

Caspian Drilling Company LLC

**Consolidated financial statements prepared
under International Financial Reporting Standards**

*For the years ended 31 December 2024 and 31 December 2023,
with Independent auditor's report*

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Independent auditor's report

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Independent auditor's report

To the Supervisory Board and Management of
Caspian Drilling Company LLC

Opinion

We have audited the consolidated financial statements of Caspian Drilling Company LLC (the Company) and its subsidiaries (the Group), which comprise the consolidated statements of financial position as at 31 December 2024 and 31 December 2023, and the consolidated statements of profit or loss and other comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2024 and 31 December 2023, and their consolidated financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and the Supervisory Board for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 to cease operations, or has no realistic alternative but to do so.

The Supervisory Board is responsible for overseeing the Group's financial reporting process.



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Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 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 consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ▶ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ▶ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ernst & Young Holdings (CIS) B.V.

July 28, 2025

Baku, Azerbaijan

Consolidated statement of profit or loss and other comprehensive income

for the years ended 31 December 2024 and 2023

(All amounts are in thousands of US dollars)

	Note	Year ended 31 December 2024	Year ended 31 December 2023	Year ended 31 December 2022
Revenue	5	198,833	218,541	27,953
Cost of sales	6	(138,235)	(134,529)	(135,057)
Gross profit / (loss)		60,598	84,012	(107,104)
General and administrative expenses	7	(10,557)	(13,205)	(15,187)
Other operating expenses	10	(9,473)	-	-
Other income	8	15,066	2,256	23,898
Other operating income	9, 12	7,780	18,319	-
Operating profit / (loss)		63,414	91,382	(98,393)
Finance income	16, 18	4,701	3,492	-
Finance cost	13	(3,661)	(2,621)	(110)
Foreign exchange loss, net		(315)	(1,103)	(736)
Profit / (loss) before tax		64,139	91,150	(99,239)
Income tax benefit / (expense)	11	2,980	(23,825)	(506)
Profit / (loss) for the year		67,119	67,325	(99,745)
Other comprehensive income / (loss) for the year		-	-	-
Total comprehensive income / (loss) for the year		67,119	67,325	(99,745)

Signed and authorized for release on behalf of management on 28 July 2025.



Elchin Aghakishiyev
General Director



Ramin Aghaverdiyev
Deputy Director, Finance

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

Consolidated statement of financial position

as at 31 December 2024 and 2023

(All amounts are in thousands of US dollars)

	Note	31 December 2024	31 December 2023	31 December 2022
Non-current assets				
Property, plant and equipment	12	116,037	124,792	134,978
Intangible assets		929	1,192	1,449
Deposits in bank (non-current)	16	19,886	6,080	28,288
Right-of-use assets	13	36,945	31,193	1,923
Prepayments (non-current)	20	–	21,500	–
Loans receivable from related party (non-current)	18	–	108,371	106,193
Deferred income tax assets	11	38,066	19,270	26,929
Total non-current assets		211,863	312,398	299,760
Current assets				
Cash and cash equivalents	14	234,445	186,910	125,506
Restricted cash	15	10,152	10,585	12,371
Deposits in bank (current)	16	31,990	54,298	24,279
Trade and other receivables	17	40,557	34,716	33,910
Loans receivable from related party (current)	18	172,051	–	–
Prepayments (current)	20	6,197	4,135	4,875
Inventories	19	55,179	50,229	41,089
Prepaid income tax	11	–	–	7,280
Other current assets		542	751	203
Total current assets		551,113	341,624	249,513
Total assets		762,976	654,022	549,273
Equity				
Charter capital	21	285,846	285,846	285,846
Additional paid-in capital		448	448	448
Retained earnings		338,488	271,369	204,044
Total equity		624,782	557,663	490,338
Non-current liabilities				
Lease liabilities	13	7,738	8,365	1,320
Total non-current liabilities		7,738	8,365	1,320
Current liabilities				
Accounts payable and accrued liabilities	22	19,554	10,846	51,508
Deferred revenue	5	72	–	5,417
Lease liabilities	13	75,078	37,513	603
Income tax payable	11	7,169	12,479	–
Other current liabilities	22	28,583	27,156	87
Total current liabilities		130,456	87,994	57,615
Total liabilities		138,194	96,359	58,935
Total equity and liabilities		762,976	654,022	549,273

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

Consolidated statement of changes in equity
for the years ended 31 December 2024 and 2023

(All amounts are in thousands of US dollars)

	Note	Charter capital	Additional paid-in capital	Retained earnings	Cumulative translation differences	Total equity
At 1 January 2022		285,846	448	303,789	-	590,083
Loss for the period		-	-	(99,745)	-	(99,745)
Other comprehensive income / (loss)		-	-	-	-	-
Total comprehensive loss		-	-	(99,745)	-	(99,745)
At 31 December 2022		285,846	448	204,044	-	490,338
Profit for the period		-	-	67,325	-	67,325
Other comprehensive income / (loss)		-	-	-	-	-
Total comprehensive income		-	-	67,325	-	67,325
At 31 December 2023		285,846	448	271,369	-	557,663
Profit for the period		-	-	67,119	-	67,119
Other comprehensive income / (loss)		-	-	-	-	-
Total comprehensive income		-	-	67,119	-	67,119
At 31 December 2024		285,846	448	338,488	-	624,782

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

Consolidated statement of cash flows
for the years ended 31 December 2024 and 2023

(All amounts are in thousands of US dollars)

	Note	Year ended 31 December 2024	Year ended 31 December 2023	Year ended 31 December 2022
Operating activities				
Profit / (loss) before tax		64,139	91,150	(99,239)
<i>Adjustments for:</i>				
Depreciation and amortization	6, 7, 13	75,128	54,173	33,904
Reversal of impairment of PPE	9, 12	(7,780)	(18,319)	–
Expected credit (reversal) / loss	7	(1,277)	(674)	67
Interest income	16, 18	(4,701)	(3,492)	(3,471)
Finance cost	13	3,661	2,621	110
Foreign exchange loss		315	1,103	736
Other non-cash transactions		(119)	–	–
<i>Working capital adjustments</i>				
Change in trade and other receivables		(6,011)	(3,605)	(11,034)
Change in prepayments		19,438	(21,006)	3,538
Change in restricted cash		433	1,786	(9,920)
Change in inventories		4,555	(3,301)	2,020
Change in other current assets and liabilities		1,636	(630)	(1,544)
Change in accounts payable and accrued liabilities		8,718	(6,158)	5,512
Change in deferred revenue		72	(5,417)	5,417
Cash generated from/(used in) operations		158,207	88,231	(73,904)
Income tax paid		(21,134)	(1,094)	–
Interest paid	13	(572)	(2,621)	(110)
Net cash flows from/(used in) operating activities		136,501	84,516	(74,014)
Investing activities				
Purchase of property, plant and equipment		(35,165)	(989)	(13,245)
Purchase of intangible assets		–	(8)	–
Proceeds from the sale of property, plant and equipment		598	–	–
Withdrawal of deposits	16	55,000	25,000	70,000
Placement of deposits	16	(45,500)	(30,882)	(45,000)
Interest received		1,461	375	1,750
Net cash flows (used in)/from investing activities		(23,606)	(6,504)	13,505
Financing activities				
Loans issued to a related party	18	(60,000)	–	–
Payment of lease liability	13	(5,052)	(15,547)	(489)
Net cash flows used in financing activities		(65,052)	(15,547)	(489)
ECL reversal for cash and cash equivalents	14	7	52	151
Effect of foreign exchange gain / (loss)		(315)	(1,113)	(736)
Net increase/(decrease) in cash and cash equivalents		47,535	61,404	(61,583)
Cash and cash equivalents as at 1 January	14	186,910	125,506	187,089
Cash and cash equivalents as at 31 December		234,445	186,910	125,506

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