBLE ASSETS AND GOODWILL

	Internally generated intangible asset €'000	Goodwill €'000	Acquired intellectual property €'000	Total €'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.

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%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

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**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

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%	5.0%
Lease Liabilities	1%–17%	5.41%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

19. SHARE CAPITAL AND RESERVES

At 31 December 2024

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:

	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 awards	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 options	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**	**-**

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

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

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 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**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

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

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 weakened 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	Amount in local currency '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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

22. FINANCIAL RISK MANAGEMENT CONTINUED

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 €'000	2023 €'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.

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, Planta 2, Oficina 23, 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
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

*All shares held are ordinary shares.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

23. SUBSIDIARY UNDERTAKINGS CONTINUED

Company	Group Share %*	Registered Office & Country of Incorporation
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
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, G1C 7G6, Canada 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 €'000	2023 €'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 €'000	2023 €'000
Total cash outflow for leases	3,058	4,194
Total cash outflow of leases	**3,058**	**4,194**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

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	31 December 2023 €'000
Less than one year	2,010	2,068
One to two years	2,530	2,042
Two to five years	1,763	788
More than five years	580	850
Total	**6,883**	**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).

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	32	73
One to two years	68	30
Two to three years	36	32
Total	**136**	**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:

	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.

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 €'000	2023 €'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.

COMPANY STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	Notes	2024 €'000	2023 €'000
NON-CURRENT ASSETS			
Investments in subsidiary undertakings	3	66,529	66,669
Deferred tax liability		-	56
Total Non-Current Assets		**66,529**	**66,725**
CURRENT ASSETS			
Loan amounts owing from subsidiary companies		22,576	23,446
Other assets		16	19
Cash and cash equivalents	4	157	1,817
Total Current Assets		**22,749**	**25,282**
Total Assets		**89,278**	**92,007**
EQUITY			
Ordinary share capital	2	2,125	2,125
Share premium		67,647	67,647
Undenominated capital		39	39
Share based payment reserve		2,573	2,241
Retained earnings		4,067	5,059
Total Equity		**76,451**	**77,111**
NON-CURRENT LIABILITIES			
Loans and borrowings	5	10,500	12,500
Total Non-Current Liabilities		**10,500**	**12,500**
CURRENT LIABILITIES			
Loans and borrowings	5	2,000	2,000
Accrued and other liabilities		169	238
Amounts owed to subsidiary companies		158	158
Total Current Liabilities		**2,327**	**2,396**
Total Liabilities		**12,827**	**14,896**
Total Equity and Liabilities		**89,278**	**92,007**

The accompanying notes on pages 116 to 118 are an integral part of these financial statements.

On behalf of the Board:

Hugh McCullough
Chairman

Joseph Purcell
Chief Executive Officer

10 March 2025

COMPANY STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

	Share capital €'000	Share premium €'000	Undenominated Capital €'000	Share based payment reserve €'000	Retained earnings €'000	Total equity €'000
Balance at 01 January 2023	**2,125**	**67,647**	**39**	**2,505**	**4,753**	**77,069**
COMPREHENSIVE INCOME:						
Profit for the year	-	-	-	-	4,767	**4,767**
Total comprehensive income					4,767	**4,767**
TRANSACTIONS WITH SHAREHOLDERS:						
Equity settled share based payments	-	-	-	-	-	**-**
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**	**39**	**2,241**	**5,059**	**77,111**
COMPREHENSIVE INCOME:						
Profit for the year	-	-	-	-	3,470	**3,470**
Total comprehensive income					3,470	**3,470**
TRANSACTIONS WITH SHAREHOLDERS:						
Equity settled share based payments	-	-	-	-	-	**-**
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**	**39**	**2,573**	**4,067**	**76,451**

The accompanying notes on pages 116 to 118 are an integral part of these financial statements.

NOTES TO THE COMPANY FINANCIAL STATEMENTS

1. BASIS OF PREPARATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). There have been no material departures from the Standards. The functional and presentation currency of these financial statements is EUR. All amounts in the financial statements have been rounded to the nearest thousand. In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("IFRS"), but makes amendments where necessary in order to comply with the Companies Act 2014 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company is the ultimate parent company of the Mincon Group which includes the Company in its consolidated financial statements.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- cash flow statement and related notes;
- comparative period reconciliations for tangible fixed assets and intangible assets;
- disclosures in respect of transactions with wholly owned subsidiaries;
- disclosures in respect of capital management;
- the effects of new but not yet effective IFRS;
- disclosures in respect of the compensation of Key Management Personnel;
- disclosures of transactions with a management entity that provides Key Management Personnel services to the company; and
- certain disclosures regarding revenue.

As the consolidated financial statements of the Mincon Group include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- IFRS 2 Share-based Payments in respect of group settled Share-based payments;
- certain disclosures required by IAS 36 Impairment of assets in respect of the impairment of goodwill and indefinite life intangible assets;
- certain disclosures required by IFRS 3 Business Combinations in respect of business combinations undertaken by the Company; and
- certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

As permitted by section 304 of the Companies Act 2014, no separate profit and loss account is presented in respect of the Company. The Company recorded a profit for the year of €3.5 million (2023:€4.8 million), which included dividends receivable of €6 million (2023: €10 million) from subsidiary companies.

The following new and amended standards are not expected to have a significant impact on the Company's 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 Company

- 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)

Investments in subsidiaries

Investments in subsidiary undertakings are stated at cost less provision for impairment in the Company's statement of financial position. Loans to subsidiary undertakings are initially recorded at fair value in the Company statement of financial position and subsequently at amortised cost using an effective interest rate methodology.

At each reporting investments in subsidiaries undertakings are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss. If an impairment loss subsequently reverses, the carry amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Going concern

The Company is in a net asset position of €76.5 million at year-end. The Directors are satisfied that there are no material uncertainties with regard to the going concern of the Company and as a result have a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of at least 12 months from the date of approval of these consolidated financial statements, and therefore they continue to adopt the going concern basis of accounting in preparation of its financial statements. The Group's and Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the business and strategy review section of the Group annual report.

The accounting policies set out in note 3 of the Group financial statements have been applied consistently to all periods presented in these financial statements.

2. SHARE CAPITAL

See note 19 of the Mincon Group plc consolidated financial statements for details of the authorised and issued share capital of the company.

3. INVESTMENTS IN SUBSIDIARY UNDERTAKINGS

During the year ended 31 December 2024, Mincon Group plc subscribed for equity in the following subsidiaries as follows:

	Investments in subsidiary €'000
Balance at 1 January 2024	**66,669**
Investment in EURL Roc Drill	110
Investment in Mincon Chile	(250)
Balance at 31 December 2024	**66,529**

Mincon Group PLC (entity only) own all entities (either directly or indirectly) in note 23. The investment in subsidiary undertakings is carried by the Company at cost less impairment. There is a risk in respect of the carrying value of these investments if future cash flows and performance of these subsidiaries is not sufficient to support the Company's investment. Investments were impaired by €250,000 during the year ended 31 December 2024 (2023: €3.2 million).

4. SHORT TERM DEPOSITS

At 31 December 2024, the Company had €157,000 cash readily available (2023: €1.8 million).

NOTES TO THE COMPANY FINANCIAL STATEMENTS CONTINUED

5. LOANS AND BORROWINGS

During 2024, the Company drew down loans of €NIL million (2023: €3 million).

Repayments are made quarterly, with a €5 million bullet repayment due in 2026. The effective rate for the loans and borrowings is 5.2%.

	Bank Loans €'000
Balance at 1 January 2024	14,500
Bank loan drawdowns	-
Repayment of bank loan	(2,000)
Total loans and borrowings 31 December 2024	**12,500**
Current	2,000
Non-current	**10,500**

6. SHARE BASED PAYMENTS

The Company operates one share option scheme, further details are given in the Group financial statements in note 21.

7. APPROVAL OF FINANCIAL STATEMENTS

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

SUSTAINABILITY REPORT TERMINOLOGY

Sustainability reporting involves many technical terms and abbreviations. The table below provides insight for the terminology used throughout the sustainability section of the 2025 Mincon Annual Report.

Baseline
First reporting period for carbon emissions.

Carbon Neutral
Reducing the impact of carbon emissions to zero using carbon offsets. To achieve carbon neutrality, reducing carbon emissions is not necessary as the entirety of the carbon emissions can be offset.

CER
Corporate Environmental Responsibility refers to the company's commitment to managing its environmental impact through sustainable practices and initiatives.

CSR
Corporate Social Responsibility refers to the company's efforts in which it contributes to societal well-being through charitable projects, community engagement, and supporting causes that align with its values.

CSRD
The Corporate Sustainability Reporting Directive is EU legislation requiring businesses to report on environmental, social, and governance (ESG) impacts.

ESRS
The European Sustainability Reporting Standards are a set of mandatory guidelines for sustainability reporting, developed by EFRAG (European Financial Reporting Advisory Group) to support CSRD.

GHG Protocol
The Greenhouse Gas (GHG) Protocol is a widely recognised accounting standard for measuring and managing greenhouse gas emissions. It provides a comprehensive framework that helps organisations quantify and report their emissions, enabling them to set emission reduction targets and implement strategies to mitigate climate change.

Scope 1 emissions
The direct greenhouse gas emissions that occur from sources owned or controlled by an organisation, such as emissions from on-site combustion of fossil fuels or from company – owned vehicles.

Scope 2 emissions
The indirect greenhouse gas emissions that result from the consumption of purchased electricity, heat, or steam by an organisation.

Scope 3 emissions
All indirect greenhouse gas emissions that occur throughout an organisation's value chain, including emissions from purchased goods and services, transportation, employee, use of sold products, end of life treatment of sold products and waste from operations. Mincon measures Scope 3 emissions from categories 1, 2, 4, 5, 6, 7, 9, 11, 12.

tCO_2e
Tonnes of carbon dioxide equivalent (tCO_2e) is a standard unit that measures greenhouse gas emissions by converting the emissions of different gases into the equivalent amount of carbon dioxide based on their global warming potential (GWP). It allows for a simplified comparison and aggregation of emissions from various sources.

UN SDGs
The United Nations Sustainable Development Goals (SDGs) are a set of 17 global goals aimed at addressing the world's most pressing social, economic, and environmental challenges by 2030. These goals include eradicating poverty and hunger; ensuring quality education and healthcare; promoting gender equality; combatting climate change; and fostering sustainable economic growth, among others.

SUSTAINABILITY REPORT TERMINOLOGY CONTINUED

Scope 3 categories

1 Purchased Goods and Services;

2 Capital Goods;

3 Fuel – and Energy-related activities;

4 Upstream Transportation and Distribution;

5 Waste generated in operations;

6 Business travel;

7 Employee commuting;

8 Upstream leased assets;

9 Downstream transportation and distrubion;

10 Processing of sold products;

11 Use of sold products;

12 End-of-life treatment of sold products;

13 Downstream leased assets;

14 Franchises;

15 Investments.

Emissions intensity

The amount of greenhouse gas emissions per €1-million revenue, indicating the environmental impact relative to operational output.

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