Q4 report 2024

FOURTH QUARTER AND PRELIMINARY RESULTS 2024

HIGHLIGHTS Q4 2024

- Revenues of USD 85.9 million (Q4 23: USD 67.7 million)
- Operating profit of USD 2.4 million (Q4 23: USD 3.9 million)
- Adjusted EBIT of USD 3.1 million (Q4 23: USD 4.5 million)
- Net cash of USD 4.8 million (Q3 24: USD 7.9 million)
- Proposing semi-annual dividend of NOK 0.45 per share in H1 2025

HIGHLIGHTS FULL YEAR 2024

- Revenue of USD 309.6 million (2023: USD 251.2 million)
- Operating profit of USD 10.4 million (2023: USD 16.5 million)
- Adjusted EBIT of USD 12.5 million (2023: USD 18.8 million)
- Total dividend of NOK 0.8 per share paid during 2024
- Completed acquisition of Ross Offshore and Hidromod

Reuben Segal, CEO of ABL Group ASA (“ABL Group” or the “Company”) commented:
“Four value adding acquisitions in a little over 6 months shows our commitment to growing a material consultancy business serving Energy and Oceans. Hidromod added a new service line to the ABL segment; Ross Offshore drove revenue growth in the quarter as we re-enforced the offering of our AGR segment and added marine operations capabilities; and post quarter end Proper Marine and Techconsult extended our primary design and resourcing activities in the Longitude and AGR segments.

From an operating perspective, in Q4 2024 our revenue growth came predominantly from the addition of Ross Offshore but Longitude achieved very strong activity levels. Margins are lower than the same period last year for a combination of reasons. Ross Offshore is a structurally lower margin business with the marine operations activity seeing significant revenues at pass-through rates on the vessel before we achieve higher margins on value added services. Additionally, the continued slowdown in the offshore wind market added to a weaker oil & gas quarter has weighed on OWC and ABL in the quarter. Cost initiatives delivered in the quarter will pull these margins up as we enter 2025.

We remain positive about the outlook and our positioning in our key markets, despite the long-term energy transition proving more volatile than many had assumed. Offshore oil & gas and maritime sector activity are expected to remain stable throughout 2025 and our global diversification strategy allows us to neutralise any regional shifts in these markets. In the offshore wind market geopolitical shifts impact decisions but we are seeing a higher level of tendering which is expected to see an improvement in activity levels in the 2nd half of 2025.”

KEY FIGURES

USD thousands (except shares, backlog, employees)	Q4 2024	Q4 2023	FY 2024	FY 2023
FINANCIALS				
Total revenue	85 897	67 716	309 624	251 233
EBITDA(1)	3 999	5 489	16 529	21 831
Adjusted EBITDA(1)	4 281	5 709	17 035	22 944
Operating profit (loss) (EBIT)(1)	2 357	3 913	10 443	16 530
Adjusted EBIT(1)	3 073	4 486	12 520	18 822
Profit (loss) after taxes (1)	1 840	543	4 610	8 677
Adjusted profit (loss) after taxes (1)	2 556	1 116	6 770	10 968
Basic earnings per share (USD)	0.01	0.00	0.03	0.07
Diluted earnings per share (USD)	0.01	0.00	0.03	0.07
Adjusted basic earnings per share (USD)	0.02	0.01	0.05	0.09
Adjusted basic diluted earnings per share (USD)	0.02	0.01	0.05	0.09
Weighted average number of outstanding shares (thousands)	130 008	123 350	128 907	117 702
Cash and cash equivalents at the end of the period	19 474	28 157	19 474	28 157
OPERATIONS				
Order backlog at the end of the period (USD million)(1)	116.0	72.2	116.0	72.2
Average full-time equivalent employees during the period (2)	1 760	1 613	1 687	1 466
Average billing ratio during the period(3)	75%	76%	74%	76%

(1) Refer to Alternative Performance Measures
(2) Include subcontractors on 100% utilisation basis
(3) Billing ratio for technical employees including subcontractors on 100% utilisation basis. Excludes management, business development, administrative support employees and temporary redundancies. Figure calculated as billable hours over available hours. Available hours excludes paid absence and unpaid absence.

GROUP FINANCIAL REVIEW

(Figures in brackets represent same period prior year or balance sheet date as of 30th September 2024. Certain comparative figures have been reclassified to conform to the presentation adopted for the current period).

Group results

The acquisition of Ross Offshore AS ("Ross Offshore") was consolidated in ABL Group's consolidated accounts as of 30 June 2024. The acquisition of Hidromod - Modelação em Engenharia, Lda ("Hidromod") was consolidated as of 1 October 2024. For more information about these acquisitions, please see note 8.

Total operating revenues increased by 27% to USD 85.9 million in Q4 2024 (USD 67.7 million). The increase was primarily driven by the AGR segment, which grew 82% driven by the acquisition of Ross Offshore.

The total operating revenues were USD 309.6 million in 2024 (USD 251.2 million).

Staff costs increased by 22% to USD 40.1 million in Q4 2024 (USD 33.0 million). Other operating expenses increased by 43% to USD 41.8 million in Q4 2024 (USD 29.2 million). Other operating expenses have outpaced staff costs largely due to the integration of Ross Offshore, which includes a higher element of non-staff costs including freelancers and recharged vessel costs. Depreciation, amortisation and impairments increased by 4% to USD 1.6 million in Q4 2024 (USD 1.6 million).

Total operating expenses were USD 299.2 million in 2024 (USD 234.7 million). The increase in operating expenses is primarily attributed to the acquisition of Ross Offshore.

Operating profit (EBIT) amounted to USD 2.4 million in Q4 2024 (USD 3.9 million). Adjusted EBIT amounted to USD 3.1 million in Q4 2024 (USD 4.5 million). The adjustments primarily relate to amortisation of PPA intangible assets and other M&A related costs.

EBIT amounted to USD 10.4 million in 2024 (USD 16.5 million). Adjusted EBIT amounted to USD 12.5 million in 2024 (USD 18.8 million).

The billing ratio for technical staff including freelancers was 75% in Q4 2024 (77%).

Finance expenses of USD 0.3 million in Q4 2024 (USD 0.6 million) mainly represents interest on the Group's interest-bearing debt.

The net currency gain of USD 1.0 million in Q4 2024 (loss of USD 1.4 million in Q4 2023) and loss of USD 1.0 million in 2024 (loss of USD 2.8 million in 2023) mainly represents unrealised loss on revaluation of bank accounts.

Profit after taxes amounted to USD 1.8 million in Q4 2024 (USD 0.5 million in Q4 2023). Profit after taxes amounted to USD 4.6 million in 2024 (USD 8.7 million).

Financial position and liquidity

At 31 December 2024, cash and cash equivalents amounted to USD 19.5 million, down from USD 22.5 million at 30 September 2024. Cash flow from operations was positive at USD 5.9 million in the quarter driven primarily by operating profits.

Net working capital ratio has improved in the last quarters following the acquisition of Ross Offshore and is expected to remain at a lower level, but will continue to fluctuate with the type of projects, milestone payments and the overall revenues.

Cash flow from investing activities was slightly negative at USD 1.4 million. Cash flow from financing was negative at USD 6.4 million, primarily driven by shareholder distributions of USD 5.2 million during the quarter.

Interest bearing bank debt at 31 December 2024 was USD 14.6 million, which is unchanged from 30 September 2024.

Lease liabilities were USD 8.0 million at 31 December 2024, down from USD 8.9 million at 30 September 2024. The lease liabilities are related to IFRS 16 recognition of long-term lease contracts for the company's offices worldwide.

Order backlog

The order backlog at the end of Q4 2024 was USD 116.0 million, up from USD 72.2 million at the end of Q4 2023.

The Group's services are primarily driven by "call-out contracts" which are driven by day-to-day operational requirements. An estimate for backlog on "call-out contracts" is only included in the order backlog when reliable estimates are available.

Organisational development

The Group had 1,760 employees (full time equivalents, "FTEs"), including freelancers at 100% utilisation basis, on average during Q4 2024. The equivalent number was 1,753 for Q3 2024.

Health, safety, environment and quality

The Group's HSEQ management system provides the framework to manage all aspects of our business. The management system is designed to ensure compliance with regulatory requirements, identify and manage risks and to drive continuous improvement in HSEQ performance.

The Group had no lost time incidents (LTI) in 2024. Since Aqualis' incorporation in 2013, the Group has had 3 LTIs in over 12 million cumulative man-hours clocked.

	2022	2023	2024	All time
Man-hours (millions)	1.9	2.7	3.2	12.6
LTIs	0	0	0	3

Outlook

On the oil & gas side we expect significant regional differences for both capex-driven and opex-driven services, but the overall impact on ABL Group is expected to be neutral given the group's global diversification.

The overall global oil & gas capex spending is expected to stabilize. Offshore spending is expected to increase in Brazil, the Middle East (excluding Saudi Arabia), Sub-Saharan Africa, and parts of Asia. National Oil Companies (NOCs) continue to lead investment growth, while International Oil Companies (IOCs) are trending lower.

Jack-up activity and spending in Mexico, the North Sea, and Saudi Arabia is expected to decline, compensated by increased activity in the rest of the Middle East.

Within maritime market, we expect to retain our strong position. These markets are long-term stable and move in tandem with global shipping activity, but short-term development remains largely event driven and difficult to forecast.

The renewable energy sector, particularly offshore wind, experienced a challenging year in 2024, marked by high capital costs, supply chain bottlenecks, and project delays. While market sentiment reflected both recalibration and resilience, the near-term outlook remains uncertain due to economic pressures and shifting policy landscapes, pushing long-term interest rates back up towards the 10-year highs observed in late 2023 and early 2024. This environment negatively impacts market visibility and increases short-term risk. Despite these near-term challenges, we believe the market has bottomed out, and long-term fundamentals remain strong.

OWC is actively diversifying beyond offshore wind to reduce dependency on any single market. In supporting the energy transition, as it inevitably moves forward through shifting political landscapes and technological developments, we aim to position ABL Group as a flexible and resilient player, capable of thriving in any scenario. This includes careful management of costs relative to the activity levels of our markets.

The Group's current strategy remains unchanged being focused on widening and strengthening its global client portfolio while enhancing client loyalty to retain and obtain market leading positions across our services and geographies.

We will continue to be active in the consolidation and restructuring of our industry and remain focused on value creation for all our stakeholders; customers, employees and shareholders. The active pursuit of strategic and value creating acquisitions allows us to make large strides in positioning the Group in attractive markets, and to become the leading independent global energy and marine consultancy.

Oslo, 25 February 2025

The Board of Directors of
ABL Group ASA

Condensed interim consolidated financial statements
Q4 2024

USD thousands

Consolidated income statement	Q4 2024	Q4 2023	FY 2024	FY 2023
Revenue	85,897	67,716	309,624	251,233
Total revenue	**85,897**	**67,716**	**309,624**	**251,233**
Staff costs	(40,135)	(33,000)	(149,967)	(125,373)
Other operating expenses	(41,763)	(29,227)	(143,128)	(104,028)
Depreciation, amortisation and impairment	(1,642)	(1,576)	(6,086)	(5,301)
Operating profit (loss) (EBIT)	**2,357**	**3,913**	**10,443**	**16,530**
Finance income	57	220	366	423
Finance expenses	(338)	(632)	(2,218)	(1,666)
Net foreign exchange gain (loss)	1,006	(1,422)	(996)	(2,843)
Profit (loss) before income tax	**3,082**	**2,079**	**7,595**	**12,445**
Income tax expenses	(1,242)	(1,536)	(2,985)	(3,768)
Profit (loss) after tax	**1,840**	**543**	**4,610**	**8,677**

Consolidated statement of other comprehensive income	Q4 2024	Q4 2023	FY 2024	FY 2023
Profit (loss) after tax	**1 840**	**543**	**4 610**	**8 677**
Other comprehensive income				
Items that may be reclassified to profit or loss				
Currency translation differences	(1 468)	3 523	1 009	2 115
Income tax on currency translation differences	(388)	(793)	(388)	(793)
Total items that may be reclassified to profit or loss	**(1 856)**	**2 730**	**621**	**1 322**
Items that will not be classified to profit and loss:				
Remeasurement of defined benefit obligations	**(13)**	**-**	**62**	**-**
Total items that will not be classified to profit and loss:	**(13)**	**-**	**62**	**-**
Total comprehensive income for the period	**(29)**	**3 273**	**5 293**	**9 999**
Profit after tax is attributable to:				
Equity holders of the parent company	1 771	490	4 359	8 400
Non-controlling interests	69	53	251	277
	1 840	**543**	**4 610**	**8 677**
Total comprehensive income for the period is attributable to:				
Equity holders of the parent company	(98)	3 220	5 042	9 722
Non-controlling interests	69	53	251	277
	(29)	**3 273**	**5 293**	**9 999**
Basic earnings per share (USD)	0.01	0.00	0.03	0.07
Diluted earnings per share (USD)	0.01	0.00	0.03	0.07
Adjusted basic earnings per share (USD)	0.02	0.01	0.05	0.09
Adjusted basic diluted earnings per share (USD)	0.02	0.01	0.05	0.09

Condensed interim consolidated financial statements
Q4 2024

USD thousands

Consolidated balance sheet	31 December 2024	31 December 2023
ASSETS		
Non-current assets		
Goodwill and intangible assets	65,423	56,828
Property, plant and equipment	10,229	10,613
Investment in associates	156	32
Deferred tax assets	4,400	5,308
Total non-current assets	**80,208**	**72,781**
Current assets		
Trade and other receivables	63,987	57,392
Contract assets	21,953	22,185
Cash and cash equivalents	19,474	28,157
Total current assets	**105,414**	**107,734**
Total assets	**185,622**	**180,515**
EQUITY AND LIABILITIES		
Equity		
Total shareholders equity	99,092	100,796
Non-controlling interests	354	263
Total equity	**99,446**	**101,059**
Non-current liabilities		
Deferred tax liabilities	4,100	4,687
Lease liabilities	5,810	6,801
Provisions	7,552	7,466
Other payables	390	-
Total non-current liabilities	**17,852**	**18,955**
Current liabilities		
Trade and other payables	48,589	44,830
Contract liabilities	2,367	1,978
Short term borrowings	14,633	10,946
Lease liabilities	2,204	1,818
Income tax payable	531	930
Total current liabilities	**68,324**	**60,501**
Total liabilities	**86,176**	**79,456**
Total equity and liabilities	**185,622**	**180,515**

Condensed interim consolidated financial statements
Q4 2024

USD thousands

Consolidated statement of cash flows	Q4 2024	Q4 2023	FY 2024	FY 2023
Cash flow from operating activities				
Profit before taxes	3,082	2,079	7,595	12,445
Non-cash adjustment to reconcile profit before tax to cash flow:				
Depreciation, amortisation and impairment	1,642	1,576	6,086	5,301
Non-cash employee benefits expense – share-based payments	59	208	478	1,439
Changes in working capital:				
Changes in trade and other receivables	9,300	1,801	6,780	(10,887)
Changes in trade and other payables	(9,370)	560	(12,859)	4,632
Interest costs - net	647	166	2,218	887
Income taxes paid	(160)	(407)	(1,833)	(1,790)
Net exchange differences	662	1,559	1,414	(476)
Cash flow from (used in) operating activities	**5,862**	**7,542**	**9,879**	**11,553**
Cash flow from investing activities				
Payments for property, plant and equipment	(1,038)	(857)	(3,374)	(2,422)
Interest received	25	71	104	167
Net cash (paid) / acquired on acquisition of subsidiaries	(341)	-	(5,939)	2,008
Cash flow from (used in) investing activities	**(1,354)**	**(786)**	**(9,209)**	**(247)**
Cash flow from financing activities				
Dividends paid to company's shareholders	(5,024)	(4,026)	(9,862)	(8,073)
Purchase of treasury shares	(210)	-	(485)	
Principal elements of lease payments	(879)	(921)	(2,817)	(2,808)
Proceeds from loans and borrowings	-	-	17,419	-
Repayment of borrowings	(16)	(19)	(13,944)	(2,391)
Proceeds from issuance of shares capital	-	(7)	2,816	(7)
Interest paid	(240)	(167)	(1,148)	(721)
Cash flow from (used in) financing activities	**(6,369)**	**(5,140)**	**(8,021)**	**(13,999)**
Net change in cash and cash equivalents	**(1,861)**	**1,616**	**(7,351)**	**(2,693)**
Cash and cash equivalents at the beginning of the period	22,485	25,890	28,157	30,974
Effect of movements in exchange rates	(1,150)	651	(1,332)	(123)
Cash and cash equivalents at the end of the period	**19,474**	**28,157**	**19,474**	**28,157**

Condensed interim consolidated financial statements Q4 2024

USD thousands

Consolidated statement of changes in equity	Share capital	Treasury shares	Share premium	Consideration shares	Share-based compensation reserve	Retained earnings	Foreign currency translation reserve	Total	Non-controlling interests	Total equity
At 1 January 2023	**1,402**	-	**63,349**	**1,236**	**3,769**	**14,752**	**(15,812)**	**68,697**	**(269)**	**68,428**
Profit after tax	-	-	-	-	-	8,400	-	**8,400**	277	8,677
Other comprehensive income										
Translation differences	-	-	-	-	-	-	2,115	**2,115**	-	2,115
Income tax on translation differences	-	-	-	-	-	-	(793)	**(793)**	-	(793)
Total comprehensive income for the year	-	-	-	-	-	**8,400**	**1,322**	**9,722**	**277**	**9,999**
Shares issued as consideration for business combination	178	-	28,833	-	-	-	-	**29,011**	-	29,011
Non-controlling interests on acquisition of subsidiary	-	-	-	-	-	-	-	-	255	255
Dividends paid	-	-	(8,073)	-	-	-	-	**(8,073)**	-	(8,073)
Share-based payment expenses	-	-	-	-	1,439	-	-	**1,439**	-	1,439
At 31 December 2023	**1,580**	-	**84,109**	**1,236**	**5,208**	**23,152**	**(14,490)**	**100,796**	**263**	**101,060**
At 1 January 2024	**1,580**	-	**84,109**	**1,236**	**5,208**	**23,152**	**(14,490)**	**100,795**	**263**	**101,058**
Profit after tax	-	-	-	-	-	4,359	-	**4,359**	251	**4,610**
Other comprehensive income										
Translation differences	-	-	-	-	-	-	1,009	**1,009**	-	**1,009**
Income tax on translation differences	-	-	-	-	-	-	(388)	**(388)**	-	**(388)**
Remeasurement of defined benefit obligations	-	-	-	-	-	62	-	**62**	-	**62**
Total comprehensive income for the year	-	-	-	-	-	**4,421**	**621**	**5,042**	**251**	**5,293**
Cash-settled capital increase (net of transaction costs)	54	-	2,762	-	-	-	-	**2,816**	-	**2,816**
Acquisition of treasury shares	-	(485)	-	-	-	-	-	**(485)**	-	**(485)**
Reclassification of provision for share warrants	-	-	-	-	-	-	-	-	-	-
Reissuance of treasury shares	-	148	-	-	-	-	-	**148**	-	**148**
Shares issued as consideration for business combination	10	75	889	(974)	-	-	-	-	-	-
Dividends paid	-	-	(9,702)	-	-	-	-	**(9,702)**	(160)	**(9,862)**
Share-based payment expenses	-	-	-	-	478	-	-	**478**	-	**478**
At 31 December 2024	**1,644**	**(262)**	**78,058**	**262**	**5,686**	**27,573**	**(13,869)**	**99,092**	**354**	**99,446**

Condensed interim consolidated financial statements Q4 2024

Notes to the interim consolidated financial statements

1. Corporate information
ABL Group ASA ("the Company") is a limited liability company incorporated on 13 June 2014 and domiciled in Norway with its registered office at Karenslyst Allé 4, 0278 Oslo, Norway. The Company is listed on Oslo Stock Exchange.

The principal activity of the Company and its subsidiaries (collectively the "ABL Group" or the "Group") is to offer marine, offshore and renewables consultancy services to the energy, shipping and insurance industries globally. The group employs specialist engineers, naval architects, master mariners and technical consultants in 77 offices located across 6 continents in 43 countries.

For all periods up to and including the period ended 31 December 2024, the consolidated financial statements of the Group are a continuation of the group values transferred from Weifa ASA in the spin-off of the marine and offshore business wherein all the shares in subsidiaries were transferred to Aqualis ASA on 24 July 2014. The ownership of the subsidiaries and the related excess values from the acquisitions are consequently continued in the consolidated financial statements of the Group.

2. Basis of preparations and changes to the accounting policies
This condensed consolidated interim financial report for the period ended 31 December 2024 has been prepared in accordance with Accounting Standard IAS 34 Interim Financial Reporting.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements, and accordingly this report should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2023.

The accounting policies applied in the preparation of this condensed consolidated financial statements are consistent with those followed in the preparation of the last annual consolidated financial statements for the year ended 31 December 2023.

The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

These condensed consolidated financial statements are presented in US Dollars (USD). All amounts disclosed in the financial statements and notes have been rounded off to the nearest thousand currency units unless otherwise stated. As a result of rounding adjustments, the figures in one or more rows or columns included in the condensed consolidated financial statements may not add up to the total of that row or column.

3. Critical accounting estimates and judgements in terms of accounting policies
In preparing these interim condensed consolidated financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual consolidated financial statements including estimation of fair values of contingent purchase consideration in a business combination.

4. Segment information
The ABL Group is managed by four distinct business lines under the brands ABL ("The Energy and Marine Consultants"), OWC ("The Renewable Energy Consultants"), Longitude ("The Engineering Consultants") and AGR ("The Energy and Software Consultants"). These business lines will also form the basis for the four reportable segments of the Group. The internal management reports provided by management to the Group's Board of Directors, which is the Group's Chief Operating Decision Maker ("CODM"), is in accordance with this structure. No operating segments have been aggregated to form the above four reporting segments. Eliminations reflects the eliminations of intra-segment revenue to the extent that these arise between the segments.

Management has considered the organisational structure, service offerings of each business unit and performance of certain activities in determining the reportable segments as described above. The main measures of performance for each segment are revenue, operating profit and working capital metrics (trade debtor and unbilled revenue days outstanding).

The segmental information, as provided monthly to the CODM, is as follows:

USD thousands

Revenues	Q4 2024	Q4 2023	FY 2024	FY 2023
ABL	34,874	34,488	142,911	138,786
OWC	8,318	10,327	34,220	41,615
Longitude	3,936	3,001	13,010	12,385
AGR	38,826	21,350	120,890	66,224
Eliminations	(57)	(1,450)	(1,407)	(7,777)
Total revenues	**85,897**	**67,716**	**309,624**	**251,233**

Operating profit (loss) (EBIT)	Q4 2024	Q4 2023	FY 2024	FY 2023
ABL	5,411	8,253	24,484	31,896
OWC	(204)	258	(35)	4,200
Longitude	1,224	571	2,814	3,014
AGR	2,010	1,218	6,017	3,119
Eliminations	(6,084)	(6,388)	(22,837)	(25,699)
Total operating profit (loss)	**2,357**	**3,913**	**10,443**	**16,530**

The following segment assets information provided to the Board of Directors for reportable segments consist of trade receivables and contract assets for entities in the different business lines.

USD thousands	31 December 2024		31 December 2023	
Trade receivables and contract assets	Trade receivables	Contract assets	Trade receivables	Contract assets
ABL	26,259	12,615	28,290	11,402
OWC	4,549	2,563	5,904	3,645
Longitude	3,163	1,144	1,532	1,110
AGR	16,379	5,631	11,749	6,028
Total	**50,350**	**21,953**	**47,475**	**22,185**

5. Other operating expenses

USD thousands

Other operating expenses	Q4 2024	Q4 2023	FY 2024	FY 2023
Subcontractors cost	30,933	20,875	104,062	72,202
Office lease and maintenance expenses	590	389	2,908	2,603
Insurance cost	1,178	910	3,926	3,372
Cost of recharged expenses	1,891	1,869	8,094	7,267
Transaction costs related to acquisition	91	-	315	720
General and administrative expenses	7,080	5,184	23,823	17,863
Total	**41,763**	**29,227**	**143,128**	**104,028**

6. Goodwill and intangible assets

USD thousands

Goodwill and intangible assets	Goodwill	Customer relations	Patents and brand name	Internally generated software	Total
Cost					
At 1 January 2023	29,218	4,275	1,386	502	35,381
Acquired through business combinations	14,764	6,736	3,284	2,478	27,262
Additions	-	-	-	1,454	1,454
Effect of movements in exchange rates	290	126	66	48	530
At 31 December 2023	**44,272**	**11,137**	**4,736**	**4,482**	**64,627**
Acquired through business combinations	8,684	2,153	-	-	10,837
Additions	-	-	-	2,001	2,001
Effect of movements in exchange rates	(2,691)	840	(79)	(843)	(2,773)
At 31 December 2024	**50,265**	**14,130**	**4,657**	**5,640**	**74,692**
Amortisation and impairment					
At 1 January 2023	5,141	740	46	72	5,999
Amortisation charge	-	1,087	92	782	1,961
Effect of movements in exchange rates	(155)	(6)	-	-	(161)
At 31 December 2023	**4,986**	**1,821**	**138**	**854**	**7,799**
Amortisation charge	-	1,479	92	855	2,426
Effect of movements in exchange rates	(476)	(210)	1	(271)	(956)
At 31 December 2024	**4,510**	**3,090**	**231**	**1,438**	**9,269**
Net book value at 31 December 2024	45,755	11,040	4,426	4,202	65,423
Net book value at 31 December 2023	39,286	9,316	4,598	3,628	56,828
Net book value at 1 January 2023	24,077	3,535	1,340	430	29,382

All goodwill is allocated to cash-generating units. These cash-generating units represent the lowest level within the Group at which goodwill is monitored for internal management purposes. Goodwill denominated in foreign currencies is revalued at the balance sheet date. The allocation of goodwill to cash-generating units is as follows:

USD thousands

Cash Generating Units (CGUs)	31 December 2024	31 December 2023
ABL	19,929	19,973
OWC	4,132	4,246
Longitude	1,599	1,599
AGR	20,095	13,468
Total	**45,755**	**39,286**

Goodwill is tested for impairment at least annually, or when there are indications of impairment. Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculations require an estimate of future cash flows expected to arise from the cash-generating unit and an appropriate discount rate in order to calculate the net present value. An impairment arises when the net present value is lower than the carrying value. There were no impairments of goodwill in the year ended 31 December 2024 and no reasonably possible circumstances where an impairment could arise.

7. Trade receivables and contract assets

The ageing profile of trade receivables and contract assets balance at the reporting date is as follows:

USD thousands

Trade receivables and contract assets	31 December 2024	1 December 2023
Trade receivables		
Up to 3 months	45,278	40,043
3 to 6 months	2,971	4,716
6 to12 months	1,035	1,867
Over 12 months	1,066	849
Total trade receivables	**50,350**	**47,475**
Contract assets	21,953	22,185
Total	**72,303**	**69,660**

The contract assets relate to work completed in excess of billings at the reporting date. Contract assets are transferred to trade receivables when the rights become unconditional. This usually occurs when the Group issues an invoice to the customer.

8. Business combinations

On 17 June 2024, the Group acquired 100 percent of the share capital of the specialist energy consultancy Ross Offshore for a total consideration of NOK 100 million, equating to approximately USD 9.5 million at the exchange rate on the date of completion. Ross Offshore will be reported under the AGR segment and will expand and further strengthen the Group's service offerings in wells, reservoir operations and other consultancy services.

On 1 October 2024, the Group acquired 100 percent of the share capital of Hidromod - Modelação em Engenharia, Lda (Hidromod), a specialist in water management, coastal dynamics and urban hydraulics for a cash consideration of USD 0.8 million and up to a further USD 0.4 million in contingent consideration dependant on Hidromod's performance in the years ending 2025 to 2027. The acquisition enhances the Group's offerings in ports and harbours consultancy, climate change risk assessment and adaptation.

Provisional assets and liabilities acquired are as follows:

USD thousands

Purchase consideration	Ross Offshore	Hidromod
Cash paid	9,459	756
Contingent consideration	-	396
Total purchase consideration	9,459	1,152

USD thousands

Fair value of assets and liabilities acquired	Ross Offshore	Hidromod
Property, plant and equipment including right of use assets	400	267
Intangible assets - Customer relations	2,153	-
Deferred tax assets	25	-
Investments in associated companies	136	-
Trade and other receivables	9,700	412
Contract assets	1,621	246
Other current assets	124	39
Cash and bank deposits	4,031	415
Non-current lease liabilities	(219)	(123)
Deferred tax liabilities	(705)	-
Trade and other payables	(11,796)	(239)
Contract liabilities	(4,408)	-
Current lease liabilities	(121)	(31)
Net identifiable assets acquired	**941**	**986**
Goodwill	8,518	166
Net assets acquired	**9,459**	**1,152**

USD thousands

Net cash paid on acquisition of subsidiaries	Other	Ross Offshore	Hidromod
Cash consideration	-	9,459	756
Cash acquired on acquisition of Ross Offshore and Hidromod	-	(4,031)	(415)
Total	-	5,428	341
Cash paid to owners of previously acquired business*	170	-	-
Net cash paid on acquisition of subsidiaries	**170**	**5,428**	**341**

*The amount of USD 170,000 in Other relates to cash payments of contingent consideration to the previous owners of East Point Geo Limited

Goodwill for both Ross Offshore and Hidromod is attributed to the assembled workforce and the strong position both businesses occupy in their respective markets.

The Group identified USD 2.2 million in value which was attributed to customer relations, together with an associated deferred tax liability of USD 0.7 million.

The fair value of trade receivables was equal to the book value of trade receivables for both Ross Offshore and Hidromod, with no expected credit losses.

Impact of acquisitions on the results of the Group:

Ross Offshore

Ross Offshore was consolidated on 30 June 2024 with results of the acquired business being included in the Group Income Statement from 1 July 2024. From the date control was obtained, the revenues and operating profit for 2024 of Ross Offshore amounted to USD 34.4 million and USD 0.7 million respectively. The combined revenue and earnings for 2024 for the Group and the acquired businesses would have amounted to USD 340.1 million and USD 10.6 million, respectively, if control had been obtained on 1 January 2024.

Acquisition costs included in other operating expenses amounted to USD 0.2 million.

Hidromod

Hidromod was consolidated on 1 October 2024 with results of the acquired business being included in the Group Income Statement from that date. From the date control was obtained, the revenues and operating profit for 2024 of Hidromod amounted to USD 0.4 million and nil respectively. The combined revenue and earnings for 2024 for the Group and the acquired businesses would have amounted to USD 307.1 million and USD 10.7 million, respectively, if control had been obtained on 1 January 2024.

Acquisition costs included in other operating expenses amounted to USD 15,000.

9. Subsequent events

On 13 January 2025 the Group acquired 100% of the share capital of Brazil-based naval architecture and engineering consultancy Proper Marine Projetos, Consultoria e Serviços de Engenharia for a cash consideration of USD 2.0 million and up to 2,302,494 shares in ABL Group subject to certain performance criteria. The acquisition will expand the Group's technical centre of excellence in design and engineering for maritime and offshore energy construction and operations. Due to the proximity of the date of completion and the announcement of Q4 results, no purchase price allocation is available.

On 12 February 2025 the Group announced its intention to purchase the entire share capital of Techconsult AS, leading technical resourcing and recruitment company based in Norway for an estimated cash consideration of USD 3.7 million. The transaction is expected to complete in Q2. Techconsult will be reported under the Group's AGR segment and will expand the Group's resourcing offering. The transaction is expected to complete in Q2 2025. Due to the proximity of the date of completion and the announcement of Q4 results, no purchase price allocation is available.

10. Alternative performance measures

The European Securities and Markets Authority (ESMA) issued guidelines on Alternative Performance Measures ("APMs") that came into force on 3 July 2016. Alternative performance measures are meant to provide an enhanced insight into the operations, financing and future prospects of the company. The Company has defined and explained the purpose of the following APMs:

Adjusted EBITDA
Adjusted EBITDA which excludes depreciation, amortisation and impairments, share of net profit (loss) from associates, transaction costs related to acquisitions, restructuring and integration costs is a useful measure because it provides useful information regarding the Company's ability to fund capital expenditures and provides a helpful measure for comparing its operating performance with that of other companies. EBITDA may not be comparable to other similarly titled measures from other companies. A reconciliation between reported operating profit/(loss) and EBITDA is shown below.

USD thousands

EBITDA and Adjusted EBITDA	Q4 2024	Q4 2023	FY 2024	FY 2023
Operating profit (loss) (EBIT)	2,357	3,913	10,443	16,530
Depreciation, amortisation and impairment	1,642	1,576	6,086	5,301
EBITDA	**3,999**	**5,489**	**16,529**	**21,831**
Restructuring and integration costs	135	220	135	392
Transaction costs related to M&A	91	-	315	720
Acquisition costs classified as employment costs under IFRS 3	56	-	56	-
Adjusted EBITDA	**4,281**	**5,709**	**17,035**	**22,944**

Adjusted EBIT

Adjusted EBIT which excludes amortisation and impairments, share of net profit (loss) from associates, transaction costs related to acquisitions, restructuring and integration costs is a useful measure because it provides an indication of the profitability of the Company's operating activities for the period without regard to significant events and/ or decisions in the period that are expected to occur less frequently. A reconciliation between reported operating profit/(loss) and EBIT adjusted is shown below.

USD thousands

Adjusted EBIT	Q4 2024	Q4 2023	FY 2024	FY 2023
Operating profit (loss) (EBIT)	2,357	3,913	10,443	16,530
Restructuring and integration costs	135	220	135	392
Transaction costs related to M&A	91	-	315	720
Acquisition costs classified as employment costs under IFRS 3	56	-	56	-
Amortisation and impairment	434	353	1,571	1,179
Adjusted EBIT	**3,073**	**4,486**	**12,520**	**18,822**

Adjusted profit (loss) after taxes

Adjusted profit (loss) after taxes which excludes amortisation and impairments, share of net profit (loss) from associates, transaction costs related to acquisitions, restructuring and integration costs and certain finance income is a useful measure because it provides an indication of the profitability of the Company's operating activities for the period without regard to significant events and/or decisions in the period that are expected to occur less frequently. A reconciliation between adjusted profit (loss) after taxes and profit (loss) after taxes is shown below.

USD thousands

Adjusted profit (loss) after taxes	Q4 2024	Q4 2023	FY 2024	FY 2023
Profit (loss) after taxes	1,840	543	4,610	8,677
Restructuring and integration costs	135	220	135	392
Transaction costs related to M&A	91	-	315	720
Acquisition costs classified as employment costs under IFRS 3	56	-	56	-
Amortisation and impairment	434	353	1,571	1,179
Payments to owner of previously acquired subsidiary	-	-	83	-
Adjusted profit (loss) after taxes	**2,556**	**1,116**	**6,770**	**10,968**

Return on equity (ROE)

ROE is calculated as the adjusted profit (loss) for the period attributable to equity holders of the parent, divided by average total equity for the period. The adjusted profit (loss) is annualised for interim period reporting. This measure indicates the return generated by the management of the business based on the total equity. The calculation of ROE is shown below.

USD thousands

Return on equity (ROE)	Q4 2024	Q4 2023	FY 2024	FY 2023
Adjusted profit (loss) after taxes	2,556	1,116	6,770	10,968
Average total equity	101,968	101,335	100,252	84,743
ROE	**2.5%**	**1.0%**	**6.8%**	**12.9%**

Return on capital employed (ROCE)
ROCE is calculated as the adjusted EBIT for the period, divided by average capital employed for the period. Capital employed is defined as total assets less non-interest-bearing current liabilities. The adjusted EBIT is annualised for interim period reporting. This measure indicates the return generated by the management of the business based on the capital employed. The calculation of ROCE is shown below.

USD thousands

Return on capital employed (ROCE)	Q4 2024	Q4 2023	FY 2024	FY 2023
Adjusted EBIT	3,073	4,486	12,520	18,822
Total assets	185,622	180,515	185,622	180,515
Less: Non-interest bearing current liabilities	(51,488)	(47,738)	(51,488)	(47,738)
Capital employed	**134,134**	**132,777**	**134,134**	**132,777**
Average capital employed	**137,217**	**131,769**	**133,455**	**115,921**
ROCE	**2.2%**	**2.1%**	**9.4%**	**16.2%**

Order backlog
Order backlog is defined as the aggregate value of future work on signed customer contracts or letters of award. ABL Group's services include a significant amount of "call-out contracts" which are driven by day-to-day operational requirements. An estimate for backlog on "call-out contracts" are only included in the order backlog when reliable estimates are available. Management believes that the order backlog is a useful measure in that it provides an indication of the amount of customer backlog and committed activity in the coming periods.

Working capital and working capital ratio
Working capital is a measure of the current capital tied up in operations. The amount of working capital will normally be dependent on the revenues earned over the past quarters. Working capital includes trade receivables and other receivables, contact assets, trade and other payables, contract liabilities and income tax payable. Working capital may not be comparable to other similarly titled measures from other companies. The working capital ratio provides an indication of the working capital tied up relative to the average quarterly revenue over the past quarter and is adjusted, where practically possible, to present a like for like comparison against previous quarters including, adjusting working capital balances to eliminate the impact of acquired businesses.

USD thousands

Working capital	FY 2024	FY 2023
Working capital		
Trade and other receivables	63,987	57,392
Contract assets	21,953	22,185
Trade and other payables	(48,607)	(44,830)
Contract liabilities	(2,367)	(1,978)
Income tax payable	(531)	(930)
Net working capital	**34,435**	**31,839**
Revenue for the preceeding quarter	85,897	67,716
Working capital ratio	**40%**	**47%**

Net Cash
Net cash is the measure of the Group's cash and cash equivalents less interest-bearing debt. Management believes that net cash is a useful measure of the Group's liquidity position. The Net cash calculation is shown below.

USD thousands

Net cash	Q4 2024	Q4 2023	FY 2024	FY 2023
Cash and cash equivalents	19,474	28,157	19,474	28,157
Interest bearing debt	(14,633)	(10,946)	(14,633)	(10,946)
Net cash	**4,841**	**17,211**	**4,841**	**17,211**

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