
EXPRO GROUP HOLDINGS N.V.

Annual Report for the year ended December 31, 2022

Mastenmakersweg 1, 1786 PB

Den Helder

The Netherlands

Notice to Shareholders: This annual report is prepared in accordance with the International Financial Reporting Standards as adopted by the European Union and the Dutch Civil Code. It does not contain all of the information that is required in our Annual Report on Form 10-K that is prepared in accordance with U.S. SEC regulations. Investors should consult our Annual Report on Form 10-K for additional information.

EXPRO GROUP HOLDINGS N.V.

ANNUAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2022

TABLE OF CONTENTS

Management Board Report	<u>1</u>
Financial Statements	
Consolidated Financial Statements	
Consolidated statement of comprehensive income for December 31, 2022	<u>49</u>
Consolidated statement of changes in equity for December 31, 2022	<u>50</u>
Consolidated statement of financial position as of December 31, 2022	<u>51</u>
Consolidated statement of cash flows for December 31, 2022	<u>53</u>
Notes to the consolidated financial statements for December 31, 2022	<u>55</u>
Company Financial Statements	
Company profit and loss account for 2022	<u>113</u>
Company balance sheet as of December 31, 2022	<u>114</u>
Notes to the company financial statements	<u>115</u>
Other information	
Company's branches	<u>126</u>
Provision in the articles of association governing the appropriation of profits	<u>132</u>
Independent Auditor's Report	<u>133</u>

Management Board Report

The management of Expro Group Holdings N.V. (“Expro”) herewith submits its annual report for the year 2022. It is noted that the relevant sections on the activities and functioning of the management board reports have been prepared in cooperation with the board of directors (“Board”) and is also deemed to constitute a supervisory board report as meant in the Dutch Corporate Governance Code.

Introduction

Expro Group Holdings N.V. is a Netherlands limited liability company (Naamloze Vennootschap) and includes the activities of the Company and its wholly owned subsidiaries (either individually or together, as context requires, “Expro,” the “Company,” “Group,” “we,” “us” and “our”).

On March 10, 2021, the Company and New Eagle Holdings Limited, an exempted company limited by shares incorporated under the laws of the Cayman Islands and a direct wholly owned subsidiary of the Company (“Merger Sub”), entered into an Agreement and Plan of Merger with Expro Group Holdings International Limited (“Legacy Expro”) providing for the merger of Legacy Expro with and into Merger Sub in an all-stock transaction, with Merger Sub surviving the merger as a direct, wholly owned subsidiary of the Company (the “Merger”). The Merger closed on October 1, 2021, and the Company, previously known as Frank’s International N.V. (“Frank’s”), was renamed Expro Group Holdings N.V. The Merger has been accounted for using the acquisition method of accounting with Legacy Expro being identified as the accounting acquirer. The historical financial statements presented in this Annual Report reflect the financial position, results of operations and cash flows of only Legacy Expro for all periods prior to the Merger and of the combined company (including activities of Frank’s) for all periods subsequent to the Merger.

With roots dating to 1938, the Company is a leading provider of energy services, offering cost-effective, innovative solutions and what the Company considers to be best-in-class safety and service quality. The Company’s extensive portfolio of capabilities spans well construction, well flow management, subsea well access, and well intervention and integrity solutions. The Company provides services in many of the world’s major offshore and onshore energy basins, with over 100 locations and operations in approximately 60 countries. The Company’s broad portfolio of products and services provides solutions to enhance production and improve recovery across the well lifecycle, from exploration through abandonment.

The reporting currency of the consolidated financial statements for Expro is the United States dollar (“USD”).

Performance in 2022

Fiscal year 2022 has seen positive signs of recovery in the market following the impact of the COVID-19 pandemic and the Russian war in Ukraine. There are a number of market factors that have had, and may continue to have, an effect on our business, including:

- The market for energy services and our business are substantially dependent on the price of oil and, to a lesser extent, the regional price of gas, which are both driven by market supply and demand. Changes in oil and gas prices impact customers' willingness to spend on exploration and appraisal, development, production and abandonment activities. The extent of the impact of a change in oil and gas prices on these activities varies extensively between geographic regions, types of customers, types of activities and the financial returns of individual projects. In response to this uncertain industry outlook, we continue to evaluate additional cost saving opportunities in order to reduce service delivery costs, increase productivity and improve profitability; however, our commitment to safety, service quality and innovation remains steadfast.
- Oil demand in 2022 exceeded 2021; in 2023 liquids demand is estimated to approximate 2019 levels. Brent prices remained volatile during the fourth quarter of 2022, with the average Brent oil price falling as a result of a slowdown in demand growth and tighter governmental monetary policies, offset by falling global oil inventories, uncertainty

around the impact of the latest sanctions on Russia, and continued production restraint from OPEC+ members. In February 2023, Russia announced that it will cut production by 500,000 bbl/d in March, equivalent to 5% of its January output, following the enactment of the EU embargo and the \$60 per barrel price cap for Russian oil.

- Following the multi-year underinvestment in new reserves, Expro and other energy service companies expect that operators will increase activity levels in exploration and development in 2023 and beyond, while maintaining fiscal discipline.
- Activity related to gas production and associated asset development is continuing to accelerate in the North Sea, Sub-Saharan Africa and MENA as a result of Russian gas supply shortfalls and Europe's effort to diversify its gas supply and reduce its reliance on Russian pipeline gas supplies over the long term.
- Growth is not expected to be uniform across geo-markets or type of activity; however, international and deepwater activity are expected to continue to improve in 2023 and beyond. We also expect that the demand for services related to brownfield and production enhancement and infield development programs will continue to show increased demand. In addition, we envisage an increase in demand for early production facilities, especially in support of gas and liquified natural gas ("LNG") developments.
- The clean energy transition continues to gain momentum. Hydrocarbons, however, are expected to continue to play a vital role in the transition towards more sustainable energy resources, with natural gas in particular acting as a key transition fuel and potentially as a structural source of low carbon electricity generation. We also believe that the existing expertise and future innovation within the energy services sector, both to reduce emissions and enhance efficiency, will be critical. We are already active in the early-stage carbon capture and storage segment and have expertise and established operations within the geothermal and flare reduction segments. We continue to develop technologies to enhance the sustainability of our customers' operations which, along with our digital transformation initiatives, are expected to enable us to continue to support our customers' commercial and environmental initiatives. As the industry changes, we continue to evolve our approach to adapt and help our customers address the critical energy transition.
- Increased expectations of host countries in regard to local content is another multi-year trend that gained additional momentum in recent years. Our commitment to developing local capabilities and in-country personnel has reduced our dependence on international staff, enabling us to continue to service our customers in their ongoing operations and mitigate some of the operational challenges associated with pandemic-related travel restrictions.

We reported a net loss for the year ended December 31, 2022 of \$21.7 million, compared to a net loss of \$136.0 million for the year ended December 31, 2021. The overall decrease in net loss was primarily driven by increased revenue and EBITDA due to a combination of the impact of the Merger, Merger-related synergies and higher activity during the year ended December 31, 2022, a reduction in stock-based compensation expense of \$40.9 million and a reduction in merger and integration expense of \$34.0 million. The above improvement was partially offset by higher start-up and commissioning costs of \$27.7 million incurred on a large subsea project in the current year and an increase in tax expenses by \$25.8 million during the year ended December 31, 2022.

Net turnover was \$1,279.4 million, an increase of \$453.6 million as compared to 2021. Of the total increase, \$385.7 million represents an increase in well construction revenue, reflecting a full-year impact of the Merger (versus only the last quarter of 2021 in the prior year). The remaining increase was driven by higher well management revenue due to higher customer activities. Activity and revenue across all our geography-based operating segments also increased during the year ended December 31, 2022.

Missions and Objectives

With roots dating to 1938, the Company is a leading provider of energy services, offering cost-effective, innovative solutions and what the Company considers to be best-in-class safety and service quality. The Company's extensive portfolio of capabilities spans well construction, well flow management, subsea well access, and well intervention and integrity solutions. The Company provides services in many of the world's major offshore and onshore energy basins, with operations in approximately 60 countries. The Company's broad portfolio of products and services provides solutions to enhance production and improve recovery across the well lifecycle, from exploration through abandonment.

Our operations are comprised of four operating segments which also represent our reporting segments and are aligned with our geographic regions as follows:

- North and Latin America ("NLA"),
- Europe and Sub-Saharan Africa ("ESSA"),
- Middle East and North Africa ("MENA"), and
- Asia-Pacific ("APAC").

Corporate Strategy

The combination of Legacy Expro and Frank's brought together two companies with decades of market leadership to create a leading energy services provider with an extensive portfolio of capabilities across the well lifecycle. As a result of the Merger and the progress that we have made in integrating the business and operations of Legacy Expro and Frank's, we believe we are well positioned to support our customers around the world, improve profitability and invest in emerging growth opportunities. Our corporate strategy is designed to leverage existing capabilities and position Expro as a solutions provider with a technologically differentiated offering. In particular, our objectives for 2023, which we expect will drive our performance in the year ahead, include: (i) exceeding industry expectations in regard to safety and operational performance; (ii) advancing our products and services portfolio to provide customers with cost-effective, innovative solutions to produce oil, gas and geothermal resources more efficiently and with a lower carbon footprint; (iii) improving financial performance by continuing to realize Merger-related synergies, sustaining our relentless drive for efficiency and better utilizing existing assets; (iv) nurturing our culture based on core values and agreed behaviors, empowering our people to be innovative, to be agile and responsive, and to embrace diversity; and (v) leveraging the power of data to improve our own business practices and to deliver more value to our customers.

Environmental Compliance

Our operations are subject to numerous and complex laws and regulations governing the emission and discharge of materials into the environment, occupational health and safety aspects of our operations, or otherwise relating to environmental protection. Failure to comply with these laws or regulations or to obtain or comply with permits may result in the assessment of sanctions, including administrative, civil and criminal penalties, imposition of investigatory, remedial or corrective actions, the required incurrence of capital expenditures, the occurrence of restrictions, delays or cancellations in the permitting, development or expansion of projects, and the imposition of orders or injunctions to prohibit or restrict certain activities or force future compliance.

Certain environmental laws may impose joint and several strict liability, without regard to fault or the legality of the original conduct, on classes of persons who are considered to be responsible for the release of a hazardous substance into the environment. The trend in environmental regulation is to typically place more stringent restrictions and limitations on activities that may impact the environment, and thus, any changes in environmental laws and regulations or in enforcement policies that result in more stringent and costly waste handling, storage, transport, disposal, or remediation requirements could have a material adverse effect on our operations and financial position. Moreover, accidental releases or spills of regulated substances

may occur in the course of our operations, and we cannot assure that we will not incur significant costs and liabilities as a result of such releases or spills, including any third-party claims for damage to property, natural resources or persons.

The following is a summary of the more significant existing environmental and occupational health and safety laws and regulations to which our business operations are subject and for which compliance could have a material adverse impact on our capital expenditures, results of operations or financial position.

Climate Change

Climate change continues to attract considerable attention in the U.S. and other countries. Numerous proposals have been made and could continue to be made at the international, national, regional and state levels of government to monitor and limit existing emissions of greenhouse gases (“GHGs”) as well as to restrict or eliminate such future emissions. As a result, our operations are subject to a series of regulatory, political, litigation, and financial risks associated with the transport of fossil fuels and emission of GHGs.

Separately, various governments have adopted or are considering adopting legislation, regulations or other regulatory initiatives that are focused on such areas as GHG cap and trade programs, carbon taxes, reporting and tracking programs, and restriction of emissions. At the international level, there is a non-binding agreement, the United Nations-sponsored “Paris Agreement,” for nations to limit their GHG emissions through individually-determined reduction goals every five years after 2020. While the U.S. withdrew from the Paris Agreement under the Trump Administration, effective November 4, 2020, President Biden issued an executive order on January 20, 2021 recommitting the U.S. to the Paris Agreement. Under the Paris Agreement, the Biden Administration has committed the United States to reducing its greenhouse gas emissions by 50 - 52% from 2005 levels by 2030. In November 2021, the U.S. and other countries entered into the Glasgow Climate Pact, which includes a range of measures designed to address climate change, including but not limited to the phase-out of fossil fuel subsidies, reducing methane emissions by 30% by 2030, and cooperating toward the advancement of the development of clean energy. With the U.S. recommitting to the Paris Agreement, executive orders may be issued or federal legislation or regulatory initiatives may be adopted to achieve the agreement’s goals. Within the U.S., President Biden signed into law the Inflation Reduction Act in August 2022, which contains tax inducements and other provisions that incentivize investment, development, and deployment of alternative energy sources and technologies, which could increase operating costs within the oil and gas industry and accelerate the transition away from fossil fuels.

There are also increasing risks of litigation related to climate change effects. Governments and third-parties have brought suit against some fossil fuel companies alleging, among other things, that such companies created public nuisances by marketing fuels that contributed to global warming effects, such as rising sea levels, and therefore are responsible for roadway and infrastructure damages as a result, or alleging that the companies have been aware of the adverse effects of climate change for some time but defrauded their investors by failing to adequately disclose those impacts. Similar or more demanding cases are occurring in other jurisdictions where we operate. For example, in December 2019, the High Council of the Netherlands ruled that the government of the Netherlands has a legal obligation to decrease the country’s GHG emissions, and in May 2021, the Hague District Court ordered Royal Dutch Shell plc to reduce its worldwide emissions by 45% by 2030 compared to 2019 levels. Such litigation has the potential to adversely affect the production of fossil fuels, which in turn could result in reduced demand for our services.

Financial risks also exist for fossil fuel producers (and companies that provide products and services to fossil fuel producers) as shareholders who are currently invested in such fossil fuel companies but are concerned about the potential effects of climate change may elect in the future to shift some or all of their investments into other sectors. Banks and institutional lenders that provide financing to fossil fuel companies (and their suppliers and service providers) also have become more attentive to sustainable lending practices and some of them may elect not to provide funding for fossil fuel companies. Additionally, in recent years, the practices of institutional lenders have been the subject of intensive lobbying efforts not to provide funding for such companies. Oftentimes this pressure has been public in nature, by environmental activists, proponents of the international Paris

Agreement, and foreign citizenry concerned about climate change. Limitation of investments in and financings for fossil fuel companies could result in the restriction, delay or cancellation of production of crude oil and natural gas, which could in turn decrease demand for our services. Our own operations could also face limitations on access to capital as a result of these trends, which could adversely affect our business and results of operation.

The adoption and implementation of new or more stringent international, federal or state legislation, regulations or other regulatory initiatives that impose more stringent standards for GHG emissions from the oil and natural gas sector or otherwise restrict the areas in which this sector may produce oil and natural gas or generate GHG emissions could result in increased costs of compliance or costs of consuming, and thereby reduce demand for, oil and natural gas, which could reduce demand for our services and products. Additionally, political, litigation and financial risks may result in our oil and natural gas customers restricting or canceling production activities, incurring liability for infrastructure damages as a result of climatic changes, or impairing their ability to continue to operate in an economic manner, which also could reduce demand for our services and products. Moreover, the increased competitiveness of alternative energy sources (such as wind, solar, geothermal, tidal and biofuels) could reduce demand for hydrocarbons, and therefore for our products and services, which would lead to a reduction in our revenues. Over time, one or more of these developments could have a material adverse effect on our business, financial condition and results of operations.

Hydraulic Fracturing

Hydraulic fracturing is an important and common practice in the oil and gas industry. The process involves the injection of water, sand and chemicals under pressure into a formation to fracture the surrounding rock and stimulate production of hydrocarbons. While we may provide supporting products through our cementing product offering, we do not perform hydraulic fracturing, but many of our onshore customers utilize this technique. Certain environmental advocacy groups and regulatory agencies have suggested that additional federal, state and local laws and regulations may be needed to more closely regulate the hydraulic fracturing process, and have made claims that hydraulic fracturing techniques are harmful to surface water and drinking water resources and may cause earthquakes. Various governmental entities (within and outside the U.S.) are in the process of studying, restricting, regulating or preparing to regulate hydraulic fracturing, directly or indirectly. Additionally, states and local governments may also seek to limit hydraulic fracturing activities through time, place, and manner restrictions on operations or ban the process altogether. The adoption of legislation or regulatory programs that restrict hydraulic fracturing could adversely affect, reduce or delay well drilling and completion activities, increase the cost of drilling and production, and thereby reduce demand for our services. There also exists the potential for states and local governments to pursue new or amended laws, regulations, executive actions and other regulatory initiatives that could impose more stringent restrictions on hydraulic fracturing, including potential restrictions on hydraulic fracturing by banning new oil and gas permitting on federal lands.

Offshore Regulatory and Marine Safety

Spurred on by environmental and safety concerns, governing bodies from time to time have pursued moratoria and legislation or regulatory initiatives that would materially limit or prohibit offshore drilling in certain areas, including areas where we or our oil and gas exploration and production customers conduct operations such as on the federal Outer Continental Shelf waters in the U.S. and Gulf of Mexico.

Employee Health and Safety

We are subject to a number of federal and state laws and regulations, including the Occupational Safety and Health Act and comparable state statutes, establishing requirements to protect the health and safety of workers. In addition, the U.S. Occupational Safety and Health Administration hazard communication standard, the EPA community right-to-know regulations under Title III of the federal Superfund Amendment and Reauthorization Act and comparable state statutes require that information be maintained concerning hazardous materials used or produced in our operations and that this information be

provided to employees, state and local government authorities and the public. Substantial fines and penalties can be imposed and orders or injunctions limiting or prohibiting certain operations may be issued in connection with any failure to comply with laws and regulations relating to worker health and safety.

We also operate in non-U.S. jurisdictions, which may impose similar legal requirements. Historically, our environmental and worker safety costs to comply with existing environmental laws and regulations have not had a material adverse impact on us. However, we believe that it is reasonably likely that the trend in environmental legislation and regulation will continue toward stricter standards and, thus, we cannot give any assurance that such costs will not materially adversely affect us in the future.

Operating Risk and Insurance

We maintain insurance coverage of types and amounts that we believe to be customary and reasonable for companies of our size and with similar operations. In accordance with industry practice, however, we do not maintain insurance coverage against all of the operating risks to which our business is exposed. Therefore, there is a risk our insurance program may not be sufficient to cover any particular loss or all losses.

Currently, our insurance program includes, among other things, general liability, umbrella liability, sudden and accidental pollution, personal property, vehicle, workers' compensation, and employer's liability coverage. Our insurance includes various limits and deductibles or retentions, which must be met prior to or in conjunction with recovery. We generally do not procure or maintain business interruption insurance.

Liquidity, Capital Resources and Financing

Our financial objectives include the maintenance of sufficient liquidity, adequate financial resources and financial flexibility to fund our business. At December 31, 2022, total available liquidity was \$348.5 million, including cash and cash equivalents and restricted cash of \$218.5 million and \$130.0 million available for borrowings under our New Facility. Expro believes these amounts, along with cash generated by ongoing operations, will be sufficient to meet future business requirements for the next 12 months and beyond. Our primary sources of liquidity have been cash flows from operations. Our primary uses of capital have been for capital expenditures and acquisitions. We monitor potential capital sources, including equity and debt financing, in order to meet our investment and liquidity requirements.

Our total capital expenditures are estimated to range between \$120.0 million and \$130.0 million for 2023. Our total capital expenditures were \$85.1 million for year ended December 31, 2022, out of which approximately 90% were used for the purchase and manufacture of equipment to directly support customer-related activities and approximately 10% for other property, plant and equipment, inclusive of software costs. The actual amount of capital expenditures for the purchase and manufacture of equipment may fluctuate based on market conditions. Our total capital expenditures (exclusive of the Merger) were \$85.5 million for the year ended December 31, 2021, which were generally used for the purchase and manufacture of equipment to directly support customer-related activities. We continue to focus on preserving and protecting our strong balance sheet, optimizing utilization of our existing assets and, where practical, limiting new capital expenditures.

On June 16, 2022, the Board approved the Stock Repurchase Program. Under the Stock Repurchase Program, we may repurchase shares of our common stock in open market purchases, in privately negotiated transactions or otherwise. The Stock Repurchase Program is being utilized at management's discretion and in accordance with U.S. federal securities laws. The timing and actual numbers of shares repurchased, if any, will depend on a variety of factors including price, corporate requirements, the constraints specified in the Stock Repurchase Program along with general business and market conditions. The Stock Repurchase Program does not obligate us to repurchase any particular amount of common stock, and it could be modified, suspended or discontinued at any time. During the year ended December 31, 2022, we repurchased 1.1 million shares at an average price of \$11.81 per share, for a total cost of \$13.0 million under this \$50.0 million program.

The timing, declaration, amount of, and payment of any dividends is within the discretion of our Board and will depend upon many factors, including our financial condition, earnings, capital requirements, covenants associated with our asset based revolving credit facility, legal requirements, regulatory constraints, industry practice, ability to access capital markets, and other factors deemed relevant by our Board. We do not have a legal obligation to pay any dividend and there can be no assurance that we will be able to do so.

Research and Development

Our research and development (“R&D”) activities are related to spending for new product development and innovation and includes internal engineering, materials, and third-party costs.

Credit Facility

Revolving Credit Facility

On November 5, 2018, certain subsidiaries of Frank’s entered into an asset-based revolving credit facility (the “ABL Credit Facility”) with aggregate commitments of \$100.0 million secured by certain assets of the subsidiary guarantors.

On December 20, 2018, subsidiaries of Legacy Expro entered into a revolving credit facility (the “2018 RCF”) with aggregate commitments of \$150.0 million with up to \$100.0 million available for drawdowns as loans and up to \$50 million for bonds and guarantees. The 2018 RCF was secured by a fixed and floating charge on certain assets of some of our wholly owned subsidiaries. On October 1, 2021, following the closing of the Merger, the ABL Credit Facility and 2018 RCF were cancelled.

Concurrently with the cancelation of the ABL Credit Facility and the 2018 RCF, we entered into the New Facility with DNB Bank ASA, London Branch, as agent, with total commitments of \$200.0 million, of which \$130.0 million is available for drawdowns as loans and \$70.0 million is available for letters of credit. Proceeds of the New Facility may be used for general corporate and working capital purposes. Please see Note 16 “Interest bearing loans” in the Notes to the Consolidated Financial Statements for additional information.

On July 21, 2022, the Company entered into an agreement to increase the facility available for letters of credit to \$92.5 million, on the same terms as the current facility, increasing total facility commitments to \$222.5 million.

Cash Flows from Operating, Investing and Financing Activities

The following table summarizes cash flows from operations, investing and financing activities for the years ended December 31, 2022 and 2021 (in thousands):

	Years ended December 31,	
	2022	2021
Cash provided by / (used in):		
Operating activities	\$ 108,302	\$ 46,199
Investing activities	(66,114)	112,339
Financing activities	(58,837)	(37,524)
Exchange losses on cash and cash equivalents	(4,738)	(1,876)
Net change in cash and cash equivalents	<u>\$ (21,387)</u>	<u>\$ 119,138</u>

Net cash provided by operating activities was \$108.3 million during the year ended December 31, 2022 as compared to \$46.2 million during the year ended December 31, 2021. The increase of \$62.1 million in net cash provided by operating activities for the year ended December 31, 2022 was primarily due to improvements in Segment EBITDA of \$101.6 million, partially offset by

unfavorable movements in working capital of \$44.4 million and an increase in tax payments of \$13.0 million during the year ended 31 December 2022.

Net cash used in investing activities was \$66.1 million during the year ended December 31, 2022, as compared to net cash provided by investing activities of \$112.3 million during the year ended December 31, 2021. Our principal recurring investing activity is our capital expenditures. The decrease in net cash provided by investing activities was primarily due to net cash of \$189.7 million acquired as part of the Merger during the previous year, partially offset by increase in proceeds from sale/maturity of investments of \$11.2 million.

Net cash used in financing activities was \$58.8 million during the year ended December 31, 2022, as compared to \$37.5 million during the year ended December 31, 2021. The increase of \$21.3 million in cash used by financing activities primarily related to payment for acquisition of common stock of \$13.0 million as well as increase in repayment of financed insurance premium of \$7.0 million.

Personnel

As of December 31, 2022, we had approximately 7,600 employees worldwide (including 84 Netherland domiciled employees). We are a party to collective bargaining agreements or other similar arrangements in certain international areas in which we operate. As of December 31, 2022, approximately 17% of our employees were subject to collective bargaining agreements, with 8% being under agreements that expire within one year. We consider our relations with our employees to be positive. In the United States of America ("U.S."), where approximately 17% of our employees are located, most employees are at-will employees and, therefore, not subject to any type of employment contract or agreement. Outside the U.S., we enter into employment contracts and agreements in those countries in which such relationships are mandatory or customary. Based upon the geographic diversification of our employees, we believe any risk of loss from employee strikes or other collective actions would not be material to the conduct of our operations taken as a whole.

Board Structure

The Company currently has a one-tier board structure, which Board under the Company's Articles must consist of one or more executive directors and one or more non-executive directors. Only a non-executive director can serve as Chairman of the Board. This structure is customary for Dutch companies. Executive directors are primarily charged with the Company's day-to-day operations and non-executive directors are primarily charged with the supervision of the performance of the duties of the directors.

The Board exercises oversight of management with the Company's interests in mind. At the annual meeting, the terms of our nine incumbent directors will expire.

Director Independence

The Board assesses director independence on a case-by-case basis, in each case consistent with applicable legal requirements and the listing standards of the NYSE. After reviewing all relationships each director has with the Company, including the nature and extent of any business relationships between the Company and each director, as well as any significant charitable contributions the Company makes to organizations where its directors serve as board members or executive officers and transactions discussed under "Transactions with Related Persons" below, the Board has affirmatively determined each of Mr. Arbeter, Mr. Drummond, Mr. Schrage, Ms. Troe, Mr. Truelove,

Ms. Vallejo and Ms. Whelley have no material relationships with the Company and are independent under the applicable NYSE rules and, to the extent consistent therewith, the Dutch Code.

Board and Committee Meetings

During 2022, the Board held eight meetings, the Audit Committee of the Board held four meetings, the Compensation Committee of the Board held five meetings, and the ESG Committee held four meetings. During 2022, each of the Company's directors attended at least 75% of the Board meetings and the meetings of the committees on which that director served. The Company's directors are encouraged to attend the annual meeting of shareholders either in person or telephonically. Seven of the nine directors at the time attended the 2022 annual meeting of shareholders either in person or through electronic conferencing and were available to answer questions.

Michael Jardon

- a. gender: male
- b. age: 53
- c. nationality: United States of America
- d. principal position: the Company's President and Chief Executive Officer
- e. other positions: see biography here below.
- f. date of initial appointment: October 1, 2021
- g. current term in office: at the Company's annual meeting 2023, Mr. Jardon will be standing for re-election as director to serve until the Company's annual meeting 2024

Mr. Jardon currently serves as the Company's President and Chief Executive Officer and an executive member of the Company's Board, positions he has held since October 2021. Prior to serving in his current positions, he was appointed Chief Executive Officer of Legacy Expro in April 2016, after five years as Legacy Expro's Chief Operating Officer. Prior to joining Legacy Expro, he was Vice President Well Testing and Subsea responsible for North and South America at Schlumberger and held senior roles in wireline, completions, well testing and subsea from 1992 until 2008. He held a variety of assignments throughout North America, South America and the Middle East. He spent three years with Vallourec as President of North America, leading the commercial activities across North America, directing global research and development, as well as managing sales and strategy for the region. He holds a Bachelor of Science degree in Mechanical Engineering and Mathematics from Colorado School of Mines. Mr. Jardon was selected as a director because of his extensive experience and familiarity with Legacy Expro and its affiliates as well as his industry and management expertise.

Michael C. Kearney

- a. gender: male
- b. age: 74
- c. nationality: United States of America
- d. principal position: Chairman of the Board and non-executive director
- e. other positions (in so far as they are relevant to the performance of the duties as non-executive member of the Board): see biography here below.
- f. date of initial appointment: November 6, 2013 for the Supervisory Board and Audit Committee, August 2014 for the Compensation Committee, December 31, 2015 as Chairman of the Supervisory Board and October 1, 2021 as the Chairman and non-executive director
- g. current term in office: at the Company's annual meeting 2023, Mr. Kearney will be standing for re-election as director to serve until the Company's annual meeting 2024.

Mr. Kearney currently serves as the Company's Chairman of the Board and non-executive director, a position he has held since October 2021. Mr. Kearney has over 25 years of upstream energy executive and board experience, principally in the oil services sector. Previously, Mr. Kearney served as supervisory director from November 2013 until October 2021. He was Lead Supervisory Director from May 2014 until December 31, 2015, when he was named Chairman. From September 2017 until

September 2021, he served as Chairman, President and Chief Executive Officer of the Company. In addition, he served on the Company's Audit Committee from 2013 until 2017 and the Compensation Committee from 2014 until 2016. Mr. Kearney previously served as President and Chief Executive Officer of DeepFlex Inc., a privately held oil service company which was engaged in the manufacture of flexible composite pipe used in offshore oil and gas production, from September 2009 until June 2013, and had served as the Chief Financial Officer of DeepFlex Inc. from January 2008 until September 2009. Mr. Kearney served as Executive Vice President and Chief Financial Officer of Tesco Corporation from October 2004 to January 2007. From 1998 until 2004, Mr. Kearney served as the Chief Financial Officer and Vice President—Administration of Hydril Company. In addition to his executive experience, Mr. Kearney's oil service experience extends to serving on the Board of Core Laboratories from 2004 until 2017, most recently as its Lead Director, and serving on the board and Audit Committee of Fairmount Santrol from 2015 until its merger with Unimin Corporation in 2018. Mr. Kearney currently serves on the board and Audit Committee of Ranger Energy Services, Inc., an independent provider of well service rigs and associated services, since 2018. He also serves on the board of directors for the Energy Workforce & Technology Counsel. Mr. Kearney received a Bachelor of Business Administration degree from Texas A&M University, as well as a Master of Science degree in Accountancy from the University of Houston. Mr. Kearney was selected as a director because of his experience in the oil and gas industry and his experience serving on the board of directors of other companies.

Eitan Arbeter

- a. gender: male
- b. age: 42
- c. nationality: United States of America
- d. principal position: non-executive member of the Company's Board
- e. other positions (in so far as they are relevant to the performance of the duties as non-executive member of the Board): see biography here below
- f. date of initial appointment: October 1, 2021
- g. current term in office: at the Company's annual meeting 2023, Mr. Arbeter will be standing for re-election as director to serve until the Company's annual meeting 2024.

Mr. Arbeter has been a non-executive member of the Company's Board since October 2021. Mr. Arbeter previously served on the Board of Directors of Legacy Expro. He shares portfolio management responsibilities as Portfolio Manager and Partner at Oak Hill Advisors, L.P., a leading alternative investment firm. Mr. Arbeter serves on the Oak Hill Advisor's investment strategy and several fund investment committees. Prior to assuming a portfolio management role, Mr. Arbeter spent over 10 years as a senior research analyst. Prior to joining Oak Hill Advisors, Mr. Arbeter worked at Bear, Stearns & Co. Inc. in its Global Industrials Group. He earned a B.B.A, with Honors, from the Stephen M. Ross School of Business at the University of Michigan. Mr. Arbeter was selected as a director because of his familiarity with Expro as well as his business acumen and capital markets expertise.

Alan Schrager

- a. gender: male
- b. age: 54
- c. nationality: United States of America
- d. principal position: non-executive member of the Company's Board
- e. other positions (in so far as they are relevant to the performance of the duties as non-executive member of the Board): see biography here below
- f. date of initial appointment: October 1, 2021
- g. current term in office: at the Company's annual meeting 2023, Mr. Schrager will be standing for re-election as director to serve until the Company's annual meeting 2024.

Mr. Schrager has been a non-executive member of the Company's Board since October 2021. He currently serves on the board of directors of Associated Materials Incorporated, three Churchill Capital special purpose acquisition companies and New Heights Youth, Inc., and previously served on the board of Legacy Expro. He shares portfolio management responsibilities as Portfolio Manager and Senior Partner at Oak Hill Advisors, L.P., a leading alternative investment firm. Mr. Schrager serves on various Oak Hill Advisors committees, including the investment strategy, valuation, compliance and several fund investment committees. Previously, Mr. Schrager had senior research responsibility for investments in private credit companies, software, industrials and gaming. Prior to joining Oak Hill Advisors in early 2003, he was a Managing Director of USBancorp Libra, where he was responsible for originating, evaluating and structuring private equity, mezzanine and debt transactions and also held several positions at Primary Network, a data CLEC, including Chief Financial Officer and Interim Chief Executive Officer. Mr. Schrager previously worked in the Leveraged Finance and High Yield Capital Markets group at UBS Securities, LLC. Mr. Schrager earned an M.B.A. from the Wharton School of the University of Pennsylvania, and a B.A. from the University of Michigan. Mr. Schrager was selected as a director because of his familiarity with Expro as well as his business acumen and capital markets expertise.

Lisa Troe

- a. gender: female
- b. age: 61
- c. nationality: United States of America
- d. principal position: non-executive member of the Company's Board
- e. other positions (in so far as they are relevant to the performance of the duties as non-executive member of the Board): see biography here below
- f. date of initial appointment: October 1, 2021
- g. current term in office: at the Company's annual meeting 2023, Ms. Troe will be standing for re-election as director to serve until the Company's annual meeting 2024.

Ms. Troe has been a non-executive member of the Company's Board since October 2021. Since 2014, she has been a Senior Managing Director of Athena Advisors LLC, a business advisory firm she co-founded in 2014 to provide services in securities litigation, public company accounting, financial reporting and disclosure, compliance systems, enterprise risk management, and other business needs and strategies. From 2005 through 2013, Ms. Troe was a Senior Managing Director at FTI Consulting, Inc. (NYSE: FCN), a global business advisory firm. From 1995 through 2005, Ms. Troe served on the staff of the U.S. Securities and Exchange Commission's Pacific regional office, including seven years as an Enforcement Branch Chief and six years as Regional Chief Enforcement Accountant. Prior to joining the SEC, Ms. Troe was an auditor at a Big Four public accounting firm and held corporate accounting and financial positions in upstream oil and gas companies and a petroleum products pipeline company. Since shortly before its IPO in April 2014, Ms. Troe has served as a director and for eight years served as the audit committee chair of Magnite, Inc. (Nasdaq: MGNI), an independent platform that facilitates the purchase and sale of digital advertising. Since its go-public transaction in April 2021, Ms. Troe has served as a director of Stem, Inc. (NYSE: STEM), a provider of energy storage systems management services that employs a proprietary AI-enabled software platform to optimize the value of energy savings by automatically switching between battery power, onsite generation and grid power. She serves as a director of HireRight Holdings Corporation (NYSE: HRT), that provides employers with global background screening and other workforce solutions. From 2003 to 2014, Ms. Troe was a member of the advisory board that functioned as a board of directors for a Texas general partnership engaged in oil and gas exploration and production. In 2007, Ms. Troe served as a member of a Special Litigation Committee of the board of a public manufacturing company. Ms. Troe is a National Association of Corporate Directors member and Board Leadership Fellow, CERT certified in cybersecurity by the Software Engineering Institute of Carnegie Mellon University, and a CPA. Ms. Troe received her B.S. in Business Administration with honors from the University of Colorado. Ms. Troe was selected as a director due to her expertise in public company accounting, financial reporting and corporate governance, as well as her public company director and audit committee experience.

Brian Truelove

- a. gender: male
- b. age: 64
- c. nationality: United States of America
- d. principal position: non-executive member of the Company's Board
- e. other positions (in so far as they are relevant to the performance of the duties as non-executive member of the Board): see biography here below
- f. date of initial appointment: October 1, 2021
- g. current term in office: at the Company's annual meeting 2023, Mr. Truelove will be standing for re-election as director to serve until the Company's annual meeting 2024.

Mr. Truelove has been a non-executive member of the Company's Board since October 2021. He has over 40 years of experience in the global upstream oil and gas industry. From 2018 to October 2021, he served on the Board of Directors of Legacy Expro. Mr. Truelove has also served on the Board of Directors of Bristow Group Inc. since 2019. From 2011 to 2018, he worked for the Hess Corporation, an energy company, most recently as Senior Vice President, Global Services, which included serving as the Chief Information Officer, Chief Technology Officer, and leading the Supply Chain/Logistics organization. Prior to assuming this role, he served as Senior Vice President for Hess' global offshore businesses and prior to that he was Senior Vice President for Global Drilling and Completions. From 1980 through 2010, Mr. Truelove worked for Royal Dutch Shell where he most recently served as Senior Vice President for the Abu Dhabi National Oil Company/NDC on secondment from Shell. Prior to that he led Shell's global deepwater drilling and completions business. During his time with Hess and Shell he held leadership positions around the world in drilling and production operations and engineering, asset management, project management, R&D, Health/Safety/Environment, and corporate strategy, amongst others. Mr. Truelove was selected as a director because of his extensive experience in the oil and gas industry and his public company experience.

Eileen Whelley

- a. gender: female
- b. age: 69
- c. nationality: United States of America
- d. principal position: non-executive member of the Company's Board
- e. other positions (in so far as they are relevant to the performance of the duties as non-executive member of the Board): see biography here below
- f. date of initial appointment: October 1, 2021
- g. current term in office: at the Company's annual meeting 2023, Ms. Whelley will be standing for re-election as director to serve until the Company's annual meeting 2024.

Ms. Whelley has been a non-executive member of the Company's Board since October 2021. Ms. Whelley retired from the XL Group, a commercial reinsurance company, in January 2019, having served as Chief Human Resources Officer, where she was responsible for leading all aspects of Human Resources including leadership development and succession planning, compensation and benefits, diversity and inclusion, cultural transformation and colleague engagement. Prior to joining XL Group in 2012, Ms. Whelley spent five years as Chief Human Resources Officer for the Hartford Financial Services Group, and before that, was at General Electric Company for 17 years where she was a Company officer and held a number of Human Resources leadership roles, including Executive Vice President Human Resources for NBC Universal. She has expertise in the areas of organizational transformation, executive development and succession planning, leadership effectiveness, acquisition integration and executive compensation. She is a Trustee of SUNY Potsdam's Foundation Board and is a member of the SUNY Research Foundation Board of Directors where she chairs the Nominating Committee and serves on the Executive Committee. Ms.

Whelley graduated from SUNY Potsdam with a BA in Sociology and earned an MA from Bowling Green State University. Ms. Whelley was selected as a director due to her experience in management and human resources.

Ms. Frances M. Vallejo

- a. gender: female
- b. age: 58
- c. nationality: United States of America
- d. principal position: non-executive member of the Company's Board
- e. other positions (in so far as they are relevant to the performance of the duties as non-executive member of the Board): see biography here below
- f. date of initial appointment: nominated by the Board to stand for election at the 2023 annual meeting
- g. current term in office: nominated by the Board to stand for election at the 2023 annual meeting

Ms. Vallejo has been nominated by the Board to stand for election at this annual meeting. She is a former executive officer of ConocoPhillips, an independent exploration and production company, where she began her career in 1987. She served as Vice President, Corporate Planning and Development from April 2015 until December 2016 and as Vice President and Treasurer from October 2008 until March 2015. Prior to October 2008, she served as General Manager Corporate Planning and Budgets, Vice President Upstream Planning and Portfolio Management, Assistant Treasurer, Manager Strategic Transactions, and in other geophysical, commercial, and finance roles. Ms. Vallejo currently serves on the board of directors of Coterra Energy Inc, a publicly traded exploration and production company with focused operations in the Permian Basin, Marcellus Shale and Anadarko Basin, since October 2021 and Crestwood Equity Partners LP, a publicly traded master limited partnership that owns and operates oil and gas midstream assets located primarily in the Bakken Shale, Delaware Basin and Powder River Basin, since February 2021.

Ms. Vallejo was a member of the Board of Trustees of Colorado School of Mines from 2010 until 2016 and is a member of the Colorado School of Mines Foundation Board of Governors. Ms. Vallejo holds a Bachelor of Science in mineral engineering mathematics from Colorado School of Mines and a Master of Business Administration from Rice University, where she was named a Jones Scholar. Ms. Vallejo was selected as a director nominee because of her vast experience in the oil and gas industry and extensive leadership roles in corporate planning, budgeting, and treasury.

Robert Drummond

- a. gender: male
- b. age: 62
- c. nationality: United States of America
- d. principal position: non-executive member of the Company's Board
- e. other positions (in so far as they are relevant to the performance of the duties as non-executive member of the Board): see biography here below
- f. date of initial appointment: May 19, 2017 for the supervisory board
- g. current term in office: at the Company's annual meeting 2023, Mr. Drummond will be standing for re-election as director to serve until the Company's annual meeting 2024.

Mr. Drummond has been a director of the Company since May 2017. Prior to October 2021, he served as a supervisory director of the Company, and thereafter, as a non-executive member of the Company's Board. He currently serves as President and Chief Executive Officer of NextTier Energy Solutions Inc., fka Keane Group, Inc., an oilfield services company, a position he has held since August 2018. He also serves on the Board of Directors of NextTier since August 2018. Prior to serving in his current position, Mr. Drummond served as President and Chief Executive Officer of Key Energy Services, Inc., an oilfield services company, from

March 2016 to May 2018, prior to which he was President and Chief Operating Officer since June 2015. He also served on the Board of Directors of Key Energy Services, Inc. from November 2015 until August 2018. Prior to joining Key, Mr. Drummond was previously employed for 31 years by Schlumberger Limited, where he served in multiple engineering, marketing, operations, and leadership positions throughout North America. His positions at Schlumberger included President of North America from January 2011 to June 2015; President of North America Offshore & Alaska from May 2010 to December 2010; Vice President and General Manager for the US Gulf of Mexico from May 2009 to May 2010; Vice President of Global Sales from July 2007 to April 2009; Vice President and General Manager for US Land from February 2004 to June 2007; Wireline Operations Manager from October 2003 to January 2004; Vice President and General Manager for Atlantic and Eastern Canada from July 2000 to September 2003; and Oilfield Services Sales Manager from January 1998 to June 2000. Mr. Drummond began his career in 1984 with Schlumberger. Mr. Drummond is a member of the Society of Petroleum Engineers and serves on the Advisory Board for the Energy Workforce & Technology Counsel and the University of Alabama College of Engineering Board. Formerly, he served as a member of the Board of Directors of the National Ocean Industries Association; the Board of Directors for the Greater Houston Partnership and on the Board of Trustees for the Hibernia Platform Employees Organization – Newfoundland; and as an advisory board member for each of the University of Houston Global Energy Management Institute, the Texas Tech University Petroleum Engineers and Memorial University's Oil and Gas Development Partnership. Mr. Drummond received his Bachelor of Science in Mineral/Petroleum Engineering from the University of Alabama in 1983. Mr. Drummond was selected as a director because of his extensive industry and management expertise.

Committees of the Board

The Company's Board currently has three standing committees: the Audit Committee, the Compensation Committee and the ESG Committee. Each of the three committees is composed of independent directors and has the composition and responsibilities described below. The Company may decide in the future to create additional committees.

Audit Committee

The Audit Committee oversees, reviews, acts on and reports on various auditing and accounting matters to the Company's Board, including: the selection of the Company's independent accountants; the scope of the Company's annual audits; fees to be paid to the independent accountants; the performance of the Company's independent accountants and the Company's accounting practices. In addition, the Audit Committee oversees the Company's compliance programs relating to legal and regulatory requirements. On a quarterly basis, the Audit Committee meetings are typically attended by the Company's Chief Financial Officer, General Counsel, representatives from its external and internal auditors, and others as necessary and appropriate. The Company has adopted an audit committee charter defining the committee's primary duties in a manner consistent with the rules of the SEC and the NYSE market standards, which is available at www.expro.com.

Ms. Troe, Mr. Truelove and Ms. Whelley are the current members of the Audit Committee and Ms. Troe is the Chair of the Audit Committee. Each member satisfies the heightened requirements for independence under Rule 10A-3 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). An "audit committee financial expert" is defined as a person who, based on his or her experience, possesses the attributes outlined in Regulation S-K Item 407(d)(5)(ii) and (iii). The Board has determined that Ms. Troe is an "audit committee financial expert" as defined by the rules and regulations of the SEC. The Company has determined that each of Ms. Troe, Mr. Truelove and Ms. Whelley are financially literate as defined by the rules and regulations of the NYSE. Ms. Troe currently serves on the audit committee of three other public companies. The Board has determined that such simultaneous service does not impair her ability to effectively serve on the Company's Audit Committee, including as Audit Committee Chair, due to her 100% attendance at Board meetings and meetings of the Committees on which she serves at the Company and her broad experience, including her status as CPA, among other things.

If elected or re-elected to the Board, Ms. Troe, Mr. Truelove and Ms. Vallejo will serve on the Audit Committee, with Ms. Troe serving as Chair.

Compensation Committee

The Company's Compensation Committee currently consists of Mr. Arbeter, Mr. Drummond and Ms. Whelley, with Mr. Drummond serving as the Chairman. Each member satisfies the heightened requirements for compensation committee independence set out in Section 303A.02(a)(ii) of the NYSE Manual and Rule 10C-1 of the Exchange Act.

The Compensation Committee oversees, reviews, acts on and reports on various compensation matters to the Company's Board, including: the compensation of the Company's executive officers and directors; the Compensation Discussion and Analysis included in the Company's proxy statement or Annual Report on Form 10-K and the Compensation Committee Report; compensation matters required by Dutch Law; and the discharge of the Board's responsibilities relating to compensation of the Company's executive officers and directors. The Company has adopted a compensation committee charter defining the committee's primary duties, which is available at www.expro.com.

The Compensation Committee is delegated all authority of the Board as may be required or advisable to fulfill the purposes of the Compensation Committee. The Compensation Committee may form and delegate some or all of its authority to subcommittees or to its Chairman when it deems appropriate. Meetings may, at the discretion of the Compensation Committee, include other directors, members of the Company's management, consultants or advisors, and such other persons as the Compensation Committee believes to be necessary or appropriate. Further, Meridian Consultants, LLC has been engaged by the Compensation Committee to provide advice and recommendations regarding compensation.

If re-elected to the Board, Mr. Arbeter, Mr. Drummond and Ms. Whelley will continue to serve on the Compensation Committee, with Ms. Whelley serving as Chair.

ESG Committee

The Company's ESG Committee currently consists of Mr. Drummond, Ms. Troe, MS. Whelley and Mr. Truelove, with Mr. Truelove serving as the Chairman.

The ESG Committee oversees, reviews, acts on and reports on various corporate governance matters to the Company's Board, including the selection of director nominees; composition of the Board and its committees; compliance with corporate governance guidelines; annual performance evaluations of the Board and its committees; and succession planning for the Chief Executive Officer. It also oversees environmental, social and governance related policies and initiatives. The Company has adopted an ESG Committee charter defining the committee's primary duties, which is available at www.expro.com.

The ESG Committee is delegated all authority of the Board as may be required or advisable to fulfill the purposes of the ESG Committee. The ESG Committee may form and delegate some or all of its authority to subcommittees or to its Chairman when it deems appropriate. Meetings may, at the discretion of the ESG Committee, include other directors, members of the Company's management, consultants or advisors, and such other persons as the ESG Committee believes to be necessary or appropriate.

If re-elected to the Board, Ms. Troe, Mr. Truelove and Ms. Whelley will continue to serve on the ESG Committee, with Mr. Truelove serving as Chair.

Selection of Director Nominees and Shareholder Participation

The number of members of the Company's Board is determined from time to time at a general meeting upon a proposal by the Board. Pursuant to the Company's Articles, directors are appointed by the shareholders voting at the general meeting upon a proposal of the Board. A proposal made by the Board submitted on time is binding. However, the general meeting may render

the proposal non-binding by a resolution to that effect adopted with a majority of no less than two-thirds of the votes cast, representing over one-half of the issued capital. Under Dutch law, in case one person is bindingly proposed for the relevant board seat, that person is deemed elected in case no resolution is adopted by the general meeting to render the proposal non-binding. When making a proposal, subject to applicable law, the Board must observe the terms of the Director Nomination Agreement (as defined above).

Pursuant to the Director Nomination Agreement, Oak Hill Advisors, L.P. currently has the right in respect of one non-executive board seat to designate the person who must be proposed by the Board for appointment provided that it owns at least 10%, but less than 20%, of the Common Stock outstanding at the closing of the Merger. On January 18, 2023, certain funds and accounts managed by Oak Hill Advisors, L.P. sold 9,200,000 shares of Common Stock in an underwritten public offering. Following the offering, the Oak Hill Group owns at least 10%, but less than 20%, of the Common Stock outstanding at the closing of the Merger. Mr. Arbeter was appointed pursuant to this right under the Director Nomination Agreement and will be the Oak Hill Group's designee at the 2023 annual meeting. Mr. Schrage was nominated by the Board for re-election at the 2023 annual meeting as a non-executive director.

Also, the Mosing Parties (as defined in the Director Nomination Agreement) holding the Mosing Majority (as defined in the Director Nomination Agreement) have ceased to have the right in respect of one non-executive board seat to designate the person who must be proposed by the Board for appointment as they are unable to provide confirmation of ownership of at least 10% of the Company's Common Stock outstanding at the closing of the Merger. As such, Mr. Erich Mosing will not stand for re-election at the 2023 annual meeting.

In evaluating director candidates, the Company assesses whether a candidate possesses the integrity, judgment, knowledge, experience, skills and expertise that are likely to enhance the Board's ability to oversee and direct the Company's affairs and business, including, when applicable, to enhance the ability of committees of the Board to fulfill their duties and the quality of the Board's deliberations and decisions. In evaluating directors under its diversity policy, the Company considers diversity in its broadest sense, including persons diverse in perspectives, personal and professional experiences, geography, gender, race and ethnicity. The Board assesses the effectiveness of this policy in connection with its annual evaluation of the Board and its committees.

In order to assist the Board in the director selection process as well as in the selection of Board committee composition, the ESG Committee has developed a written matrix of the ideal characteristics and competencies of a public company board of directors, including the best practice compositions for members of an audit committee, compensation committee and nominating and governance committee. Criteria includes (i) senior leadership experience, (ii) business development/mergers and acquisition experience, (iii) financial expertise and financial literacy, (iv) public board experience, (v) the number of public boards on which the individual is currently serving, (vi) diversity, (vii) global experience, (viii) industry experience, (ix) operational/manufacturing experience, (x) information technology experience, (xi) brand marketing experience, (xii) independence, (xiii) drilling/service company experience, (xiv) strategy and vision development, (xv) collegiality and respectfulness with regards to the ideas of others, and (xvi) emergency CEO capability.

The Company will consider director candidates recommended by shareholders on the same basis as candidates recommended by the Board and other sources. For a description of the procedures and qualifications required to submit shareholder proposals, including for nominating directors, please see "Shareholder Proposals." Other than as described above, the Company does not have a policy regarding consideration of director candidates submitted by shareholders.

Shareholder Proposals

Pursuant to the Company's Articles, general meetings will be held in Amsterdam, The Netherlands in the municipality in which the Company has its statutory seat, or at the Municipality of Haarlemmermeer (Schiphol). A general meeting of shareholders

will be held at least once a year within the period required by Dutch law, which is currently no later than six months after the end of the Company's financial year.

The agenda for the 2024 annual meeting is expected to include, in addition to other matters, any matter the consideration of which has been requested by one or more shareholders, representing alone or jointly with others at least such percentage of the issued capital stock as determined by our Articles and Dutch law, which is currently set at three percent. Shareholders who desire to submit a proposal for action, including a proposal to appoint a director, at the 2024 annual meeting other than pursuant to Rule 14a-8 of the Exchange Act must comply with Article 30 of the Company's Articles. The request to consider such matter must be received by us no later than on the 60th day prior to the day of the 2024 annual meeting accompanied by a statement containing the reasons for the request. We currently expect our 2024 annual meeting to be held on or about May 22, 2024, with mailing to commence on or about March 29, 2024. Requests received later than the 60th day prior to the day of the meeting (anticipated to be Saturday, March 23, 2024), will be considered untimely. In addition, the deadline for providing notice to the Company under Rule 14a-19, the SEC's universal proxy rule, of a stockholder's intent to solicit proxies in support of nominees submitted under the Company's Articles is March 25, 2024.

Any proposals sought for inclusion in the proxy statement for the 2024 annual meeting must comply with Rule 14a-8 under the Exchange Act and be submitted by December 2, 2023.

In order for any matters to be included in the Company's proxy statement or presented at the 2024 annual meeting, the qualified shareholder(s) must submit the matter to the Company's Secretary at 1311 Broadfield Blvd., Suite 400, Houston, Texas 77084.

Procedures for Approval of Related Person Transactions

According to Company policy, a "Related Person" means:

- any person who is, or at any time during the applicable period was, one of the Company's executive officers or one of its directors;
- any person who is known by the Company to be the beneficial owner of more than 5% of any class of the Company's voting securities;
- any immediate family member of any of the foregoing persons, which means any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law of a director, executive officer or a beneficial owner of more than 5% of any class of the Company's voting securities, and any person (other than a tenant or employee) sharing the household of such director, executive officer or beneficial owner of more than 5% of any class of the Company's Common Stock; and
- any firm, corporation or other entity in which any of the foregoing persons is a partner or principal or in a similar position or in which such person has a 10% or greater beneficial ownership interest.

The Company's Board adopted a written Related Party Transactions Policy and has approved, along with the Audit Committee, the applicable Related Party Transactions at this time. Pursuant to this policy, the Audit Committee will review all material facts of all new Related Party Transactions and either approve or disapprove entry into the Related Party Transaction, subject to certain limited exceptions. In determining whether to approve or disapprove entry into a Related Party Transaction, the Audit Committee expects to take into account, among other factors, the following: (1) whether the Related Party Transaction is on terms no less favorable than terms generally available to an unaffiliated third party under the same or similar circumstances and (2) the extent of the Related Person's interest in the transaction. Further, the policy requires that all Related Party Transactions required to be disclosed in the Company's filings with the SEC be so disclosed in accordance with applicable laws, rules and regulations.

Transactions with Related Parties

The related party transactions are disclosed below:

Our related parties consist primarily of COSL - Expro Testing Services (Tianjin) Co. Ltd (“CETS”) and PV Drilling Expro International Co. Ltd. (“PVD-Expro”), the two companies in which we exert significant influence, and Mosing Holdings LLC, a company that is owned by a member of our Board, and its affiliates. During the years ended December 31, 2022 and 2021, we provided goods and services to related parties totaling \$5.4 million and \$6.8 million, respectively. During the year ended December 31, 2022, we received services from related parties totaling \$1.0 million.

Additionally, we entered into various operating lease agreements to lease facilities with affiliated companies. Rent expense associated with our related party leases was \$0.6 million and \$0.5 million for the years ended December 31, 2022 and 2021, respectively.

Further, during the years ended December 31, 2022 and 2021, we received dividends from CETS and PVD-Expro totaling \$7.3 million and \$4.1 million, respectively.

As of December 31, 2022 and 2021, amounts receivable from related parties were \$2.4 million and \$1.6 million, respectively, and amounts payable to related parties were \$0.8 million and \$2.1 million as of December 31, 2022 and 2021, respectively.

As of December 31, 2022, \$0.7 million of our operating lease right-of-use assets and \$0.7 million of our lease liabilities were associated with related party leases. As of December 31, 2021, \$1.3 million of our operating lease right-of-use assets and \$1.3 million of our lease liabilities were associated with related party leases.

Tax Receivable Agreement

Mosing Holdings, LLC, a Delaware limited liability company (“Mosing Holdings”), converted all of its shares of Frank’s Series A convertible preferred stock into shares of Frank’s common stock on August 26, 2016, in connection with its delivery to Frank’s of all of its interests in Frank’s International C.V. (“FICV”) (the “Conversion”).

The tax receivable agreement (the “Original TRA”) that Frank’s entered into with FICV and Mosing Holdings in connection with Frank’s initial public offering (“IPO”) generally provided for the payment by Frank’s to Mosing Holdings of 85% of the net cash savings, if any, in U.S. federal, state and local income tax and franchise tax that Frank’s actually realize (or are deemed to realize in certain circumstances) in periods after the IPO as a result of (i) tax basis increases resulting from the Conversion and (ii) imputed interest deemed to be paid by Frank’s as a result of, and additional tax basis arising from, payments under the Original TRA. Frank’s retained the benefit of the remaining 15% of these cash savings, if any.

In connection with the Merger Agreement, Frank’s, FICV and Mosing Holdings entered into the Amended and Restated Tax Receivable Agreement, dated as of March 10, 2021 (the “A&R TRA”). Pursuant to the A&R TRA, on October 1, 2021, the Company made a payment of \$15 million to settle the early termination payment obligations that would otherwise have been owed to Mosing Holdings under the Original TRA as a result of the Merger. As the payment was a condition precedent to effect the Merger, it was included in the determination of Merger consideration exchanged. Refer to Note 3 “Business combinations and dispositions” for more details. The A&R TRA also provides for other contingent payments to be made by the Company to Mosing Holdings in the future in the event the Company realizes cash tax savings from tax attributes covered under the Original TRA during the ten year period following October 1, 2021 in excess of \$18.1 million.

Transactions with Directors, Executive Officers and Affiliates

In connection with the Company’s IPO, Mosing Holdings caused the Company’s U.S. operating subsidiaries to distribute certain assets that generated a de minimis amount of revenue, including aircraft, real estate and life insurance policies. Accordingly, these assets were not contributed to FICV in connection with the IPO. As a result, the Company entered into real estate lease agreements with customary terms for continued use of the real estate.

As stated above, the Company has entered into various operating leases with Mosing Land & Cattle Company of Texas L.L.C. and Mosing Holdings (through its wholly owned subsidiary, Mosing Ventures, LLC), each of which are entities owned by certain

members of the Mosing family to lease operating facilities as well as office space from such entities. Rent expense related to lease operating facilities was \$0.6 million for the year ended December 31, 2022. The expiration date of the operating leases that remain in place ranges from 2023 to 2024, unless otherwise extended, and the Company expects to incur approximately \$0.7 million during the remainder of the terms of these leases. In December 2014, the Company entered into a property lease amendment for the Company's U.S. headquarters with Mosing Properties, L.P. Further, in 2015, the Company entered into four property lease amendments for the Company's headquarters with Mosing Properties, L.P. The Audit Committee and the Board approved and ratified these lease amendments in November 2015. The lease was terminated by the Company in October 2021 in connection with the Merger.

Compensation Committee Interlocks and Insider Participation

None of the Company's executive officers serve on the board of directors or Compensation Committee of a company that has an executive officer that serves on the Company's Board. No member of the Company's Board is an executive officer of a company in which one of the Company's executive officers serves as a member of the board of directors or compensation committee of that company.

Communications with Directors of the Company; Website Access to Our Corporate Documents

The Board welcomes questions or comments about the Company and its operations. Interested parties who wish to communicate with the Board, the Chair, the non-employee or independent directors, or any individual director, may write to Expro Group Holdings N.V., c/o U.S. Headquarters, Attention: Corporate Secretary – 1311 Broadfield Blvd., Suite 400, Houston, Texas 77084. If requested, any questions or comments will be kept confidential to the extent reasonably possible. Depending on the subject matter, the Corporate Secretary, will:

- forward the communication to the director or directors to whom it is addressed;
- refer the inquiry to the appropriate corporate department if it is a matter that does not appear to require direct attention by the Board or an individual director; or
- not forward the communication if it is primarily commercial in nature or if it relates to an improper or irrelevant topic.

Our Internet address is www.expro.com. Our Corporate Governance Guidelines, our Corporate Code of Conduct and Ethics and the Audit Committee Charter are available on our website.

Compliance with the Dutch Corporate Governance Code

Dutch Corporate Governance Code

In addition to the New York Stock Exchange listing standards and rules and regulations as promulgated by the SEC, as a Dutch company, our governance practices are based on the Dutch decree on additional requirements for annual reports of the Board of Directors “*Besluit inhoud bestuursverslag*” which was last amended on April 22, 2022, taking effect as of July 1, 2022 (the “Decree”) and also governed by the principles and best practice provisions of the Dutch Corporate Governance Code (the “Dutch Code”, published at [http:// www.mccg.nl/](http://www.mccg.nl/)), which contains a number of principles and best practices. This section is based on the Dutch Code which came into force as of 2016. On December 20, 2022, an updated version of the Dutch Code was published. In accordance with the updated Dutch Code, the Company will report on its compliance with such updated version as from the 2023 financial year and the relevant annual period.

The Dutch Code, in contrast to U.S. laws, rules and regulations related to corporate governance, contains a “comply-or-explain” principle, offering the possibility to deviate from the Dutch Code, without being in breach, as long as any such deviations are explained. In certain cases, we have not applied the Dutch Code’s practices and provisions and in those instances explained the non-application.

There is considerable overlap between the requirements we must meet under U.S. rules and regulations and the provisions of the Dutch Code. If there are conflicting provisions of the Dutch Code and the requirements of the NYSE and the SEC, we will comply with the NYSE and SEC requirements, given their mandatory nature. As a SEC registrant and NYSE listed company, we believe that it is appropriate to maintain governance practices that are consistent with our peers listed on the NYSE.

The Dutch Code is focused on the dualistic governance model (i.e. a two tier structure). In companies with a two-tier governance structure, management and supervision are divided between two company bodies: the management board and the supervisory board. Chapter 5 of the Dutch Code pertains to companies with a one-tier governance structure. Companies with a one-tier governance structure, such as the Company, have a single management board comprised of executive and non-executive directors. In this situation, the latter supervise the former, and there is no supervisory board. Non-executive directors and executive directors have joint management responsibility.

There have been no material changes in the company’s governance policy in comparison with financial year 2021. The Company applies the major part of the principles and provisions of the Dutch Code, insofar as they are applicable, with the exceptions listed hereafter.

Chapter 1. Long-term value Creation

Best practice provision 1.6.1, 1.6.3 and 1.6.4

The Audit Committee is responsible for the supervision of the independence of the independent auditors and does conduct an assessment of the functioning of the external independent auditor. The Audit Committee reviews on a quarterly basis the audit plan as prepared by our internal audit function.

In addition, the Company complies with Section 10A(m)(6) of the U.S. Exchange Act which requires the Audit Committee, in its capacity as a committee of the members of the Board, to be directly responsible for the appointment, compensation, retention and oversight of the work of any registered public accounting firm engaged (including resolution of disagreements between management and the independent auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the listed issuer. The Company also complies with Rules 303A.06 and

303A.07 of the New York Stock Exchange, which demands additional requirements regarding the composition and independence of the Audit Committee.

On the basis of the above, the Audit Committee appoints the Company's international independent registered public accounting firm, and makes a recommendation to the general meeting to appoint an independent auditor who will audit the statutory annual accounts, as required by Dutch corporate law.

Chapter 2. Effective Management and Supervision

The importance of diversity is recognized by the Company. The Company's diversity policy is part of the Corporate Governance Guidelines (last reviewed and affirmed on October 1, 2021) and the ESG Committee Charter (last reviewed and affirmed on March 19, 2022), which are under continuous consideration and review by the Board.

Since January 1, 2022 a new bill (included in article 166 of Book 2 of the Dutch Civil Code) came into effect under Dutch law regarding gender diversity in top management positions of all large N.V. companies irrespective of whether or where these are listed. It is noted that additional, more strict, rules apply to board positions of companies listed on a regulated stock exchange in the Netherlands.

A company will qualify as a "large" company, if it has met at least two of the following criteria on two consecutive balance sheet dates without interruption (in principle, determined on a consolidated basis):

- the value of its assets, determined on the basis of acquisition and creation costs, exceeds €20 million;
- its annual net turnover exceeds €40 million;
- annually, on average, it employs at least 250 employees (in or outside the Netherlands).

The Company is considered to be a large company under Dutch law. Under the new law (which is applicable for the Company), the following rules apply:

- i. The company must set suitable and ambitious targets – in the form of a percentage or number – to ensure a balanced board and group of senior officers/employees (as determined by the company) in terms of gender.
- ii. The company must prepare a plan to meet those gender targets.
- iii. Each year, by October 31 (for the first time by October 31, 2023), the company must report to the Dutch Social Economic Counsel on the number of men and women who are part of the board by the end of the year; a similar report must be made for the group of senior officers/employees for which a gender target applies.
- iv. As part of its report to the Dutch Social Economic Counsel, the company must also indicate what its targets were, what its plans were to meet those targets and, if applicable, why it failed to meet those targets.

Based on article 3d of the Decree, the Company must in this annual report disclose the following:

- a. the number of men and women serving on the Board at the end of the financial year, as well as the categories of employees in managerial positions (to be determined by the Company);
- b. the goals in the form of a target as referred to under i. here above;
- c. the plan to achieve these goals, as referred to under ii. here above; and
- d. if one or more targets have not been achieved, the reasons thereof.

The Corporate Governance Guidelines confirm that the membership of the Board should reflect a diversity including not only background, skills, experience and/or expertise, but also gender, race and/or culture. The Company has established through the ESG Committee selection criteria that identify desirable skills and experience for prospective Board members and address the issues of diversity and background. Further information can be found in the Company's Diversity Policy for the Board as included in the Company's Corporate Governance Guidelines and the ESG Committee Charter.

The Board currently still consists of two women and seven men. The Company pursues a more diverse composition for the Board, i.e. a Board consisting of at least 30% women and at least 30% men. If the proposed slate of director nominees is elected at the 2023 annual meeting, then three of the nine directors (or 33%) will be women.

During 2022, some of the non-executive directors did not meet the criteria for independence as set forth in Best Practice provision 2.1.7 and 2.1.8 of the Dutch Code. The non-executive directors Board members that are not considered independent under the standard set forth in Best Practice provision 2.1.8 of the Dutch Code are Mr. D. Keith Mosing (who was only a member until the Company's 2022 annual general meeting), and Mr. Michael C. Kearney and Erich Mosing. The Board believes that each of its non-independent non-executive directors brings with him a level of skill, experience and qualifications that benefit the workings of the Board and therefore the Company's stakeholders generally. The Board has affirmatively determined that each of Mr. Arbeter, Mr. Drummond, Mr. Schrager, Ms. Troe, Mr. Truelove and Ms. Whelley and Ms. Vallejo (who is standing for election for the first time at the upcoming annual general meeting) have no material relationships with the Company and are independent under the applicable NYSE rules and the Dutch Code.

Best practice provision 2.2.2 and 2.2.4

All non-executive Board members who are reappointed each year at the annual meeting serve until the annual meeting of the next year. Currently, the Board does not believe there is a driving interest in limiting members to the "two four-year terms and subsequently two two-year terms" provision of the Dutch Civil Code. To the contrary, the Board believes that a depth of history and knowledge of the Company, which can be developed through long-term service, continues to be key to an effective oversight of the Company. The Company does not have a retirement schedule for the Board. The Company's Corporate Governance Guidelines state that a retirement age of 75 is generally considered appropriate for the Company's directors, but the Board may decide to defer retirement on an annual basis in appropriate circumstances after a director reaches age 75.

Best practice provision 2.3.6 - 2.3.8

The Board does not have a vice-chairman and does not have a delegated non-executive director. The Board believes these roles are not required.

Chapter 3. Remuneration

Principle 3 and the relevant Best practice provisions

As set out in the Compensation Discussion and Analysis ("CD&A") section of the proxy statement for the 2023 annual general meeting, the Company already has developed its philosophy, objectives, compensation processes and key components of compensation for its senior executive officers. The CD&A section of the 2023 proxy statement, includes an explanation of the share-based compensation, including the criteria for any awards. The shares that may be acquired are part of the overall maximum of 3,333,333 million shares available under the LTIP. At the 2022 annual general meeting, the shareholders have adopted the Company's remuneration policy for the Board.

Best practice provision 3.3.2 and 3.3.3

As is customary in the industry in which we compete, the Company does grant annual equity compensation to the non-executive members of the Board. The Company believes that widespread common share ownership by all its directors is an effective way to align the interests of the members of the Board with those of the Company and its shareholders. The Company also believes that directors with substantial equity positions are more proprietary in their approach to oversight than those with little or no stake in the Company. U.S. securities laws do not require directors to retain shares for a particular length of time. The equity compensation of the directors is granted pursuant to the Company's Long Term Incentive Plan, which was amended, restated and approved by our shareholders at the 2022 annual general meeting.

Chapter 4. The General meeting

Best practice provisions 4.1.3.iii. and 4.1.3.iv

The Company's dividend policy is set out in the prospectus and is aimed at paying a dividend each quarter. We believe it is not necessary to further explain this policy during each annual meeting. Under the Articles of Association the Board may resolve to pay dividends. However, on October 27, 2017, the former management board of the Company has resolved to suspend the payment of quarterly distributions indefinitely.

Best practice provision 4.1.8

The Company believes that, in view of costs and business priorities, it is not in the best interest of the Company and its Shareholders that all board members nominated for appointment should attend the general meeting at which votes will be cast on their nomination. Attendance at each general meeting is determined on a case by case basis.

Best practice provision 4.1.10

Although the Company does not publish a copy of the minutes of the shareholder meetings, a summary of the actions taken at the general meeting of shareholders will be available to shareholders on our website no later than three months after the meeting. The minutes are adopted by the Chairman and the secretary of the meeting. Also, the voting results will be published via a Current Report on Form 8-K that will be filed with the SEC no later than four business days after the general meeting, which Current Report will be available on the Company's website.

Best practice provision 4.2.2

The Company does have a general policy with regard to bilateral contacts with shareholders pursuant to New York Stock Exchange Rule 17 CFR Part 243 Regulation FD (Fair Disclosure). The Company has posted on its website (see <http://https://investors.expro.com/governance/governance-documents/default.aspx>), the Company's Code of Conduct.

Best practice provision 4.3.2

Proxies for the annual General Meeting of Shareholders can be given to a person who may not be an independent third party, as recommended by the Dutch Civil Code, but the person, however, will vote on these powers as directed by the shareholders.

Best practice provision 4.3.3

Pursuant to statutory obligations, currently the general meeting may pass a resolution to cancel the binding nature of a nomination for the appointment of a Board member with a majority of no less than two-thirds of the votes cast, representing

over one-half of the issued capital. We believe the continuity of the Company is better served by applying the above provision, which is in line with Dutch corporate law.

Chapter 5. one-tier governance structure

Best practice provision 5.1.1 and 5.1.3

During 2022, some of the non-executive directors did not meet the criteria for independence as set forth in Best Practice provision 2.1.7 and 2.1.8 of the Dutch Code. More information can be found under Chapter 2. Effective Management and Supervision above.

How the Company applies the certain specific principles and best practice provisions of the Dutch Code

Conflicts of Interest (Best practice provision 2.7)

The Company's Code Conduct and Financial Code of Ethics provide basic principles and guidelines to assist directors, officers and employees in complying with the legal and ethical requirements governing the Company's business conduct. The current text of the relevant codes are available on the Company's public website at <http://expro.com>.

As stated in article 19 paragraph 6 of our articles of association, a director shall not participate in the deliberations and the decision making process if he has a direct or indirect personal interest which is in conflict with the interests of the Company and its affiliated business. Furthermore, if as a result thereof no resolution of the Board can be adopted, the resolution may nevertheless be passed by the Board as if none of the directors has a conflict of interest as described in the previous sentence.

Pursuant to the Company's Code of Conduct and Code of Ethics, an actual or potential conflict of interest involving a director, officer or employee, or a member of such person's family, must be reported by the affected person in accordance with the Code of Conduct. Any (potential) conflict of interest must be disclosed immediately to the relevant manager, HR or Compliance Department. The possible conflict of interest will be made a matter of record, and the Board will determine whether the possible conflict of interest indeed constitutes a conflict of interest. The Board's approval will be required prior to the consummation of any proposed transaction or arrangement that is determined by the Board to constitute a conflict of interest.

In accordance with best principles 2.7.3, 2.7.4 and 2.7.5 of the Dutch Civil Code, the Company discloses transactions, if any, in which there are conflicts of interest with board members and transactions between the Company and legal or natural persons who hold at least ten percent of the shares in the Company under section: Transactions with Related Parties.

Annual Performance Evaluation of the Board and its Committees (Best practice provisions 2.2.6 - 2.2.8)

The Company's Corporate Governance Guidelines are adopted by the Board in accordance with the corporate governance rules of the NYSE. The current text of the Corporate Governance Guidelines is available on the Company's public website at <http://expro.com>.

The General Counsel, outside legal counsel or a consultant will lead the non-executive directors in their annual performance review. As part of this process, the General Counsel, outside legal counsel or a consultant, as applicable, will receive comments from all directors and report to the full Board with an assessment of the Board's performance. The Dutch Code stipulates that at least once a year the non-executive directors evaluate both their own performance (as a collective, each of its committees and of each non-executive director individually) as well as the performance of the executive directors. The executive directors are not to be present at such meetings, but should also evaluate their own performance, both as a collective (if applicable) and of each executive director individually.

Furthermore, the General Counsel, outside legal counsel or a consultant will lead the Board in the annual performance review of the Board's committees. As part of this process, the General Counsel, outside legal counsel or a consultant, as applicable, will

request that the Chairman of each committee report to the full Board about the committee's annual evaluation of its performance and evaluation of its charter.

The Board's committees may, as required, conduct an annual self-evaluation to determine whether the committees are functioning effectively. The self-evaluation process is overseen by the Board. As part of this process, the Chairman of each committee will receive comments in response to a distributed questionnaire from all of the committee members and will determine whether the applicable committee or the Board should discuss the findings.

The General Counsel, outside legal counsel or a consultant will lead the non-executive directors in the annual performance review of the Company's management, including its Chief Executive Officer. The Board will meet periodically on succession planning. The Chief Executive Officer should at all times make available his or her recommendations and evaluations of potential successors, along with a review of any development plans recommended for such individuals.

Objectives of the Compensation Program (Best practice provision 3.4.1)

The Company is focused on establishing an executive compensation program that is intended to attract, motivate, and retain key executives and to reward executives for creating and increasing the value of the Company. These objectives are taken into consideration when creating the Company's compensation arrangements, when setting each element of compensation under those programs, and when determining the proper mix of the various compensation elements for each of the Executive Officers. We annually reevaluate whether our compensation programs and the levels of pay awarded under each element of compensation achieve these objectives.

The main components of our executive compensation program for 2022 consisted of the following items, which are described in greater detail in the sections below:

- base salary;
- annual cash incentive awards;
- equity-based long-term incentive compensation (comprised of both time-based vesting equity awards and performance-based equity awards); and
- severance benefits for certain terminations of employment.

Information on the compensation paid to each member of the Board can be found in Note 12 to the Company Financial Statements.

Base Salary

Each Named Executive Officer's base salary is a fixed component of compensation for each year for performing specific job responsibilities. The Named Executive Officers received base salaries determined by the Company's Compensation Committee. In setting the base salaries for 2022, the Company's Compensation Committee considered various factors, including current market conditions, market and peer group data provided by Meridian, the individual's performance, experience, and responsibilities, and the overall compensation package received by each Named Executive Officer. The Compensation Committee did not make any changes to the base salaries of the Named Executive Officers for 2022 from the base salary amounts in effect following the Merger in 2021.

The 2022 annual base salary for each of the Named Executive Officers is set forth below.

<u>Name</u>	<u>Annual Base Salary</u>
Michael Jardon	\$1,000,000
Quinn Fanning.....	\$450,000
John McAlister	\$385,585*
Alistair Geddes.....	\$520,726*
Steven Russell	\$425,000

* Converted to USD from GBP using an exchange ratio of \$1.23982 to British Pound, which is the average monthly rate for 2022 as reported by XE.com.

In the future, the Company expects the Compensation Committee will review base salaries on an annual basis to determine if the Company's financial and operating performance, as well as the executive officer's personal performance, market conditions, and any other factors that the Compensation Committee deems appropriate to consider, support any adjustment to the executive officer's base salary.

Annual Cash Incentives

Our annual incentive program in 2022 was designed to provide management, including our Named Executive Officers, with an annual incentive opportunity that was tied to certain metrics measuring the Company's performance while remaining competitive with our peers. The annual incentive program is a short-term cash incentive program, which has a one-year performance period. In 2022, the Compensation Committee evaluated and oversaw the annual incentive program for our Named Executive Officers, in consultation with Meridian.

Based on the evaluation of the Compensation Committee and consistent with each the Company's historical practices, the plan provided for a target incentive opportunity expressed as a percentage of each executive officer's 2022 base salary.

<u>Name</u>	<u>Target Annual Incentive Award (% of Annual Base Salary)</u>	<u>Target Incentive Award (\$)</u>
Michael Jardon	125%	1,250,000
Quinn Fanning	100%	450,000
John McAlister	100%	385,585*
Alistair Geddes	100%	520,726*
Steven Russell.....	100%	425,000

* Converted to USD from GBP using an exchange ratio of \$1.23982 to British Pound, which is the average monthly rate for 2022 as reported by XE.com.

The amounts listed in the table above reflect each individual's STI target award for 2022, based on a level of achievement that results in a 100% payout of their target annual incentive award.

For the Named Executive Officers, the target incentive opportunity granted for 2022 was dependent on the Company's achievement of three corporate-wide formulaic performance goals and 25% was dependent upon achievement of measurable, non-formulaic strategic objectives. The following table illustrates the weighting of each metric and the potential payout levels for 2022.

Metric	Weighting	Threshold (50% Payout)	Target (100% Payout)	Maximum (150% Payout)
Adjusted EBITDA*	45%	\$194M	\$216M	\$302M
Adjusted EBITDA minus CAPEX**	20%	\$115M	\$127M	\$175M
HSEQ (TRCF)***	10%	1.49	1.36	1.31
Strategic Objectives ****	25%		Discretionary	

- * "Adjusted EBITDA" is defined by the Company as net income/(loss) adjusted for interest and finance charges, net, income tax expense, foreign exchange gains/(losses), severance and other charges, stock-based compensation expense, other income/(expense), gain/(loss) on disposal of group of assets and exceptional items (including merger and integration costs), depreciation, amortization and impairments.
- ** Adjusted EBITDA minus Capex. "Capex" is defined by the Company as Core Capex, which is defined as purchases of property, plant and equipment other than non-core capex (including LWI-related capex and merger and integration-related capex (including capitalized costs associated with facilities consolidation and the migration to a common enterprise resource planning (ERP) platform)).
- *** Health, Safety, Environment and Quality, measured by Total Recordable Case Frequency, or "TRCF", which is defined as the total recordable cases multiplied by one million, divided by the number of exposure (working) hours.
- **** Strategic objectives are based on achievement of measurable, non-formulaic factors related to key integration milestones, year-end cash and cash management.

As reflected in the table above, if the Company achieved the target performance metrics for 2022, the cash incentive awards for the Named Executive Officers would be paid at 100% of the target levels, with no payout unless a threshold performance level of the target metrics was achieved. Achievement of the threshold level would result in a 50% payout of a Named Executive Officer's target cash incentive award.

For all of the metrics, the Company may reward additional incentive compensation beyond the target incentive award for above target performance based on the metrics described above. Annual incentive awards for 2022 could be paid at up to two times the target payout if maximum performance metrics were met.

For performance achievement between threshold, target, and maximum levels, payouts are interpolated. The actual results attained by the Company during 2022 with respect to the performance metrics established for 2022 yielded a 89.4% payout. This was based on actual results as described in the table below.

Goal	Weighting	Actual	Weighted Achievement (%)
Adjusted EBITDA	45.0%	\$206.2M	35.0%
Adjusted EBITDA minus CAPEX	20.0%	\$126.3M	19.4%
HSEQ (TRCF)	10.0%	1.07	10.0%
Strategic Objectives	25.0%	n/a	25.0%
Total Payout %			89.4%

While the Committee has discretion to adjust payments up and down, based on individual performance and other factors, no adjustments were made to any of our Named Executive Officer's individual annual incentive payment for 2022 under the plan.

Long-Term Incentives

Equity Awards

To create additional incentives for the executive officers to continue to grow enterprise value and to align their pay with shareholders, we maintain the Company's Long-Term Incentive Plan (the "LTIP"). We believe a formal long-term equity-based incentive program is important and consistent with the compensation programs of the companies in our peer group. We also believe that long-term equity-based incentive compensation is an important component of our overall compensation program because it:

- balances short and long-term objectives;
- aligns our executives' interests with the long-term interests of our shareholders;
- rewards long-term performance relative to industry peers;
- makes our compensation program competitive from a total remuneration standpoint;
- encourages executive retention; and
- gives executives the opportunity to share in our long-term value creation.

Our Compensation Committee has the authority under the LTIP to award incentive equity compensation to our executive officers in such amounts and on such terms as the committee determines appropriate in its sole discretion based on a variety of factors, including the Company's financial and operating performance; the size and mix of the executive's total compensation; achievement of strategic non-financial goals; market comparisons and individual factors.

To date, our long-term equity-based incentive compensation has consisted of grants of time-based and performance-based restricted stock unit ("RSU") awards; however, our Compensation Committee may determine in the future that different and/or additional award types are appropriate. An RSU is a notional share of the Company's common stock that entitles the grantee to receive a share of common stock upon the vesting of the RSU. We believe RSUs effectively align our executive officers with the interests of our shareholders on a long-term basis and have retentive attributes.

As noted above, there were no equity grants to the Named Executive Officers in 2022 because the Named Executive Officers received initial equity grants on October 1, 2021 (the "Merger Closing Date Equity Awards"), which equity awards were intended in substitution for regular annual grants that would normally have been made in February 2022. In February 2023, the Company resumed making annual equity grants to the Named Executive Officers, and expects to make such grants on an annual basis moving forward. The below summarizes the terms of the Merger Closing Date Equity Awards.

Merger Closing Date Equity Awards

In connection with the close of the Merger, and in order to establish immediate shareholder alignment for the new officer team of the combined Company, the Compensation Committee of the Company made grants on the following terms to each of the Named Executive Officers: 40% of the annual RSU awards were provided in the form of performance-based restricted stock units ("PRSUs), while the remaining 60% of annual RSUs were provided in the form of time-based RSUs (except with respect to Mr. Jardon, who received his grant 60% in the form of PRSUs and 40% in the form of time-based RSUs). The time-based RSUs provide for ratable vesting with one-third having vested on February 22, 2023 and a remaining one-third vesting on each of February 22, 2024 and February 22, 2025. The PRSUs remained outstanding following the Merger and vest at the end of a performance period ending on December 31, 2024, subject to both the awardholder's continuous employment and the Company's total shareholder return ("TSR") performance as compared to the TSR performance of its peer group, with payout determined as follows: (1) performance at the end of the three-year performance period is measured by calculating TSR performance separately with respect to three separate one-year achievement periods included in the three year performance period, resulting in a weighted

average payout at the end of the three-year performance period; (2) the Company's relative TSR is measured against the companies listed in the SPDR S&P Oil & Gas Equipment and Services ETF, a fund whose investments are based on an index derived from the oil and gas equipment and services segment of a U.S. total market composite index; and (3) in determining payout amounts, the TSR relative percentile rank and the resulting payout percentages include the following levels, however, if TSR for the performance period is negative, the payout will not exceed 100% of the target level:

Level	TSR Percentile Rank vs. Peer Group	Payout Percentage
Maximum	90th percentile and above	200% of Target Level
Target.....	75th percentile	150% of Target Level
Target.....	50th percentile	100% of Target Level
Threshold.....	25th percentile	50% of Target Level
	Below 25th percentile	0%

The mix of 2023 equity awards will be 60% provided in the form of PRSUs and the remaining 40% in the form of time-based RSUs.

Severance Benefits

Other than Mr. Jardon, who is party to an employment agreement, none of our Executive Officers is a party to an individual employment agreement providing for severance upon a termination of employment. However, the CIC Severance Plan provides severance payments in a “double-trigger” situation, and the Executive Retention and Severance Plan provides severance benefits in the case of a qualifying termination. The Named Executive Officers other than Mr. Jardon all participate in the CIC Severance Plan and the Executive Retention and Severance Plan, which supersede any of their individual severance rights. Further, severance payments would not be provided to an executive in the event of voluntary termination.

CIC Severance Plan

Under the CIC Severance Plan, the Named Executive Officers who are participants in the plan are entitled to receive a cash severance equal to two times the sum of the executive's annual base salary and target incentive opportunity for the year of termination, as well as certain other severance benefits (including accelerated vesting of outstanding equity awards and a pro-rated cash bonus based on their target incentive amount for the year of termination), upon a qualifying termination, which is defined as an involuntary termination within the 24-month period following a change in control. Other than Mr. Jardon, all of our Named Executive Officers were participants in this plan in 2022. There are no single-trigger change-of-control payments provided under this plan, nor do we provide any 280G parachute payment tax gross-ups. However, we believe that competitive double-trigger payments provide financial protection to employees following an involuntary loss of employment in connection with a change in control. We believe that these types of benefits enable our executives to focus on important business decisions in the event of any future acquisition of our business, without regard to how the transaction may affect them personally. We believe that this structure provides executives with an appropriate incentive to cooperate in completing a change in control transaction if such transaction is in the best interest of the Company and its shareholders. Participation in the CIC Severance Plan is contingent upon the executive entering into a participation agreement in which the executive agrees to certain restrictive covenants during and following employment with the Company.

Executive Retention and Severance Plan

Under the Executive Retention and Severance Plan, the Named Executive Officers who are participants in the plan are entitled to receive severance in the amount of one times annual base salary, plus limited payments and reimbursements to cover outplacement assistance and health plan coverage, upon a qualifying termination of employment, which is defined as a termination by the Company without cause, or resignation by the executive for good reason. In order to prevent payment of

benefits under both the CIC Severance Plan and the Executive Retention and Severance Plan, a termination in connection with a change in control entitling the executive to payment under the CIC Severance Plan cannot be a qualifying termination under the Executive Retention and Severance Plan. Other than Mr. Jardon, all of our Named Executive Officers were participants in this plan in 2022.

Mr. Jardon's Employment Agreement

At the closing of the Merger, the Company and Mr. Jardon entered into an employment agreement (the "Jardon Agreement"), which provides that if Mr. Jardon is terminated by the Company without "Cause" or resigns for "Good Reason" (each such term as defined in the Jardon Agreement), Mr. Jardon will be eligible to receive the following benefits, in each case, subject to his execution and nonrevocation of a release of claims in favor of the Company and his continued compliance with the confidentiality, intellectual property, non-competition, non-solicitation and non-disparagement covenants set forth in the Jardon Agreement:

- Cash severance equal to 2.0 times the sum of (i) the highest base salary in effect for Mr. Jardon during the six-month period ending immediately prior to the date on which his employment is terminated (the "Termination Date") and (ii) the average of the annual bonuses received by Mr. Jardon for the two years immediately preceding the Termination Date (or if two annual bonuses have not yet been received by Mr. Jardon as of the Termination Date, the annual bonus received by Mr. Jardon for the year preceding the Termination Date, annualized to the extent necessary), payable in ten substantially equal monthly installments;
- Payment of any earned but unpaid annual bonus for the year immediately preceding the year in which the Termination Date occurs;
- A lump sum cash payment equal to \$12,500 in consideration of the cost of health care continuation; and
- Reimbursement of up to \$7,500 in outplacement assistance benefits procured by Mr. Jardon within 12 months following the Termination Date.

The Jardon Agreement further provides that if Mr. Jardon is terminated by the Company without Cause or for Good Reason within the 24 months following a "Change in Control" (such term as defined in the Jardon Agreement), Mr. Jardon will be eligible to receive the following benefits, in each case, subject to his execution and nonrevocation of a release of claims in favor of the Company and his continued compliance with the confidentiality, intellectual property, non-competition, non-solicitation and non-disparagement covenants set forth in the Jardon Agreement:

- Cash severance equal to 3.0 times the sum of (i) the highest base salary in effect for Mr. Jardon during the six-month period ending immediately prior to the Termination Date or the date of the Change in Control, whichever results in the greater amount (the "CIC Base Salary"), and (ii) the product of (x) the highest target bonus percentage in place for Mr. Jardon during the year in which the Termination Date occurs and (y) the CIC Base Salary, payable in ten substantially equal monthly installments;
- Payment of a pro-rata portion of the target annual bonus that would have been earned for the year in which the Termination Date occurs, based on the number of days employed during such year;
- A lump sum cash payment equal to \$22,500 in consideration of the cost of health care continuation;
- Accelerated vesting of any outstanding equity awards, with vesting of any performance-based equity awards determined based on the greater of (x) actual performance as of the Termination Date and (y) target performance at the 100% target payout level; and
- Reimbursement of up to \$15,000 in outplacement assistance benefits procured by Mr. Jardon within 12 months following the Termination Date.

Other Arrangements

In addition, the Named Executive Officers may become entitled to continued or accelerated vesting under the terms of certain outstanding RSU and/or PRSU awards upon qualifying terminations of employment (subject to certain restrictive covenant obligations).

See “—Potential Payments upon Termination or a Change in Control,” for a more detailed discussion of the payments and benefits provided under each of the arrangements noted above. We believe that these arrangements help to ensure the day-to-day stability and focus of our management team and are consistent with competitive practices.

Perquisites and Other Compensation Elements

The Company pays certain limited automobile expenses for each Messrs. Jardon, Fanning, McAlister and Geddes. Messrs. McAlister and Geddes, who participate in our U.K. benefit plans, each receive a cash allowance in lieu of pension participation, since they are otherwise not eligible to participate in the Expro North Sea Limited Retirement and Death Benefits Plan. The cash allowance is equal to 20% of their respective base salaries. The Compensation Committee of the Company determined that it was appropriate to continue to offer these two benefits to the applicable Named Executive Officers consistent with their pre-Merger compensation packages. During 2022, certain reimbursement payments were made to Messrs. Jardon and Fanning related to the cost of tax penalties that arose from a drafting error in equity awards granted to senior employees of Legacy Expro. See the Narrative Description of the Summary Compensation Table below for further details.

Director Compensation

In accordance with Dutch law and the Company’s Articles, the shareholders shall determine the compensation policy of the Board. At the 2022 annual meeting the Company’s remuneration policy was adopted. The authority to establish the actual compensation for the members of the Board is vested in the Board, with due observance of the compensation policy.

The Company’s Board believes that attracting and retaining qualified non-employee directors is critical to the Company’s future value, growth, and governance. The Board also believes that the compensation package for the Company’s non-employee directors should require a portion of the total compensation to be equity-based to align the interests of these directors with the Company’s stockholders. The Company, along with Meridian, has determined that the compensation program applicable to the non-employee directors should be comparable with the packages identified at the Company’s peer group.

On October 1, 2021 in connection with the Merger, the Compensation Committee recommended and the Board approved the following remuneration: (i) an annual retainer compensation package for the non-executive directors valued at approximately \$225,000, of which \$75,000 is paid in the form of an annual cash retainer, and the remaining \$150,000 is expected to be paid in a grant of RSUs under the Expro Group Holdings N.V. Long-Term Incentive Plan, As Amended and Restated; (ii) payment to the Audit Committee Chair and each other Audit Committee member of an annual amount of \$25,000 and \$12,500, respectively; (c) payment to the non-executive Chairman of an annual amount of \$100,000; (d) payment to the Compensation Committee Chairman and each other Compensation Committee member of an annual amount of \$15,000 and \$7,500, respectively; and (e) payment to the ESG Committee Chairman and each other ESG Committee member of an annual amount of \$10,000 and \$5,000, respectively.

Our directors are subject to Stock Ownership Guidelines, which require our non-employee directors to hold shares of our common stock with a value equal to five times the amount of annual cash retainer (which does not include any extra fees for chairmanships or service on committees) paid to such directors. Our non-employee directors are required to achieve this stock ownership guideline within five years following the later of the date the guidelines became effective at the closing of the Merger or the date that the director was elected to our Board. Holdings that count towards satisfaction of this guideline, and the valuation measures used to determine such satisfaction, are the same that apply to our Named Executive Officers, as described in the section of our CD&A entitled, “—Stock Ownership Guidelines,” below.

Stock Ownership Guidelines

Our Executive Officers are subject to stock ownership guidelines that were established by our Board as of the closing of the Merger, and replaced a similar set of guidelines that had previously been established by the Company's then Supervisory Board prior to the Merger. These guidelines reinforce the importance of aligning the interests of our executive officers with the interests of our shareholders. The current guidelines are expressed in terms of the value of our executive officers' equity holdings as a multiple of each currently employed executive officer's base salary, as follows:

<u>Officer Level</u>	<u>Ownership Guideline</u>
President/Chief Executive Officer.....	5x annualized base salary
Direct Reports to the CEO (that are executive officers)....	3x annualized base salary
All other direct reports to the CEO (other than the Executive Assistant) and the Principal Accounting Officer	2x annualized base salary

These stock ownership levels must be achieved by each individual within 5 years of the later of October 1, 2021 or the date that the individual was first appointed as an executive officer or Direct Report to the CEO (with such 5-year period resetting upon an officer's promotion to a higher ownership guideline multiple). All of the Continuing Executive Officers are subject to the stock ownership guidelines.

Equity interests that count toward the satisfaction of the ownership guidelines include stock owned directly by the employee or jointly owned, stock owned indirectly by the employee (e.g., by a spouse, by an immediate family member residing in the same household or in a trust for the benefit of the executive or his family), stock held under the officer's account under any company-sponsored retirement plan or under the Company's employee stock purchase plan, unvested (or vested but unsettled) time-based RSUs or restricted stock held by the officer granted pursuant to the Company's LTIP (but only to the extent required to be settled in shares of common stock), any non-restricted shares granted to the officer pursuant to the LTIP, and any stock purchased by the officer in the open market. During the five-year grace period for compliance, an individual may not sell any shares of common stock, except for personally-held shares or shares sold to meet expected tax obligations, until that individual's stock ownership level has been achieved. To the extent shares of common stock have been sold from vested RSUs granted by the Company, the equivalent amount of personally-held shares of common stock may not be sold unless the individual has satisfied their applicable ownership level. Pursuant to our stock ownership guidelines, ownership is calculated based on an individual's annual base salary and the average closing price of a share of the Company's common stock over the previous calendar year. All of our Continuing Executive Officers are currently in compliance with or are on track to be in compliance with the applicable requirements of our stock ownership guidelines.

Additionally, we have stock ownership guidelines for our non-employee directors, requiring a minimum holding of 5x the annualized cash retainer. For information regarding these guidelines, please see "Director Compensation".

CEO Pay Ratio Disclosures

As required by the Dutch Corporate Governance Code, we are providing the following information about the relationship of the annual total compensation of our employees and the annual total compensation of Michael Jardon, our current CEO.

For 2022, our last completed fiscal year:

- The median of the annual total compensation of all employees of our company (other than the CEO) was \$27,610; and
- The annual total compensation of our CEO, using annualized 2022 compensation data, was \$2,548,319.

- Based on this information, for 2022 the ratio of the annual total compensation of our CEO to the median of the annual total compensation of all employees was reasonably estimated to be 92.3 to 1.

Dutch Governance Code and Dutch Law Diversity Requirements and Our Board

The importance of diversity is recognized by the Company. The Company's diversity policy is part of the Corporate Governance Guidelines and the ESG Committee Charter, which are under regular consideration and review by the Board. The Company's diversity policy is maintained in compliance with the requirements of the Dutch Corporate Governance Code, which is applicable to the Company. The Company strives to give appropriate weight to the diversity policy in the selection and appointment process, while taking into account the overall profile and selection criteria for the appointment of suitable candidates.

The Corporate Governance Guidelines confirm that an important component of the Board is diversity. In addition, the Board believes that the Company should strive to take into account a balanced gender representation as much as possible when making nominations for election and to have at least 30% of the members be women. If the proposed slate of director nominees is elected at the 2023 annual meeting, then three of the nine directors (or 33%) will be women.

The Board continues to improve its gender diversity and seeks to improve its racial and ethnic diversity. The Company believes that the current composition of the Board, taking into account the knowledge and experience of the current members, is in the best interest of the Company and its businesses. In the future, we will continue to pursue a more diverse composition for the Board, although it is not possible to predict when we will be able to fully achieve all targets.

Risk Oversight

The Board is actively involved in oversight of risks that could affect the Company. This oversight function is conducted primarily through the Audit Committee and the ESG Committee, but the full Board retains responsibility for general oversight of risks. The Audit Committee is charged with oversight of the Company's system of internal controls and risks relating to financial reporting, legal, regulatory and accounting compliance. The ESG Committee is charged with oversight of risks related to environmental, social and governance matters, including climate- and human capital-related risks, as well as enterprise risk management, and the assessment of enterprise and strategic risks, including cybersecurity risks. The Company's Board supports its oversight responsibility through full reports from the Audit Committee chair and the ESG Committee chair regarding the respective committees' considerations and actions, as well as through regular reports directly from officers responsible for oversight of particular risks. In addition, the Company has internal audit systems in place to monitor adherence to policies and procedures and to support the Company's internal audit function. The Company has an established practice of conducting enterprise risk assessments and fraud risk assessments on a recurring basis, the results of which are reviewed by the Audit Committee, ESG Committee and the Board

Disclosure Controls and Procedures

As required by Rule 13a-15(b) of the Exchange Act, we have evaluated, under the supervision and with the participation of our management, including our CEO and CFO, the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this Form 10-K. Our disclosure controls and procedures are designed to provide reasonable assurance that the information required to be disclosed by us in reports that we submit under the Exchange Act is accumulated and communicated to our management, including our CEO and CFO, as appropriate, to allow timely decisions regarding required disclosure, and such information is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC. Based upon the evaluation, our CEO and CFO have concluded that our disclosure controls and procedures were effective as of December 31, 2022, at the reasonable assurance level.

Management's Report Regarding Internal Control over Financial Reporting

Management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements in a timely manner. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Further, because of changes in conditions, the effectiveness of internal control over financial reporting may vary over time.

Our management with the participation of the chief executive officer ("CEO") and chief financial officer ("CFO") conducted an evaluation of the effectiveness of the Company's internal control over financial reporting as of December 31, 2022 based on the Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission in 2013. Based on its evaluation, management has concluded that the Company's internal control over financial reporting was effective as of December 31, 2022.

Changes in Internal Control Over Financial Reporting

As of December 31, 2022, management has concluded that there have been no changes in our internal control over financial reporting that occurred during the quarter ended December 31, 2022 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Responsibility Statement

The Board is responsible for the preparation of the Annual Accounts and the Annual Report of Expro for the year ended December 31, 2022 in accordance with generally accepted accounting principles in the Netherlands. In accordance with Dutch law, the Annual Accounts must be signed by all members of the Board. If one or more of their signatures is missing, this shall be stated, and the reasons given for this. The Board confirms that to the best of its knowledge:

- The Consolidated Financial Statements, together with the stand-alone Expro Group Holdings N.V. Financial Statements, give a true and fair view of the assets, liabilities, financial position and results of Expro at December 31, 2022;
- The Annual Report gives a true and fair view of the position as per the balance sheet date, the state of affairs during the 2022 financial year of Expro and its affiliated companies included in the consolidated financial statements; and
- The Annual Report describes the principal risks that Expro faces. Based on the current state of affairs, the Board states that it is justified that the financial reporting is prepared on a going concern basis and those material risks and uncertainties that are relevant to the expectation of the Company's continuity for the period of twelve months after the preparation of the report have been included in the Management Report.

Corporate Responsibility

We take our responsibilities to be a good corporate citizen seriously. We describe many of the policies we have adopted on our website under the "Corporate Governance" section under Investor Relations. Some examples of such policies include (1) Financial Code of Ethics, (2) Corporate Code of Conduct and Ethics and (3) Whistleblower Policy.

Risk Factors

Our forward-looking statements are based on assumptions that we believe to be reasonable but that may not prove to be accurate. All of our forward-looking information is, therefore, subject to risks and uncertainties that could cause actual results to differ materially from the results expected.

Risk Factors Related to Our Business

The factors described below represent the Company's principal risks. The Company's risk tolerance is low for all the risk included in the report. You should carefully consider the risks described below together with the risks under the heading "Risk Factors" contained in our Annual Report on Form 10-K for the year ended December 31, 2022, filed with the U.S. Securities Exchange Commission on February 23, 2023. Each of these risk factors could adversely affect the Company's business, financial condition and future results. These risks are not the only risks we face. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial may also materially adversely affect our business, financial condition or results of operations.

The Company has internal audit systems in place to review adherence to policies and procedures as well as an independent evaluation of processes throughout the Company. The internal audit function ascertains whether the operational, financial and compliance control processes are adequately designed and operating effectively through an internal audit plan and control framework.

High Risk:

Our business depends on the level of activity in the oil and gas industry.

Our business depends on the level of activity in oil and gas exploration, development and production in market sectors worldwide. Oil and gas prices and market expectations of potential changes in these prices significantly affect this level of activity. However, higher commodity prices do not necessarily translate into increased drilling or well construction and completion activity, since customers' expectations of future commodity prices typically drive demand for our services and products. In addition, the effects of world events, such as the COVID-19 pandemic, the Russian war in Ukraine and an economic slowdown or recession in the U.S. and other countries, have and may continue to materially impact the demand for crude oil and natural gas, which has contributed further to price volatility. Prices are also impacted by decisions made by the Organization of the Petroleum Exporting Countries ("OPEC") plus the countries of Azerbaijan, Bahrain, Brunei, Kazakhstan, Malaysia, Mexico, Oman, Russia, South Sudan and Sudan (together with OPEC, "OPEC+") to either increase or cut production of oil and gas as well as their compliance with those decisions. Global economic conditions have a significant impact on oil and natural gas prices, and any stagnation or deterioration in these conditions could result in less demand for our products and services and could cause our customers to reduce their planned capital spending. Adverse global economic conditions also may cause our customers, vendors and/or suppliers to lose access to the financing necessary to sustain or increase their current level of operations, fulfill their commitments and/or fund future operations and obligations. Even during periods of high prices for oil and natural gas, companies exploring for oil and gas may cancel or curtail programs, seek to renegotiate contract terms, including the price of our products and services, or reduce their levels of capital expenditures for exploration and production for a variety of reasons. These risks are greater during periods of low or declining commodity prices. As a result of declining commodity prices, certain of our customers may be unable to pay their vendors and service providers, including us. A prolonged reduction in oil and natural gas prices may require us to record asset impairments. Such a potential impairment charge could have a material adverse impact on our operating results.

The availability of quality drilling prospects, exploration success, relative production costs, the stage of reservoir development and political and regulatory environments also affect the demand for our services and products. Worldwide military, political,

economic and public health events have in the past contributed to volatility in demand and prices for oil and gas and continue to do so at present.

Demand for our offshore services and products substantially depends on the level of activity in offshore oil and gas exploration, development and production. The level of offshore activity is historically cyclical and characterized by large fluctuations in response to relatively minor changes in a variety of factors, including oil and gas prices. Other factors that influence the demand for offshore services can include:

- hurricanes, ocean currents and other adverse weather conditions;
- terrorist attacks and piracy;
- failure of offshore equipment and facilities;
- local and international political and economic conditions and policies and regulations related to offshore drilling;
- territorial disputes involving sovereignty over offshore oil and gas fields;
- unavailability of offshore drilling rigs in the markets that we operate;
- the cost of offshore exploration for, and production and transportation of, oil and gas;
- successful exploration for, and production and transportation of, oil and gas from onshore sources;
- the technical specifications of wells including depth of wells and complexity of well design;
- demand for, availability of and technological viability of alternative sources of energy;
- technological advances affecting energy exploration, production, transportation and consumption;
- the availability and rate of discovery of new oil and gas reserves in offshore areas;
- the availability of infrastructure to support oil and gas operations; and
- the ability of oil and gas companies to generate or otherwise obtain funds for exploration and production.

We have implemented mitigating actions to offset the risk including decreasing our workforce, lowering our planned capital spending, implementing cost reduction efforts and developing initiatives to prioritize various corporate functions.

Our operations may be adversely affected by various laws and regulations in countries in which we operate relating to the equipment and operation of drilling units, oil and gas exploration and development, as well as import and export activities.

Governing bodies have enacted and may propose legislation or regulations that would materially limit or prohibit drilling in certain areas. The issuance of more stringent safety and environmental guidelines, regulations or moratoria for drilling could disrupt, delay or cancel drilling operations, increase the cost of drilling operations or reduce the area of operations for drilling. If laws are enacted or other governmental action is taken that restricts or prohibits drilling in our expected areas of operation, demand for our services and products could be reduced and our business could be materially adversely affected.

Governments in some foreign countries have been increasingly active in regulating and controlling the ownership of concessions and companies holding concessions, the exploration for oil and gas and other aspects of the oil and gas industries in their countries, including local content requirements for participating in tenders. Many governments favor or effectively require that contracts be awarded to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction. These practices may result in inefficiencies or put us at a disadvantage when we bid for contracts against local competitors.

In addition, the shipment of goods, services and technology across international borders subjects us to extensive trade laws and regulations. Our import and export activities are governed by unique customs laws and regulations in each of the countries where we operate. Moreover, many countries control the import and export of certain goods, services and technology and impose related import and export recordkeeping and reporting obligations. Governments also may impose economic sanctions against certain countries, persons and other entities that may restrict or prohibit transactions involving such countries, persons and entities. We are subject to U.S. anti-boycott laws. The U.S. and other countries also from time to time may impose special punitive tariff regimes targeting goods from certain countries.

The laws and regulations concerning import and export activity, recordkeeping and reporting, import and export control and economic sanctions are complex and constantly changing. These laws and regulations may be enacted, amended, enforced or

interpreted in a manner materially impacting our operations. An economic downturn may increase some foreign governments' efforts to enact, enforce, amend or interpret laws and regulations as a method to increase revenue. Materials that we import can be delayed and denied for varying reasons, some of which are outside our control and some of which may result from failure to comply with existing legal and regulatory regimes. Shipping delays or denials could cause unscheduled operational downtime. Any failure to comply with these applicable legal and regulatory obligations also could result in criminal and civil penalties and sanctions, such as fines, imprisonment, debarment from government contracts, seizure of shipments and loss of import and export privileges.

We have implemented mitigating actions to offset this risk including maintaining an in-house legal department and also using outside counsel for specific matters. We also have a Quality, Health, Safety, and Environmental department that monitors our compliance with laws and regulations and revises our internal policies and procedures accordingly.

Moderate Risk:

Seasonal and weather conditions, as well as natural disasters, could adversely affect demand for our services and products and could result in severe property damage or materially and adversely disrupt our operations.

Weather can have a significant impact on demand as consumption of energy is seasonal, and any variation from normal weather patterns, such as cooler or warmer summers and winters, can have a significant impact on demand. Adverse weather conditions, such as hurricanes and ocean currents in the U.S. Gulf of Mexico or typhoons in the Asia Pacific region, may interrupt or curtail our operations or our customers' operations, cause supply disruptions and result in a loss of revenue and damage to our equipment and facilities, which may or may not be insured. In addition, acute or chronic physical impacts of climate change, such as sea level rise, coastal storm surge, inland flooding from intense rainfall and hurricane-strength winds may damage our facilities. Extreme winter conditions in Canada, Russia, or the North Sea, or droughts in more arid regions in which we do business may interrupt or curtail our operations, or our customers' operations, and result in a loss of revenue. If the facilities we own are damaged by severe weather or any other disaster, accident, catastrophe or event, our operations could be significantly interrupted. Similar interruptions could result from damage to production or other facilities that provide supplies or other raw materials to our plants or other stoppages arising from factors beyond our control. These interruptions might involve significant damage to property, among other things, and repairs might take from a week or less for a minor incident to many months or more for a major interruption.

In addition, a portion of our business involves the movement of people and certain parts and supplies to or from foreign locations. Any restrictions on travel or shipments to and from foreign locations, due to the occurrence of natural disasters such as earthquakes, floods or hurricanes, in these locations, could significantly disrupt our operations and decrease our ability to provide services to our customers. If a natural disaster were to impact a location where we have a high concentration of business and resources, our local facilities and workforce could be affected by such an occurrence or outbreak which could also significantly disrupt our operations and decrease our ability to provide services and products to our customers.

We have a Quality, Health, Safety, and Environmental Department that monitors our compliance with laws and regulations and revises our internal policies and procedures accordingly. We have implemented mitigating actions to offset this risk including maintaining insurance coverage of types and amounts that we believe to be customary and reasonable for companies our size and with similar operations, and adopting crisis response policies and procedures to enable us to respond more quickly and effectively to natural disasters and pandemic disease outbreaks.

Physical dangers and operating hazards are inherent in our operations and may expose us to significant potential losses.

Our services and products are provided in connection with potentially hazardous drilling, completion and production applications in the oil and gas industry where an accident can potentially have catastrophic consequences.

Risks inherent to these applications, such as equipment malfunctions and failures, equipment misuse and defects, explosions, blowouts and uncontrollable flows of oil, gas or well fluids and natural disasters, on land or in deepwater or shallow water environments, can cause personal injury, loss of life, suspension of operations, damage to formations, damage to facilities, business interruption and damage to or destruction of property, surface water and drinking water resources, equipment, natural resources and the environment.

We may face significant warranty, contract and other litigation claims and incur substantial fines, liabilities or losses as a result of these hazards. Our insurance and contractual indemnity protection may not be sufficient or effective to protect us under all circumstances or against all risks. The occurrence of a significant event, against which we are not fully insured or indemnified or the failure of a customer to meet its indemnification obligations to us, could materially and adversely affect our results of operations and financial condition.

We have a Quality, Health, Safety, and Environmental Department that monitors our compliance with laws and regulations and revises our internal policies and procedures accordingly. We have implemented mitigating actions to offset this risk including maintaining insurance coverage of types and amounts that we believe to be customary and reasonable for companies our size and with similar operations. We are also subject to a number of U.S. federal and state laws and regulations to protect the health and safety of our workers. We continually monitor our safety culture through the use of employee safety surveys and trend analysis, and we modify existing programs or develop new programs according to the data obtained. We review the total recordable incident rate and lost time incident rate on both a monthly and rolling twelve-month basis.

Our operations are subject to environmental and operational safety laws and regulations that may expose us to significant costs and liabilities.

Our oil and gas exploration and production customers' operations in the U.S. and other countries are subject to stringent federal, state and local legal requirements governing environmental protection. These requirements may take the form of laws, regulations, executive actions and various other legal initiatives. See Part I, Item 1. "Business – Environmental and Occupational Health and Safety Regulation" for more discussion on these matters. Compliance with these regulations and other regulatory initiatives, or any other new environmental laws and regulations could, among other things, require us or our customers to install new or modified emission controls on equipment or processes, incur longer permitting timelines, and incur significantly increased capital or operating expenditures, which costs may be significant. Additionally, one or more of these developments that impact our customers could reduce demand for our products and services, which could have a material adverse effect on our business, results of operations and financial condition.

We have a Quality, Health, Safety, and Environmental Department that monitors our compliance with laws and regulations and revises our internal policies and procedures accordingly. We also offset this risk by maintaining insurance coverage of types and amounts that we believe to be customary and reasonable for companies our size and with similar operations.

We are required to comply with a number of complex laws pertaining to business conduct, including the U.S. Foreign Corrupt Practices Act and similar legislation enacted by Governments outside the U.S.

We operate internationally and in some countries with high levels of perceived corruption commonly gauged according to the Transparency International Corruption Perceptions Index. We must comply with complex foreign and U.S. laws including the United States Foreign Corrupt Practices Act ("FCPA"), the U.K. Bribery Act 2010 and the United Nations Convention Against Corruption, which prohibit engaging in certain activities to obtain or retain business or to influence a person working in an

official capacity. We do business and may in the future do additional business in countries and regions in which we may face, directly or indirectly, corrupt demands by officials, tribal or insurgent organizations, or by private entities in which corrupt offers are expected or demanded. Furthermore, many of our operations require us to use third parties to conduct business or to interact with people who are deemed to be governmental officials under the anticorruption laws. Thus, we face the risk of unauthorized payments or offers of payments or other things of value by our employees, contractors or agents. It is our policy to implement compliance procedures to prohibit these practices. However, despite those safeguards and any future improvements to them, our employees, contractors, and agents may engage in conduct for which we might be held responsible, regardless of whether such conduct occurs within or outside the U.S. We may also be held responsible for any violations by an acquired company that occur prior to an acquisition, or subsequent to the acquisition but before we are able to institute our compliance procedures. In addition, our non-U.S. competitors that are not subject to the FCPA or similar anticorruption laws may be able to secure business or other preferential treatment in such countries by means that such laws prohibit with respect to us. A violation of any of these laws, even if prohibited by our policies, may result in severe criminal and/or civil sanctions and other penalties, and could have a material adverse effect on our business. Actual or alleged violations could damage our reputation, be expensive to defend, and impair our ability to do business.

We have conducted an internal investigation of the operations of certain of Frank's foreign subsidiaries in West Africa including possible violations of the FCPA, our policies and other applicable laws. In June 2016, we voluntarily disclosed the existence of our internal review to the SEC and the U.S. Department of Justice ("DOJ"). The DOJ has provided a declination, subject to the Company and the SEC reaching a satisfactory settlement of civil claims. We are discussing a possible resolution with the SEC and, based on the course of these discussions to date, we believe that a final resolution of this matter is likely to include a civil penalty in the amount of approximately \$8 million.

On April 26, 2023, the SEC issued a cease-and-desist order against the Company pursuant to section 21C of the Securities Exchange Act of 1934 ("Exchange Act"). Under this Order, the Company neither admitted nor denied any of the SEC's findings and agreed to cease and desist from committing or causing any violations and any future violations of the anti-bribery, books and records and internal accounting controls requirements of the FCPA and the Exchange Act. In addition, the Company agreed to pay \$8 million to the SEC in respect of disgorgement, prejudgment interest and civil penalty. In accepting the Company's settlement offer, the SEC noted the Company's self-reporting, co-operation afforded to the SEC staff and remedial action including improving the Company's internal controls and further enhancements to its internal controls environment and compliance program following the Merger.

Compliance with laws and regulations on trade sanctions and embargoes including those administered by the United States Department of the Treasury's Office of Foreign Assets Control also poses a risk to us. We cannot provide products or services to or in certain countries subject to U.S. or other international trade sanctions or to certain individuals and entities subject to sanctions. Furthermore, the laws and regulations concerning import activity, export recordkeeping and reporting, export control and economic sanctions are complex and constantly changing. Any failure to comply with applicable trade-related laws and regulations, even if prohibited by our policies, could result in criminal and civil penalties and sanctions, such as fines, imprisonment, debarment from governmental contracts, seizure of shipments and loss of import and export privileges. It is our policy to implement procedures concerning compliance with applicable trade sanctions, export controls, and other trade-related laws and regulations. However, despite those safeguards and any future improvements to them, our employees, contractors, and agents may engage in conduct for which we might be held responsible, regardless of whether such conduct occurs within or outside the U.S. We may also be held responsible for any violations by an acquired company that occur prior to an acquisition, or subsequent to the acquisition but before we are able to institute our compliance procedures.

We have implemented mitigating actions to offset this risk including maintaining an in-house legal department and also using outside counsel for specific matters. We also maintain a global compliance program and regularly educate key employees on acceptable business practices through training sessions.

Our operations and revenue expose us to political, economic and other uncertainties inherent in doing business in each of the countries in which we operate.

We are exposed to risks inherent in doing business in each of the countries in which we operate, including, but not limited to, the following:

- political, social and economic instability;
- potential expropriation, seizure or nationalization of assets, and trapped assets;
- deprivation of contract rights;
- inflationary pressures;
- increased operating costs;
- inability to collect revenue due to shortages of convertible currency;
- unwillingness of foreign governments to make new onshore and offshore areas available for drilling;
- civil unrest and protests, strikes, acts of terrorism, war or other armed conflict;
- import/export quotas;
- confiscatory taxation or other adverse tax policies;
- continued application of foreign tax treaties;
- currency exchange controls;
- currency exchange rate fluctuations and devaluations;
- restrictions on the repatriation of funds; and
- other forms of government regulation which are beyond our control.

Instability and disruptions in the political, regulatory, economic and social conditions of the countries in which we conduct business, including economically and politically volatile areas such as Eastern Europe, Africa and the Middle East, could cause or contribute to factors that could have an adverse effect on the demand for the products and services we provide. Worldwide political, economic, and military events have contributed to oil and gas price volatility and are likely to continue to do so in the future. In particular, heightened levels of uncertainty related to the ongoing Russian war in Ukraine, may lead to additional economic sanctions by the U.S. and the international community and could further disrupt financial and commodities markets. Depending on the market prices of oil and gas, oil and gas exploration and development companies may cancel or curtail their drilling or other programs, thereby reducing demand for our services.

In addition, in some countries our local managers may be personally liable for the acts of the Company, and may be subject to prosecution, detention, and the assessment of monetary levies, fines or penalties, or other actions by local governments in their individual capacity. Any such actions taken against our local managers could cause disruption of our business and operations and could cause us to incur significant costs.

While the impact of these factors is difficult to predict, any one or more of these factors could adversely affect our business, financial condition and results of operations.

We operate in 60 countries and as political, economic and other uncertainties inherent to international business are hard to predict, we are willing to take on the additional risk because of the potential return.

To compete in our industry, we must continue to develop new technologies and products to support our operations, secure and maintain patents related to our current and new technologies and products and protect and enforce our intellectual property rights.

The markets for our services and products are characterized by continual technological developments. Substantial improvements in the scope and quality of the equipment in the markets in which we operate may occur over a short period of time. Alternative products and services have been and may in the future be developed which compete with or displace our products and services. If we are not able to develop commercially competitive products in a timely manner, our ability to service our customers' demands may be adversely affected.

We may encounter resource constraints, technical barriers, or other difficulties that would delay introduction of new services and products in the future. Our competitors may introduce new products or obtain patents before we do and achieve a competitive advantage. Additionally, the time and expense invested in product development may not result in commercial applications.

It may also be possible for a third party to design around our patents. Patent rights have territorial limits. We may not be able to enforce our patents against infringement occurring in international waters and other "non-covered" territories. We do not have patents in every jurisdiction in which we conduct business and our patent portfolio will not protect all aspects of our business and may relate to obsolete or unusual methods, which would not prevent third parties from entering the same market.

We attempt to limit access to and distribution of our technology and trade secrets by customarily entering into confidentiality agreements with our employees, customers and potential customers and suppliers. However, our rights in our confidential information, trade secrets, and confidential know-how will not prevent third parties from independently developing similar information. Publicly available information (for example, information in expired issued patents, published patent applications, and scientific literature) can also be used by third parties to independently develop technology. We cannot provide assurance that this independently developed technology will not be equivalent or superior to our proprietary technology.

In addition, we may become involved in legal proceedings from time to time to protect and enforce our intellectual property rights. Third parties from time to time may initiate litigation against us by asserting that the conduct of our business infringes, misappropriates or otherwise violates intellectual property rights. We may not prevail in any such legal proceedings related to such claims, and our products and services may be found to infringe, impair, misappropriate, dilute or otherwise violate the intellectual property rights of others. Any legal proceeding concerning intellectual property could be protracted and costly and is inherently unpredictable and could have a material adverse effect on our business, regardless of its outcome. Further, our intellectual property rights may not have the value that management believes them to have and such value may change over time as we and others develop new product designs and improvements.

We have implemented mitigating actions to offset this risk including employing engineers to develop new products and technologies. We continue to invest in new product engineering capabilities. We also maintain an in-house legal department and can contract outside counsel to protect and enforce our intellectual property rights.

Investor and public perception related to the Company's ESG performance as well as current and future ESG reporting requirements may affect our business and our operating results.

Increasing focus on ESG factors has led to enhanced interest in, and review of performance results by investors, banks, institutional lenders and other stakeholders, and the potential for reputational risk. Regulatory requirements related to ESG or sustainability reporting have been issued in the European Union ("EU") that apply to financial market participants, with implementation and enforcement starting in 2021. In the U.S., such regulations have been issued related to pension investments in California, and for the responsible investment of public funds in Illinois. Additional regulation is pending in other states and federally, including the recent release of proposed rules by the SEC that would require companies to enhance and standardize disclosures related to climate change, specifically those associated with physical risks and transitional risks. We expect regulatory requirements related to ESG matters to continue to expand globally. The Company is committed to transparent and comprehensive reporting of our sustainability performance. If we are not able to meet future sustainability reporting

requirements of regulators or current and future expectations of investors, customers or other stakeholders, our business and ability to raise capital may be adversely affected.

We have implemented mitigating actions to offset this risk including an ESG committee and issued our second annual sustainability report.

Our business could be negatively affected by cybersecurity threats and other disruptions.

We rely heavily on information systems to conduct and protect our business. These information systems are increasingly subject to sophisticated cybersecurity threats such as unauthorized access to data and systems, loss or destruction of data (including confidential customer information), computer viruses, ransomware, or other malicious code, phishing and cyberattacks, and other similar events. These threats arise from numerous sources, not all of which are within our control, including fraud or malice on the part of third parties, accidental technological failure, electrical or telecommunication outages, failures of computer servers or other damage to our property or assets, or outbreaks of hostilities or terrorist acts. Geopolitical tensions or conflicts, such as the Russian war in Ukraine, may further heighten the risk of cyberattacks.

Given the rapidly evolving nature of cyber threats, there can be no assurance that the systems we have designed and implemented to prevent or limit the effects of cyber incidents or attacks will be sufficient in preventing all such incidents or attacks or avoiding a material impact to our systems when such incidents or attacks do occur. We have experienced, and expect to continue to experience, cyber intrusions and attacks to our information systems and our operational technology. To our knowledge, none of these incidents or attacks have resulted in a material cybersecurity intrusion or data breach.

If we were to be subject to a cyber incident or attack in the future, it could result in the disclosure of confidential or proprietary customer information, theft or loss of intellectual property, damage to our reputation with our customers and the market, failure to meet customer requirements or customer dissatisfaction, theft or exposure to litigation, damage to equipment (which could cause environmental or safety issues) and other financial costs and losses. A cyberattack or security breach could result in liability under data privacy laws, regulatory penalties, damage to our reputation or loss of confidence in us, or additional costs for remediation and modification or enhancement of our information systems to prevent future occurrences. In addition, as cybersecurity threats continue to evolve, we may be required to devote additional resources to continue to enhance our protective measures or to investigate or remediate any cybersecurity vulnerabilities.

To mitigate risk, we leverage an information security program aligned to industry standard security frameworks and controls. All employees and all relevant contractors with access to our systems receive at least annual cybersecurity and data privacy training. We strive to manage our internal risk, and, at the same time, we work collaboratively with customers and partners to reduce cybersecurity risk in our operations.

Low Risk

Our executive officers and certain key personnel are critical to our business, and these officers and key personnel may not remain with us in the future.

We depend greatly on the efforts of our executive officers and other key employees to manage our operations. The loss or unavailability of any of our executive officers or other key employees could have a material adverse effect on our business.

We actively work to recruit a skilled workforce, as well as retain our current employees, by offering competitive compensation.

The failure to integrate successfully the businesses of Frank's and Legacy Expro could adversely affect the Company's future results.

Prior to the Merger, Frank's and Legacy Expro operated independently. During 2022, we substantially completed the integration of Frank's and Legacy Expro into the combined Company.

The success of the Merger, including anticipated benefits and cost savings, depends, in part, on our ability to successfully integrate the legacy companies. The integration of our operations following the Merger is a complex, and time-consuming process which began in October 2021 upon the closing of the Merger and remains ongoing. If we experience difficulties in this process, the anticipated benefits of the Merger may not be realized fully or at all, or may take longer to realize than expected, which could have an adverse effect on us for an undetermined period. There can be no assurances that we will be successful or that we will realize the expected operational and financial scale, increased free cash flow, or enhanced corporate returns on invested capital currently anticipated from the Merger.

We are also incurring substantial integration-related costs related to the large number of processes, policies, procedures, operations, technologies and systems that must be integrated, including accounting and finance, asset management, benefits, billing, health, safety and environmental, human resources, maintenance, marketing, payroll and purchasing. We continue to assess the magnitude of these costs, and additional unanticipated costs may be incurred in the integration of our operations.

The Company has dedicated significant resources, including the assignment of an executive officer to lead the integration efforts.

Events outside of our control, including the ongoing COVID-19 pandemic, have and may further materially adversely affect our business.

We face risks related to pandemics, epidemics, outbreaks or other public health events that are outside of our control and could significantly disrupt our operations and adversely affect our financial condition, including the ongoing COVID-19 pandemic which continues to cause significant global economic disruption. Any prolonged period of economic slowdown or recession in the U.S. and other countries or similar other events outside our control may negatively impact crude oil prices and the demand for our products and services and could have significant adverse consequences on our financial condition and the financial condition of our customers, suppliers and other counterparties, the ultimate impact of which is difficult to predict.

Potential Anti-Takeover Measures

The EU Takeover Directive requires that certain listed companies must publish information providing insight into defensive structures and mechanisms which they apply. The relevant provision has been implemented into Dutch law by means of a decree of April 5, 2006. Pursuant to this decree, Dutch companies whose securities have been admitted to trading on an EU regulated market have to include information in their annual report which could be of importance for persons who are considering taking an interest in the company. The Company's shares are admitted to trading on the NYSE and not on any EU regulated markets.

According to provision 4.2.6 of the Dutch Code, we are required to provide a survey of our actual or potential anti-takeover measures, and to indicate in what circumstances it is expected that they may be used. Accordingly, we have set out below the provisions in our articles of association that in a Dutch context technically are not necessarily considered to be anti-takeover measures, but, which could make it more difficult for shareholders to affect certain corporate actions. Among other things, these provisions:

- Authorize our Board, for a period of 18 months from the date of the 2023 Annual Meeting, to issue shares up to 20% of the issued share capital as of the date of the Annual Meeting, for any legal purpose, at the stock exchange or in a private purchase transaction, including for defensive purposes, without shareholder approval; and
- Do not provide for shareholder action by written consent, thereby requiring all shareholder actions to be taken at a general meeting of shareholders.

These provisions, alone or together, could delay hostile takeovers and changes in control of our company or changes in our management.

Quantitative and Qualitative Disclosures about Financial Instruments and Market Risk

Financial risk factors

Our operations expose us to several financial risks, principally market risk (foreign currency risk and interest rate risk) and credit risk.

Foreign currency risk

We expect many of the subsidiaries of our business to have future cash flows that will be denominated in currencies other than the USD. Our primary cash flow exposures are revenues and expenses. Changes in the exchange rates between USD and other currencies in which our subsidiaries transact will cause fluctuations in the cash flows we expect to receive or pay when these cash flows are realized or settled. We generally attempt to minimize our currency exchange risk by seeking to naturally hedge our exposure by offsetting non-USD denominated inflows with non-USD denominated local expenses. We generally do not enter into forward hedging agreements, and our largest exposures are to the British pound and Norwegian kroner, mainly driven by facility costs and employee compensation and benefits.

Transaction exposure

Many of our subsidiaries have assets and liabilities that are denominated in currencies other than the USD. Changes in the exchange rates between USD and the other currencies in which such liabilities are denominated can create fluctuations in our reported consolidated statement of comprehensive income and cash flows. As of December 31, 2022, we estimate that a 5% appreciation (depreciation) in USD would result in a change in our net loss of approximately \$3.2 million.

Interest rate risk

We currently have no outstanding variable interest rate bearing debt and accordingly, we are not exposed to variability in interest expense and cash flows due to interest rate changes.

Credit risk

Our exposure to credit risk is primarily through cash and cash equivalents, restricted cash and accounts receivable, including unbilled balances. Our liquid assets are invested in cash, with a mix of local and international banks, and highly rated, short-term money market deposits, generally with original maturities of less than 90 days. We monitor the ratings of such investments and mitigate counterparty risks as appropriate.

We extend credit to customers and other parties in the normal course of business and are thus subject to concentrations of customer credit risk. We have established various procedures to manage our credit exposure, including credit evaluations and maintaining an allowance for credit losses. We are also exposed to credit risk because our customers are concentrated in the oil and natural gas industry. This concentration of customers impacts overall exposure to credit risk because our customers may be similarly affected by changes in economic and industry conditions, including changes in oil and gas prices. We operate in approximately 60 countries and as such, our receivables are spread over many countries and customers. Accounts receivable in Algeria and the U.S. represented approximately 13% and 17%, respectively, of our net accounts receivable balance at December 31, 2022. No other country accounted for greater than 10% of our accounts receivable balance. Our customer base is comprised of a large number of IOC, NOC, Independents and service partners from all major oil and gas locations around the world. The majority of our accounts receivable are due for payment in less than 90 days and largely comprise amounts receivable from IOCs

and NOCs. We closely monitor accounts receivable and raise provisions for expected credit losses where it is deemed appropriate.

Supplementary to the risk and control framework, fraud risk factors have also been assessed. The identified fraud risks relate to the following risk areas:

- Quality of staff and advisers;
- Execution of transactions;
- The quality of property valuations;
- Controlling costs;
- Controlling the IT environment;
- Reporting risks; and
- Third parties and conflicts of interest.

Expro considers the measures taken to control the risks mentioned above as sufficient and adequate to control any fraud risks.

Shares and shareholders' rights

a. Voting rights and Logistics of the General Meeting

A general meeting of shareholders shall be held at least once a year within the period required by Dutch law, which is currently no later than six months after the end of the Company's financial year. Shareholders registered at the record date set by the Company will be entitled to attend the general meeting and to exercise other shareholder rights during the meeting, notwithstanding the subsequent sale of their shares after the record date. Each shareholder is entitled to one vote for each share of Common Stock owned by them on the record date on all matters to be considered.

The Company's practice will be to set the record date at twenty-eight (28) days before the meeting. The Board shall provide the shareholders with the facts and circumstances relevant to the proposed resolutions, through an explanation to the agenda, as well as through other documents necessary and/or helpful for this purpose. All documents relevant to the general meeting of shareholders, including the agenda with explanations, shall be posted on the Company's website. The agenda will clearly indicate which agenda items are voting items, and which items are for discussion only.

The Company's shareholders may appoint a proxy who can attend and address the general meeting of shareholders and vote on their behalf at the meeting. The Company also uses an internet proxy voting system to vote, thus facilitating shareholder participation without having to attend in person. Shareholders who voted through internet proxy voting are required, however, to appoint a proxy to officially represent them at the meeting in person.

A summary of the actions taken at the general meeting of shareholders will be available to shareholders on our website no later than three months after the meeting. The minutes are adopted by the Chairman and the secretary of the meeting. Also, the voting results will be published via a Current Report on Form 8-K that will be filed with the SEC no later than four business days after the general meeting, which Current Report will be available on the Company's website.

All resolutions are made on the basis of the "one share, one vote" principle. All resolutions are adopted by absolute majority, unless the law or our articles of association stipulate otherwise.

b. Information to the Shareholders

To ensure fair disclosure, the Company distributes information that may influence the share price to shareholders and other parties in the financial markets simultaneously and through means that are public to all interested parties.

When the Company's annual and quarterly results are published by means of a press release, interested parties, including shareholders, can participate through conference calls and view the presentation of the results on the Company's website. The schedule for communicating the annual financial results is in general published through a press release and is posted on the Company's website.

It is the Company's policy to post the presentations given to analysts and investors at investor conferences on its website. Information regarding presentations to investors and analysts and conference calls are announced in advance on the Company's website. Meetings and discussions with investors and analysts shall, in principle, not take place shortly before publication of regular financial information. The Company does not assess, comment upon, or correct analysts' reports and valuations in advance, other than to comment on factual errors. The Company does not pay any fees to parties carrying out research for analysts' reports, or for the production or publication of analysts' reports, and takes no responsibility for the content of such reports.

At the annual general meetings of shareholders, the shareholders will be provided with all requested information, unless this is contrary to an overriding interest of the Company. If this should be the case, the Board will provide their reasons for not providing the requested information.

Furthermore, the Investors section on the Company's website provides links to information about the Company published or filed by the Company in accordance with applicable rules and regulations.

c. Relationship with Institutional Investors

The Company finds it important that its institutional investors participate in the Company's general meetings. The Company believes that applying a record date and providing internet proxy voting are measures that should achieve high levels of participation at the meeting.

Perspectives for 2023

Demand continues to improve despite volatile oil prices, with oil demand forecast to return to pre-pandemic levels in early 2023. The U.S. Energy Information Administration (“EIA”) estimates that global liquids consumption will increase from an average of 99.4 million barrels per day (“b/d”) in 2022 to 100.5 million b/d in 2023 (approximating 2019 consumption levels) and rise further to 102.2 million b/d in 2024. The EIA expects continued OPEC+ production growth in 2023 and a further increase of 0.8 million b/d over 2022, to average 29.5 million b/d in 2024. The increase in OPEC+ production along with growth in U.S. oil production in 2023 (expected to rise to 12.4 million b/d in 2023 and 12.8 million b/d in 2024, greater than the highest annual average U.S. crude oil production on record) is expected to lead to an overall build in global oil inventories in 2023. As a result, the EIA has reduced its forecast for Brent crude oil spot prices from its third quarter prediction to an average \$83 per barrel in 2023 and \$78 per barrel in 2024, compared to an average \$101 per barrel in 2022. The EIA’s third quarter forecast was an average \$102 per barrel in 2022 and \$95 per barrel in 2023, so the EIA is increasingly forecasting a stabilizing oil price with lower price peaks.

In addition to the improving oil market outlook, global natural gas prices remain elevated due to a combination of sustained economic activity and energy security concerns in Europe driving continued strong demand for LNG to replace Russian pipeline gas. The global demand for natural gas is set to decline from the highs of 2022 as domestic consumption from the electric power and industrial sectors is reduced and LNG exports remain relatively flat, limiting further upwards pricing pressures in 2023.

The EIA expects Henry Hub spot prices to decrease to an average of \$4.90 per million British thermal unit (“MMBtu”) in 2023, down close to 25% from \$6.42 MMBtu in 2022, then falling to \$4.80/MMBtu in 2024 as natural gas production outpaces an increase in LNG exports resulting from rising LNG export capacity. Rystad forecasts the European and Asian LNG spot price to trade at approximately \$32.0/MMBtu and \$30.0/MMBtu respectively in 2023, a reduction from previous forecasts as record-strong LNG supplies have driven a storage build, suggesting a comparably softer market for 2023. The market does however remain tight for 2023 with upside risks due to further reduction in Russian gas and LNG exports, cold spells in the northern hemisphere, and a recovery in Chinese demand.

The outlook for 2023 indicates a continuing recovery in exploration and production expenditures, with investments expected to reach pre-pandemic levels with growth maintained in offshore shelf activity, driven by Latin America, shale / tight oil led by the U.S. land markets, and significant investments in incremental capacity in the Middle East, including Saudi Arabia, the United Arab Emirates and Qatar, in order to offset the decline in Russian gas supply.

As a result, we expect demand for our services and solutions to continue to trend positively through 2023. The following provides an outlook for 2023 by our reporting segments based on data from Spears and Associates, Inc.

NLA: In North America, activity is projected to increase in 2023 by approximately 12% to 810 active rigs and over 21,900 new well spuds, which will also support an increase of 6% in frac activity over 2022. Approximately 792 rigs are forecast to be active in onshore North America, and 18 rigs active offshore, a 20% increase over 2022 active offshore rig count. The rate of growth has decelerated recently, most likely due to increased oilfield inflation and fiscal discipline from operators looking to return excess cash to investors or use cash to reduce financial leverage. In Latin America, drilling activity is forecast to increase 19% in 2023 to 202 active rigs and approximately 2,700 new wells, driven by the continued recovery in Argentina and Mexico, two countries with the highest drilling activity in the region. Offshore drilling activity in Latin America is forecast to rise 13% to 44 active rigs and 280 wells, driven by Brazil and Mexico, but offshore activity in Guyana is also expected to remain buoyant.

ESSA: European drilling is projected to average 84 active rigs in 2023 (up 14%) accounting for approximately 775 new wells. Offshore drilling is projected to rise by 9% in 2023, averaging 35 rigs with 425 new wells. As a result of energy security concerns and a desire by European policy makers to reduce reliance on Russian oil and gas imports, there remains an increased focus on North Sea operations and production optimization from existing assets, core areas of Expro’s expertise. In Sub-Saharan Africa, drilling activity is forecast to jump by 12% in 2023 to average 129 active rigs, drilling over 1,000 new wells. Sub-Saharan Africa growth is driven by offshore activity with 16% growth forecast in 2023, with the progression of development programs for a

number of large offshore projects. In addition, exploration campaigns in Namibia are also progressing. New gas and LNG projects are expected to boost Africa's natural gas production to record levels over the next decade, driven by Europe's demand for non-Russian imports and Africa's own gas demand rising.

MENA: In the Middle East and North Africa, drilling activity is projected to rise substantially in 2023 (26%) to an average of 356 active rigs, drilling over 3,100 new wells as Saudi Arabia seeks to meet increased demand for its oil with several large oilfield expansion schemes. Abu Dhabi, Qatar and Iraq also plan to increase their production capacity. There also is increased focus on infield development and production optimization and enhancement projects to increase production rates (for example in Saudi Arabia, Iraq and Qatar), also adding to a positive future activity outlook.

APAC: In Asia-Pacific, drilling activity is forecast to increase by 11% with 189 active rigs drilling around 2,500 new wells in 2023. Offshore activity is forecast to grow 20% to an average of 49 rigs, with growth primarily in India, Indonesia, Malaysia and Thailand. In addition, carbon capture, utilization and storage project interest is growing, with opportunities being investigated in Thailand as well as in Indonesia, Australia and Malaysia. Production enhancement, well intervention and well abandonment activities are also gaining momentum.

We believe our cash on hand and cash flows from operations will be sufficient to fund our capital expenditure and liquidity requirements for the next twelve months from the date of this report. We will continue to take actions to adjust our operations and cost structure to reflect current and expected activity levels.

Subsequent Events

On February 8, 2023 ("Closing Date"), DeltaTek Oil Tools Limited, a limited liability company registered in the United Kingdom, and its subsidiary ("DeltaTek"), was acquired ("the Acquisition") by our wholly owned subsidiary Exploration and Production Services (Holdings) Limited, a limited liability company registered in the United Kingdom ("EPSH"). DeltaTek has developed a number of innovative technologies and solutions and their range of low-risk open water cementing solutions increases clients' operational efficiency, delivers rig time and cost savings, and improves the quality of cementing operations of clients. The purchase consideration for the Acquisition included a fixed cash consideration of \$9.0 million, subject to a true-up for net of customary working capital adjustments, and a contingent consideration which requires the Company to pay the former owners of DeltaTek a percentage of future revenues generated specifically from the acquired technology over a period of seven years.

No other events have occurred since the balance sheet date, which would change our financial position and require adjustment or disclosure in the financial statements as presented.

Mastenmakersweg 1 1786 PB
Den Helder, the Netherlands
May 24, 2023

Board of Directors,

/s/ Michael C. Kearney

Michael C. Kearney
Chairman of the Board

/s/ Michael Jardon

Michael Jardon
President and Chief Executive Officer and Director

/s/ Eitan Arbeter

Eitan Arbeter
Director

/s/ Robert W. Drummond

Robert W. Drummond
Director

/s/ Erich L. Mosing

Erich L. Mosing
Director

/s/ Alan Schrager

Alan Schrager
Director

/s/ Lisa L. Troe

Lisa L. Troe
Director

/s/ Brian Truelove

Brian Truelove
Director

/s/ Eileen G. Whelley

Eileen G. Whelley
Director

Expro Group Holdings N.V.

Consolidated statement of comprehensive income

Year ended December 31, 2022

	Note	Year ended December 31, 2022	Year ended December 31, 2021
		\$'000	\$'000
Revenue	4	1,279,418	825,762
Cost of Revenue		(1,187,369)	(814,920)
Gross profit		92,049	10,842
General and administrative expense		(58,494)	(77,639)
Gain on disposal of group of assets		-	1,000
Other expenses	10	(21,445)	(55,419)
Other income		332	1,335
Interest and finance income	8 (a)	4,101	570
Interest and finance expenses	8 (b)	(11,563)	(16,862)
Equity in income of joint ventures		15,731	16,747
Income (Loss) before tax		20,711	(119,426)
Income tax expense	9	(42,388)	(16,578)
Total Loss after tax for the year		(21,677)	(136,004)
Other comprehensive Income:			
Actuarial gain on defined benefit plans	20	10,708	25,228
		10,708	25,228
Total comprehensive loss for the year		(10,969)	(110,776)
Loss per share			
Basic and diluted	28	(0.20)	(1.69)

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

Expro Group Holdings N.V.

Consolidated statement of changes in equity

Year ended December 31, 2022

	Share capital \$'000	Additional paid in capital \$'000	Treasury stock \$'000	Warrants \$'000	Accumulated losses \$'000	Total \$'000
At January 1, 2021	2,866	1,003,819	-	10,530	(407,311)	609,904
Loss for the year	-	-	-	-	(136,004)	(136,004)
Other comprehensive loss for the year	-	-	-	-	25,228	25,228
Stock-based compensation expense	-	58,547	-	-	-	58,547
Common shares issued upon vesting of share-based awards	16	(16)	-	-	-	-
Treasury shares withheld	-	-	(818)	-	-	(818)
Cancellation of warrants	-	10,530	-	(10,530)	-	-
Merger	4,962	759,287	(21,967)	-	-	742,282
At December 31, 2021	7,844	1,832,167	(22,785)	-	(518,087)	1,299,139

	Share capital \$'000	Additional paid in capital \$'000	Treasury stock \$'000	Accumulated losses \$'000	Total \$'000
At January 1, 2022	7,844	1,832,167	(22,785)	(518,087)	1,299,139
Loss for the year	-	-	-	(21,677)	(21,677)
Other comprehensive income for the year	-	-	-	10,708	10,708
Stock-based compensation expense	-	17,686	-	-	17,686
Common shares issued upon vesting of share-based awards	67	810	-	-	877
Acquisition of common stock	-	-	(12,995)	-	(12,995)
Common stock withheld	-	-	(5,090)	-	(5,090)
At December 31, 2022	7,911	1,850,663	(40,870)	(529,056)	1,288,648

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

Expro Group Holdings N.V.

Statement of financial position

At 31 December 2022

		December 31, 2022	December 31, 2021
	Note	\$'000	\$'000 (Note 3)
Non-current assets			
Property, plant and equipment	11	451,503	463,936
Investment in joint ventures	12	66,038	57,604
Intangible assets	13	238,503	257,499
Goodwill	14	220,980	220,980
Right-of-use assets	21	77,310	89,741
Trade and other receivables	16	17,944	37,922
		1,072,278	1,127,682
Current assets			
Inventories	15	153,718	125,007
Trade and other receivables	16	464,219	370,342
Tax receivables		26,938	20,561
Assets held for sale		2,179	6,386
Restricted cash		3,672	4,457
Cash and cash equivalents		214,788	235,390
		865,514	762,143
Total assets		1,937,792	1,889,825
Equity			
Share capital	22	7,911	7,844
Additional paid-up capital		1,850,663	1,832,167
Treasury stock		(40,870)	(22,785)
Accumulated losses		(529,056)	(518,087)
Total equity		1,288,648	1,299,139

Expro Group Holdings N.V.

Statement of financial position (continued)

At 31 December 2022

		December 31, 2022 \$'000	December 31, 2021 \$'000
	Note		
Non-current liabilities			
Lease liabilities	21	74,620	89,460
Deferred tax liabilities, net	9	28,623	28,826
Provisions	19	20,166	16,723
Post-retirement benefits	20	11,004	29,120
Non-current tax liabilities	9	58,036	45,741
Trade and other payables	18	18,964	24,069
		211,413	233,939
Current liabilities			
Trade and other payables	18	355,394	268,187
Current tax liabilities		37,151	32,861
Lease liabilities	21	20,104	20,842
Provisions	19	25,082	34,857
		437,731	356,747
Total equity and liabilities		1,937,792	1,889,825

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

Expro Group Holdings N.V.

Consolidated statement of cash flows (Indirect method)

Year ended December 31, 2022

	Note	December 31, 2022 \$'000	December 31, 2021 \$'000
Income (Loss) before tax		20,711	(119,426)
Adjustments for:			
Depreciation of property, plant and equipment	11	100,981	94,878
Depreciation of right-of-use-assets	21	23,184	17,295
Amortization of intangibles	13	36,140	26,524
Loss on disposal of property, plant and equipment		-	39
Interest and finance expenses, net	8	7,462	16,292
Elimination of unrealized profit on sales to joint ventures		-	174
Equity in income of joint ventures		(15,731)	(16,747)
Unrealized foreign exchange		6,116	1,407
Stock-based compensation expense		17,686	58,547
Changes in fair value of investments		1,199	(511)
Others		779	480
Operating cash flows before movements in working capital		198,527	78,952
Changes in inventories		(26,037)	906
Changes in trade and other receivables		(93,337)	(8,754)
Changes in trade and other payables		72,968	(13,404)
Changes in provisions and pension		(10,648)	8,629
Cash generated by operations		141,473	66,329
Income taxes paid		(33,171)	(20,130)
Net cash generated by operating activities		108,302	46,199

Expro Group Holdings N.V.

Consolidated statement of cash flows (Indirect method) (continued)

Year ended December 31, 2022

	Note	December 31, 2022 \$'000	December 31, 2021 \$'000
Investing activities			
Interest received during the year		949	266
Dividends received during the year		7,282	4,057
Cash acquired during merger		-	189,739
Purchase of investments		(4)	(30)
Proceeds from sale / maturity of investments		11,390	212
Capital expenditures		(85,085)	(85,533)
Acquisition of technology		(7,925)	-
Proceeds from disposal of assets		7,279	3,821
Other		-	(193)
Net cash (used in) /generated by investing activities		(66,114)	112,339
Financing activities			
Payment of lease liabilities		(31,265)	(29,519)
(Cash pledged for) release of collateral deposits		(70)	162
Repayment of financed insurance premium		(7,245)	(227)
Acquisition of common stock		(12,996)	-
Payment of withholding taxes on stock-based compensation plans		(4,167)	(818)
Payment of revolving credit facility commitment fees and other expenses		(3,094)	(7,122)
Net cash used in financing activities		(58,837)	(37,524)
Net change in cash and cash equivalents and restricted cash		(16,649)	121,014
Effect of exchange rate changes on cash and cash equivalents and restricted cash		(4,738)	(1,876)
Cash and cash equivalents and restricted cash at beginning of the year		239,847	120,709
Cash and cash equivalents and restricted cash at end of the year		218,460	239,847

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

Expro Group Holdings N.V.

Notes to the consolidated financial statements

Year Ended December 31, 2022

1. Corporate information

With roots dating to 1938, the Company is a global provider of energy services with operations in approximately 60 countries. The activities of Expro Group Holdings N.V., with its registered office in Amsterdam (statutory seat) and filed with the Trade Register at the Chamber of Commerce under number 34241787 and its group companies, are described below.

The Company's portfolio of capabilities includes products and services related to well construction, well flow management, subsea well access, and well intervention and integrity. The Company's portfolio of products and services enhance production and improve recovery across the well lifecycle, from exploration through abandonment.

On March 10, 2021, Frank's International N.V. ("Frank's") and New Eagle Holdings Limited, an exempted company limited by shares incorporated under the laws of the Cayman Islands and a direct wholly owned subsidiary of Frank's ("Merger Sub"), entered into an Agreement and Plan of Merger (the "Merger Agreement") with Expro Group Holdings International Limited ("Legacy Expro"), an exempted company limited by shares incorporated under the laws of the Cayman Islands, providing for the merger of Legacy Expro with and into Merger Sub in an all-stock transaction, with Merger Sub surviving the merger as a direct, wholly owned subsidiary of Frank's (the "Merger"). The Merger closed on October 1, 2021 (the "Closing Date"), and Frank's was renamed to Expro Group Holdings N.V. (the "Company"). The Merger was accounted for using the acquisition method of accounting with Legacy Expro being identified as the accounting acquirer. The consolidated financial statements of the Company reflect the financial position, results of operations and cash flows of only Legacy Expro for all periods prior to the Merger and of the combined company (including activities of Frank's) for all periods subsequent to the Merger.

Pursuant to the Merger Agreement, as of the effective time of the Merger (the "Effective Time"), each outstanding ordinary share of common stock, par value \$0.01 per share, of Legacy Expro was converted into the right to receive 1.2120 shares of common stock, nominal value €0.06 per share, of the Company ("Company Common Stock"). The number of shares of Company Common Stock received by the Legacy Expro shareholders was equal to 7.2720 (the "Exchange Ratio" as provided in the Merger Agreement) multiplied by the 1-for-6 reverse stock split ratio. Further, pursuant to the Merger Agreement, at the Effective Time, the articles of association of the Company (the "Company Articles") were amended to increase the total authorized capital stock of the Company from 798,096,000 shares of Company Common Stock to 1,200,000,000 shares of Company Common Stock (200,000,000 shares of Company Common Stock on a post-reverse split basis) and to effect certain other amendments to the Company Articles contemplated by the Merger Agreement. On October 4, 2021, the first trading day following the closing of the Merger, the Company Common Stock began trading on a post-reverse split basis on the New York Stock Exchange under the new name and new ticker symbol "XPRO."

Further, the supervisory board of directors of Frank's unanimously approved a 1-for-6 reverse stock split of Frank's common stock, which was affected on October 1, 2021. All of the outstanding share numbers, nominal value, share prices and per share amounts in these consolidated financial statements have been retroactively adjusted to reflect the Exchange Ratio (as defined below) and the 1-for-6 reverse stock split for all periods presented, as applicable.

On June 16, 2022, the Company's Board of Directors (the "Board") approved a new stock repurchase program, under which the Company is authorized to acquire up to \$50.0 million of its outstanding common stock through November 24, 2023. Under the Stock Repurchase Program, the Company may repurchase shares of the Company's common stock in open market purchases, in privately negotiated transactions or otherwise. The Stock Repurchase Program is being utilized at management's discretion and in accordance with federal securities laws. The timing and actual numbers of shares repurchased will depend on a variety of factors including price, corporate requirements, the constraints specified in the Stock Repurchase Program along with general business and market conditions. The Stock Repurchase Program does not obligate the Company to repurchase any particular amount of common stock, and it could be modified, suspended or discontinued at any time. The Company has repurchased a total of 1.1 million shares at an average price of \$11.81 per share, for a total cost of \$13.0 million as of December 31, 2022 under the Stock Repurchase Program.

The financial statements for the year ended December 31, 2022 were authorized for issue in accordance with a resolution of the directors on May 24, 2023.

Notes to the consolidated financial statements (continued)

Year Ended December 31, 2022

2. Basis of preparation and accounting policies

2.4 Basis of preparation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs-EU) and with Section 2:362(9) of the Dutch Civil Code.

The consolidated financial statements have been prepared on the historical cost basis except for the following items, which are measured on an alternative basis on each reporting date:

- certain financial instruments are measured at fair value;
- assets acquired and liabilities assumed in a business combination are measured at fair value;
- the net defined benefit liability (asset) is measured at the fair value of plan assets, less the present value of the defined benefit obligation.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in IAS 2 or value in use in IAS 36.

The financial statements are presented in US dollar and all values are rounded to the nearest thousand US Dollars (\$'000) except where otherwise stated.

Application of Section 402, Book 2 of the Dutch Civil Code

The financial information of the Company is included in the consolidated financial statements. For this reason, in accordance with Section 402, Book 2 of the Dutch Civil Code, the separate profit and loss account of the Company exclusively states the share of the result of participating interests after tax and the other income and expenses after tax. Additionally, the Company applied Combination 3 permitted by the Dutch Civil Code Book 2 Title 9, and used the option of applying the recognition and measurement policies as applied in the consolidated financial statements for the years ended December 31, 2022 and 2021.

For an appropriate interpretation of these statutory financial statements, the consolidated financial statements of the Company should be read in conjunction with the separate financial statements, as included starting on page 114.

Going Concern

The directors have a reasonable expectation that the Company have adequate resources to continue in operational existence for a period of not less than twelve months from the date of signature of the accounts. In making this assessment, the directors considered the Company's principal risks and uncertainties, the current market conditions and future expectations, including financial forecasts for the next twelve months. Accordingly, the directors have determined it is appropriate to prepare and issue these financial statements on a going concern basis.

Notes to the consolidated financial statements (continued)

Year Ended December 31, 2022

2. Basis of preparation and accounting policies (continued)

2.2 Basis of consolidation

The Company's financial statements consolidate the financial statements of Expro Group Holdings N.V. and its subsidiaries drawn up to December 31 each year. Subsidiaries are consolidated from the date of their acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date that such control ceases. Control is achieved when the Company:

- has the power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in profit or loss from the date the Company gains control until the date when the Company ceases to control the subsidiary. The financial statements of subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting year as the Company and are based on consistent accounting policies. All intragroup balances and transactions, including unrealized profits arising from them, are eliminated.

The Company recognizes its interest in the assets and liabilities of joint ventures using the equity method of accounting. Under the equity method, the interest in the joint venture is carried in the statement of financial position at cost plus post-acquisition changes in the Company's share of its net assets, less distributions received and less any impairment in value of individual investments. The Company's income statement reflects the share of the jointly controlled entity's results after tax.

The results of jointly controlled entities are prepared for the same reporting period as the Company. Where necessary, adjustments are made to bring the accounting policies used into line with those of the Company, to take into account fair values assigned at the date of acquisition and to reflect impairment losses where appropriate. Adjustments are also made in the Company's financial statements to eliminate the Company's share of unrealized gains and losses on transactions between the Company and its jointly controlled entity.

2.3 Significant accounting judgments, estimates and assumptions

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported for assets and liabilities as at the reporting date of the financial statements, and the amounts reported for revenues and expenses during the year ended December 31, 2022. Estimates and judgments are reviewed on an ongoing basis and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

The key assumptions concerning the future and other key judgments at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Revenue from contracts with customers

Satisfaction of performance obligations

The Company is required to assess each of its contracts with the customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method for recognizing revenue. If it's determined that the performance obligation is satisfied over a period of time, revenue on such contracts is recognized by reference to the stage of completion of the contract. Stage of completion is measured by reference to an assessment of the effort (input method) expended by the Company against the various components that comprise the equipment being built. When the revenue is recognized at a point in time, the Company assesses each contract with customers to determine when the performance obligation of the Company is satisfied.

Notes to the consolidated financial statements (continued)

Year Ended December 31, 2022

2. Basis of preparation and accounting policies (continued)

2.3 Significant accounting judgments, estimates and assumptions (continued)

Revenue from contracts with customers (continued)

Transfer of control in contracts with customers

In cases where the Company determines that performance obligations are satisfied at a point in time, revenue is recognized when control over the assets is transferred to the customer which generally coincides with delivery of goods and their acceptance by the customer or benefits of the services being provided is received and consumed by the customer as per the contractual terms. In design and build equipment contracts, where the Company determines that performance obligations are not satisfied at a point in time, revenue is recognized over the time in accordance with the criteria as per IFRS 15.

Determination of transaction prices

The Company is required to determine the transaction price in respect of each of its contracts with customers. In making such judgment the Company assesses the impact of any variable consideration in the contract, due to discounts or penalties, the existence of any significant financing component and any non-cash consideration in the contract.

In determining the impact of variable consideration, the Company uses the “most-likely amount” method in IFRS 15 whereby the transaction price is determined by reference to the single most likely amount in a range of possible consideration amounts.

Impairment of trade receivables

The Company uses a provision matrix to calculate Expected Credit Losses (“ECL”) for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Company’s historical observed default rates. The Company calibrates the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company’s historical credit loss experience and forecast of economic conditions may also not be representative of customer’s actual default in the future.

Impairment assessment and testing

IFRS requires management to perform impairment tests annually for indefinite lived assets and, for finite lived assets, if events or changes in circumstances indicate that their carrying amounts may not be recoverable. Such impairment tests include, but are not limited to goodwill, intangible assets, property, plant and equipment and right of use assets. Impairment testing requires management to assess whether the carrying value of assets can be supported by the net present value of future cash flows that they generate. Calculating the net present value of future cash flows requires assumptions to be made with respect to appropriate discount rates and future financial results. Changes in the assumptions selected by management, especially discount rates used in the cash flow projections, could significantly affect the Company’s impairment evaluations and therefore reported assets and financial results.

For example, determining whether or not goodwill is impaired requires an estimation of the recoverable amount of the cash generating units (“CGUs”) to which goodwill has been allocated. The recoverable amount calculation requires management to estimate future cash flows from the CGU and a suitable discount rate to calculate the present value. It also requires management to determine an appropriate basis of allocation of corporate and other similar assets which are not specifically attributable to a CGU. The carrying value of goodwill, intangible assets and property, plant and equipment and the further details of the calculations are provided in Notes 14, 13 and 11, respectively.

Notes to the consolidated financial statements (continued)

Year Ended December 31, 2022

2. Basis of preparation and accounting policies (continued)

2.3 Significant accounting judgments, estimates and assumptions (continued)

Functional currency

In determining the functional currency for the Company, management has made judgments regarding the currency of the primary economic environment in which the Company operates. Management's view is that the currency which mainly influences the global market for oilfield services is the US dollar, and therefore has assessed the US dollar to be the functional currency of the Company.

Pensions

The pension deficit for the Company's defined benefit schemes is determined using the projected unit method and requires assumptions to be made around future mortality rates, rates of inflation and discount rates. Key estimates in calculating the Company's pension deficit are further described in Note 20.

Inventories

Inventories are stated at the lower of cost as reduced by appropriate allowances for slow-moving excess or obsolete inventories or net realizable value. The Company regularly evaluate the quantities and values of our inventories in light of current market conditions, market trends and other factors, and record inventory write-downs as appropriate. This evaluation considers historical usage, expected demand, product obsolescence and other factors. Market conditions are subject to change, and actual consumption of our inventory could differ from expected demand.

Income taxation

An estimate must be made for taxation liabilities before tax returns are filed, and review or audit of these returns by the local taxation authorities can take place several years later. Management makes provisions for taxation liabilities on what it believes to be a fair and reasonable calculation of the probable liability. The Company's income tax expense is calculated based on management's interpretation of the tax laws in various jurisdictions where the Company conducts business and involves the use of estimates and assumptions regarding significant future events such as the amount, timing and character of income, deductions, and tax credits. This also requires an evaluation of current tax obligations and uncertain tax positions and an assessment of temporary differences. Additionally, changes in tax laws, regulations or agreements in each taxing jurisdiction could have an impact on the amount of income taxes that we provide during any given year.

Determining the lease term of contracts with renewal and termination options – Company as lessee

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has several lease contracts that include extension and termination options. The Company applies judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customization to the leased asset).

The renewal options for leases are included as part of the lease term if these are reasonably certain to be exercised. Further, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

Notes to the consolidated financial statements (continued)

Year Ended December 31, 2022

2. Basis of preparation and accounting policies (continued)

2.3 Significant accounting judgments, estimates and assumptions (continued)

Leases – Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. As the Company has centralized treasury and borrowing function, the IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating if any available).

Business Combinations

We record business combinations using the acquisition method of accounting. All of the assets acquired and liabilities assumed are recorded at fair value as of the acquisition date. The excess of the purchase price over the estimated fair values of the net tangible and intangible assets acquired is recorded as goodwill.

The application of the acquisition method of accounting for business combinations requires management to make significant estimates and assumptions in the determination of the fair value of assets acquired and liabilities assumed, in order to properly allocate purchase price consideration between assets that are depreciated and amortized from goodwill. The fair value assigned to tangible and intangible assets acquired and liabilities assumed are based on management's estimates and assumptions, as well as other information compiled by management, including valuations that utilize customary valuation procedures and techniques. Significant assumptions and estimates include, but are not limited to, the cash flows that an asset is expected to generate in the future and the appropriate weighted average cost of capital. If the actual results differ from the estimates and judgments used in these estimates, the amounts recorded in the consolidated financial statements may be exposed to potential impairment of long-lived assets, including intangible assets and goodwill.

The Merger of Frank's with legacy Expro pursuant to the merger Agreement was completed on October 1, 2021. Refer to Note 3 "Business combinations and dispositions" for further details.

2.4 Summary of significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

Foreign currency translation

The reporting currency of the Company is the US Dollar as this is considered to be the currency of the primary economic environment in which it operates.

Transactions in foreign currencies are initially recorded in the functional currency by applying the monthly average rate which is approximate to the actual rate for the relevant accounting period on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the reporting date with all differences taken to the income statement. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the monthly average rate at the date of the transaction.

Notes to the consolidated financial statements (continued)

Year Ended December 31, 2022

2. Basis of preparation and accounting policies (continued)

2.4 Summary of significant accounting policies (continued)

Business combinations and goodwill

The Company accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Company. In determining whether a particular set of activities and assets is a business, the Company assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, if any, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. Any gain on a bargain purchase is recognized in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognized in profit or loss.

Any contingent consideration payable is measured at fair value at the acquisition date. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognized in profit or loss.

After initial recognition, goodwill is stated at cost less any accumulated impairment losses, with the carrying value being reviewed for impairment at least annually and whenever events or changes in circumstances indicate that the carrying value may be impaired. Goodwill is not amortized and where the recoverable amount of a cash generating unit ('CGU') is less than its carrying amount including goodwill, an impairment loss is recognized in the statement of profit or loss. For the purpose of impairment testing, goodwill is allocated to the related CGU monitored by management. The carrying amount of goodwill allocated to a CGU is taken into account when determining the gain or loss on disposal of a unit, or of an operation within it. We complete our assessment of goodwill impairment as of October 31 each year.

Provisions

The Company recognizes provisions when it has a present obligation (legal or constructive) as a result of a past event where it is probable that the Company will be required to settle and a reliable estimate can be made of the amount of the obligation. Provisions are based on management's best estimate of the expenditure required to settle the obligation at the reporting date.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost comprises the aggregate amount paid and the fair value of any other consideration given to acquire the asset and includes costs directly attributable to making the asset capable of operating as intended. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

Notes to the consolidated financial statements (continued)

Year Ended December 31, 2022

2. Basis of preparation and accounting policies (continued)

2.4 Summary of significant accounting policies (continued)

Property, plant and equipment (continued)

Depreciation is provided once an asset is placed into operational service and, other than land, is on a straight-line basis over its expected useful life. Useful lives and residual values are reviewed annually and where adjustments are required these are made prospectively. Useful economic lives are as follows:

Land improvement	-	12 years
Buildings	-	Up to 40 years
Leased property, including leasehold buildings	-	over the lesser of the remaining useful life or period of the lease
Plant and equipment	-	2 to 12 years

Costs related to the routine repair and maintenance of property, plant and equipment are expensed as incurred. Costs incurred as part of a major refurbishment of an asset are capitalized where the refurbishment either significantly prolongs the useful economic life of the asset or upgrades it for an enhanced use. The costs of replacing significant components are capitalized and depreciated over the useful economic life of the replaced component.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Where intangible assets are acquired through a business combination and no active market for the asset exists, the fair value of these assets is determined by discounting estimated future net cash flows generated by the asset. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses.

Expenditure on research activities is recognized in the income statement as incurred.

Development expenditure is capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Company intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognized in the income statement as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortization and any accumulated impairment losses.

Intangible assets are amortized on a straight-line basis over their estimated useful life. Useful life depends on management's estimate of the period over which economic benefit will be derived from the asset. Useful lives are periodically reviewed to ensure that they remain appropriate. Useful lives for intangible assets are as follows:

Software	-	between 1 and 5 years
Trademarks	-	Up to 15 years
Customer relationships and contracts	-	Up to 15 years
Technology	-	Up to 15 years

Inventories

Inventories are recorded at cost less provision for obsolescence. Cost comprises direct materials and, where applicable, direct labor costs and overheads that have been incurred in bringing the inventories to their current location and condition, these are calculated using the average cost method. The Company regularly evaluate the quantities and values of our inventories in light of current market conditions, market trends and other factors, and record inventory write-downs as appropriate. This evaluation considers historical usage, expected demand, product obsolescence and other factors. Market conditions are subject to change, and actual consumption of our inventory could differ from expected demand.

Notes to the consolidated financial statements (continued)

Year Ended December 31, 2022

2. Basis of preparation and accounting policies (continued)

2.4 Summary of significant accounting policies (continued)

Taxation

The tax expense represents the sum of the current tax and deferred tax.

The current tax is based on the taxable profit for the year ended December 31. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates taxable income. Current income tax relating to items recognized directly in equity is recognized in equity and not in the income statement. Management regularly evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the statement of financial position liability method.

Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available, against which deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences arising on investments in subsidiary undertakings and jointly controlled entities, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not be reversed in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realized. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Uncertain tax positions generally occur where there is an uncertainty as to the meaning of the law, or to the applicability of the law to a particular transaction, or both. The Company determines whether it is more likely than not that its tax position will be sustained upon examination, based on the position's technical merits (this likelihood is the 'recognition threshold') and measures the amount of tax benefit that is to be recognized in the financial statements. A tax position that meets the recognition threshold is measured at the largest amount of benefit that has more than a fifty percent likelihood of being realized upon settlement. No benefit is recorded for tax positions that do not meet the recognition threshold.

Notes to the consolidated financial statements (continued)

Year Ended December 31, 2022

2. Basis of preparation and accounting policies (continued)

2.4 Summary of significant accounting policies (continued)

Financial assets – Initial Recognition

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

On initial recognition, a financial asset is classified as measured at: amortized cost; fair value through other comprehensive income (FVOCI) – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

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

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets – Subsequent measurement and gains and losses

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

Financial assets at amortized cost

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

Notes to the consolidated financial statements (continued)

Year Ended December 31, 2022

2. Basis of preparation and accounting policies (continued)

2.4 Summary of significant accounting policies (continued)

Financial instruments (continued)

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

Derecognition of financial assets and liabilities

The Company derecognizes a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either:
 - substantially all of the risks and rewards of ownership of the financial asset are transferred; or
 - in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

Cash and cash equivalents

Cash comprises cash at bank, cash in hand and short term deposits with an original maturity date of three months or less.

Trade receivables

Trade receivables are measured at initial recognition at fair value and are subsequently carried at the lower of their original invoiced value and recoverable amount, which due to the short maturity period of trade receivables approximates to amortized cost. The Company estimate allowance for expected credit losses using information about past events, current conditions and risk characteristics of customers, and reasonable and supportable forecasts relevant to assessing risk associated with the collectability of trade receivables. The company has an extensive global customer base comprising of a large number of IOC, NOC and Independents companies from all major oil and gas locations around the world. Based on the risk profile, customer characteristics and the economic environment and conditions in which the Company customers operate, the Company have pooled customers as IOC, NOC and Independents by regions. Additionally, the Company estimates specific doubtful customers if events or circumstances indicate that specific receivable balances required to be provided for.

Trade payables

Trade payables are measured at initial recognition at fair value and are subsequently carried at book value which, due to the short maturity period of trade payables, approximates to amortized cost.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Notes to the consolidated financial statements (continued)

Year Ended December 31, 2022

2. Basis of preparation and accounting policies (continued)

2.4 Summary of significant accounting policies (continued)

Revenue recognition

The Company recognizes revenue from contracts with customers based on a five step model as set out in IFRS 15:

- Step 1. Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.
- Step 2. Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.
- Step 3. Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
- Step 4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.
- Step 5. Recognize revenue when (or as) the Company satisfies a performance obligation.

The Company satisfies a performance obligation and recognizes revenue over time, if one of the following criteria is met:

- a) The Company's performance does not create an asset with an alternate use to the Company and the Company has as an enforceable right to payment for performance completed to date.
- b) The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- c) The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs.

For performance obligations where one of the above conditions are not met, revenue is recognized at the point in time at which the performance obligation is satisfied.

When the Company satisfies a performance obligation by delivering the promised goods or services it creates a contract based asset on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognized this gives rise to a contract liability.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty. The Company assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue and costs, if applicable, can be measured reliably.

Rendering of services:

The Company recognizes revenue from rendering of services over a period of time as the customer simultaneously consumes benefit of the service while it's being rendered, reflecting the amount of consideration to which the Company has a right to invoice.

Sale of goods:

Revenue from the sale of goods is recognized at point in time when the control has passed onto the customer which generally coincides with delivery and installation, where applicable.

Notes to the consolidated financial statements (continued)

Year Ended December 31, 2022

2. Basis of preparation and accounting policies (continued)

2.4 Summary of significant accounting policies (continued)

Revenue recognition (continued)

Construction Contracts:

The Company recognizes revenue for long-term construction-type contracts, involving significant design and engineering efforts in order to satisfy custom designs for customer-specific applications, on an over a period of time basis, using an input method, which represents the ratio of actual costs incurred to date on the project in relation to total estimated project costs. The estimate of total project costs has a significant impact on both the amount of revenue recognized as well as the related profit on a project. Revenue and profits on contracts can also be significantly affected by change orders and claims. Profits are recognized based on the estimated project profit multiplied by the percentage complete. Due to the nature of these projects, adjustments to estimates of contract revenue and total contract costs are often required as work progresses. Any expected losses on a project are recorded in full in the period in which they are identified.

Where contractual arrangements contain multiple performance obligations, the Company analyses each performance obligation within the sales arrangement to determine whether they are distinct. The revenue for contracts involving multiple performance obligations is allocated to each distinct performance obligation based on relative selling prices and is recognized on satisfaction of each distinct performance obligation. Further, a small number of our contracts contain penalty provisions for late delivery and installation of equipment, downtime or other equipment functionality. These penalties are typically percentage reductions in the total arrangement consideration, capped at a certain amount, or a reduction in the on-going service fee and are assessed as variable consideration in the contract.

Revenue is recognized to depict the transfer of promised services or goods to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those services or goods. The Company does not include tax amounts collected from customers in sales transactions as a component of revenue.

Variable Consideration

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Current versus non-current classification

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is current when it is either:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within 12 months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

All other assets are classified as non-current.

A liability is current when either:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within 12 months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period

The Company classifies all other liabilities as non-current.

Notes to the consolidated financial statements (continued)

Year Ended December 31, 2022

2. Basis of preparation and accounting policies (continued)

2.4 Summary of significant accounting policies (continued)

Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than biological assets, investment property, inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (CGUs). Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

Impairment of financial assets

In relation to the impairment of financial asset, the Company applies Expected Credit loss ("ECL") model as opposed to incurred credit loss model. Under the expected credit loss model, the Company accounts for expected credit losses and changes in those expected credit losses at the end of each reporting period to reflect the changes in credit risk since initial recognition of financial assets. It is not necessary for a credit event to have occurred before credit losses are recognized.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Company has adopted a simplified approach for measuring the impairment on trade receivables, lease receivables and contract assets. Under the simplified approach, the Company measures the loss allowance at an amount equal to lifetime ECL. The Company measures the expected credit losses of a financial instrument considering the following:

- A provision matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment;
- Time value of money;
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Expected credit losses are measured for the maximum contractual period over which entity is exposed to credit risk. The expected credit losses are recognized in the consolidated statement of comprehensive income.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal accessible market for the asset or liability, or
- In the absence of a principal market, in the most advantageous accessible market for the asset or liability.

Notes to the consolidated financial statements (continued)

Year Ended December 31, 2022

2. Basis of preparation and accounting policies (continued)

2.4 Summary of significant accounting policies (continued)

Fair value measurement (continued)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest-level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 — Valuation techniques for which the lowest-level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 — Valuation techniques for which the lowest-level input that is significant to the fair value measurement is unobservable.

The Company's management determine the policies and procedures for both recurring fair value measurements, such as derivatives, and non-recurring fair value measurements, such as impairment tests.

At each reporting date, the Company's management analyze the movements in the values of assets and liabilities which are required to be re-measured or reassessed as per the Company's accounting policies.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Leases

The Company assesses at contract inception whether a contract is, or contains, a lease i.e. if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies for impairment of non-financial assets.

Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

Notes to the consolidated financial statements (continued)

Year Ended December 31, 2022

2. Basis of preparation and accounting policies (continued)

2.4 Summary of significant accounting policies (continued)

Lease liabilities (continued)

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Investments in joint ventures

The Company uses equity method of accounting for its equity investments where it holds more than 20% of the ownership interests of an investee that does not constitute a controlling interest or where it has the ability to significantly influence the operations or financial decision of the investee. Such equity investments are carried on the consolidated statement of financial position at cost plus post-acquisition changes in our share of net income, less dividends received and less any impairments. Our consolidated statements of comprehensive income reflect our share of income from the joint ventures' results after tax. Any goodwill arising on the acquisition of a joint venture, representing the excess of the cost of the investment compared to the Company's share of the net fair value of the acquired identifiable net assets, is included in the carrying amount of the joint venture and is not amortized.

The Company evaluates its investments in joint ventures for potential impairment whenever events or changes in circumstances indicate that there may be a loss in the value of each investment that is other than temporary.

The results of the joint ventures are prepared for the same reporting period as the Company. Where necessary, adjustments are made to bring the accounting policies used in line with those of the Company, to take into account fair values assigned at the date of acquisition; and to reflect impairment losses where appropriate. Adjustments are also made in the consolidated financial statements to eliminate the share of unrealized gains and losses on transactions between the Company and the joint ventures.

Stock-based compensation

Stock-based compensation expense is measured at the grant date of the share-based awards based on their fair value. Stock-based compensation expense is recognized over the vesting period and is included in cost of revenue and general and administrative expenses in the consolidated statement of comprehensive income.

The grant date fair value of the RSUs, which are not entitled to receive dividends until vested, is measured by reducing the share price at that date by the present value of the dividends expected to be paid during the requisite vesting period, discounted at the appropriate risk-free interest rate. The grant date fair value and compensation expense of PRSU grants is estimated based on a Monte Carlo simulation using the Company's closing stock price as of the day before the grant date.

Effective October 1, 2021, in connection with the consummation of the Merger, the Company amended its 2013 Long-Term Incentive Plan to the Expro Group Holdings N.V. Long-Term Incentive Plan, As Amended and Restated. Further, effective May 25, 2022, the Expro Group Holdings N.V. Long-Term Incentive Plan, As Amended and Restated was terminated and the Expro Group Holdings N.V. 2022 Long-Term Incentive Plan (the "2022 LTIP" plan) was adopted and established by the Board and approved by the Company's stockholders. Pursuant to the 2022 LTIP, stock options, stock appreciation rights, restricted stock, restricted stock units, dividend equivalent rights and other types of equity and cash incentive awards may be granted to employees, non-employee directors and consultants.

Expro Group Holdings N.V.

Notes to the consolidated financial statements (continued)

Year Ended December 31, 2022

2. Basis of preparation and accounting policies (continued)

2.5 Summary of significant accounting policies (continued)

Stock-based compensation (continued)

In October 2018, Legacy Expro established the Expro Group Holdings International Limited 2018 Management Incentive Plan (the "Management Incentive Plan") which was comprised of the following stock-based compensation awards: (a) stock options to non-executive directors and key management personnel and (b) restricted stock units, each of which were assumed by the Company in connection with the Merger. Due to the Merger, the Company recorded stock-based compensation expense based on the fair value on the Closing Date to the extent each award was fully vested. Compensation expense associated with those awards that have a requisite service period remaining as of the Closing Date will be recognized over the remaining requisite service period based on the Closing Date fair value.

Earnings (loss) per share

Basic income (loss) per share excludes dilution and is computed by dividing net income (loss) available to common shareholders by the weighted average number of common shares outstanding for the period. Diluted income (loss) per share reflects the potential dilution that could occur if securities to issue common stock were exercised or converted to common stock.

Pensions and other post-retirement benefits

The Company operates both defined benefit and defined contribution pension arrangements as set out in Note 20 to the accounts.

Defined Benefit Plans

The present value of the Company's defined benefit obligations and the related current service cost and, where applicable, past service cost, is determined separately for each plan using actuarial technique, the projected unit credit method. Current and prior period service costs are recognized in profit or loss as they arise.

The net interest cost is determined by applying the discount rate to the net defined benefit liability or asset at the start of each annual reporting period. The net interest cost is recognized in the income statement as either finance income or finance cost. Re-measurement gains and losses are recognized in full in other comprehensive income in the period in which they occur.

The defined benefit pension asset or liability in the statement of financial position comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information and in the case of quoted securities is the published bid price.

Defined Contribution Plans

Contributions to defined contribution schemes are recognized in the income statement in the period in which they become payable.

2.6 New and amended IFRS Standards that are effective for the current year

In the current year, the Company has applied a number of amendments to IFRS Standards and Interpretations issued by the International Accounting Standards Board (IASB) that are effective for an annual period that begins on or after 1 January 2022.

Notes to the consolidated financial statements (continued)

Year Ended December 31, 2022

2. Basis of preparation and accounting policies (continued)

2.5 New and amended IFRS Standards that are effective for the current year (continued)

The following new and revised IFRSs, which became effective for annual periods beginning on or after 1 January 2022, have been adopted in these financial statements. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

New and revised IFRSs

Amendments to IAS 16 Property, Plant and Equipment relating to Proceeds before Intended Use

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the cost of producing those items, in profit or loss.

Annual Improvements to IFRS Standards 2018 – 2020

Makes amendments to the following standards:

- IFRS 1 *First-Time Adoption of International Financial Reporting Standards* – The amendment permits a subsidiary that applies paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRSs.
- IFRS 9 Financial Instruments – The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognize a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.
- IFRS 16 Leases – The amendment to Illustrative Example 13 accompanying IFRS 16 removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example.
- IAS 41 Agriculture – The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique.

Amendments to IFRS 3 Business Combinations relating to Reference to the Conceptual Framework

The amendments update an outdated reference to the Conceptual Framework in IFRS 3 without significantly changing the requirements in the standard.

Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets relating to Onerous Contracts - Cost of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labor, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

Expro Group Holdings N.V.

Notes to the consolidated financial statements (continued)

Year Ended December 31, 2022

2. Basis of preparation and accounting policies (continued)

2.6 New and revised IFRS in issue but not yet effective and not early adopted

<u>New and revised IFRSs</u>	<u>Effective for annual periods beginning on or after</u>
<i>IFRS 17 Insurance Contracts</i> IFRS 17 requires insurance liabilities to be measured at a current fulfilment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. IFRS 17 supersedes IFRS 4 Insurance Contracts as of January 1, 2023.	January 1, 2023
Amendments to IAS 1 Presentation of Financial Statements relating to Classification of Liabilities as Current or Non-Current - Deferral of Effective Date The amendment defers the effective date of the January 2020 amendments by one year, so that entities would be required to apply the amendment for annual periods beginning on or after January 1, 2023.	January 1, 2023
Amendments to IFRS 4 Insurance Contracts Extension of the Temporary Exemption from Applying IFRS 9 The amendment changes the fixed expiry date for the temporary exemption in IFRS 4 from applying IFRS 9 Financial Instruments, so that entities would be required to apply IFRS 9 for annual periods beginning on or after January 1, 2023.	January 1, 2023
Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 The amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies. Further amendments explain how an entity can identify a material accounting policy. Examples of when an accounting policy is likely to be material are added. To support the amendment, the Board has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.	January 1, 2023
Amendments to IAS 12 Income Taxes relating to Deferred Tax related to Assets and Liabilities arising from a Single Transaction The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences.	January 1, 2023
Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error.	January 1, 2023

Expro Group Holdings N.V.

Notes to the consolidated financial statements (continued)

Year Ended December 31, 2022

2. Basis of preparation and accounting policies (continued)

2.6 New and revised IFRS in issue but not yet effective and not early adopted (continued)

<u>New and revised IFRSs</u>	<u>Effective for annual periods beginning on or after</u>
Amendments to IAS 1 Presentation of Financial Statements	1 January 2024
The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.	
Amendments to IFRS 10 <i>Consolidated Financial Statements</i> and IAS 28 <i>Investments in Associates and Joint Ventures (2011)</i> relating to the treatment of the sale or contribution of assets from an investor to its associate or joint venture	Effective date deferred indefinitely. Adoption is still permitted.

The Company anticipates that these new standards, interpretations and amendments will be adopted in the Company's financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments may have no material impact on the financial statements of Company in the period of initial application.

3. Business combinations and dispositions

Frank's International N.V.

As discussed in Note 1, the Merger of Frank's with Legacy Expro pursuant to the Merger Agreement was completed on October 1, 2021. IFRS 3 *Business Combinations* requires the determination of the accounting acquirer, the acquisition date, the fair value of assets and liabilities of the acquired and the resulting measurement of goodwill. The Merger is accounted for as a reverse merger and Legacy Expro has been identified as the acquirer for accounting purposes. As a result, the Company has in accordance with IFRS 3 applied the acquisition method of accounting to account for Frank's assets acquired and liabilities assumed. Applying the acquisition method of accounting includes recording the identifiable assets acquired and liabilities assumed at their fair values and recording goodwill for the excess of the consideration transferred over the net aggregate fair value of the identifiable assets acquired and liabilities assumed.

The merger consideration was based on Frank's closing share price on the Closing Date. In a reverse merger involving only the exchange of equity, the fair value of the equity of the accounting acquiree may be used to measure consideration transferred if the value of the accounting acquiree's equity interests are more reliably measurable than the value of the accounting acquirer's equity interest. As Legacy Expro was a private company and Frank's was a public company with a quoted and reliable market price, the fair value of Frank's equity interests was deemed to be more reliable. Under the acquisition method of accounting, total consideration exchanged was as follows:

	<u>Shares issued</u>	<u>Per share Price</u>	<u>Amount (in thousands)</u>
Issuance of common stock attributable to Frank's stockholders	38,066,216	\$ 18.90	\$ 719,452
Replacement of Frank's equity awards			7,830
Cash payment to Mosing Holdings LLC pursuant to the amended and restated tax receivable agreement			15,000
Total Merger Consideration Exchanged			<u>\$ 742,282</u>

Expro Group Holdings N.V.

Notes to the consolidated financial statements (continued)

Year Ended December 31, 2022

3. Business combinations and dispositions (continued)

The following table sets forth the preliminary allocation of the merger consideration exchanged to the fair value of identifiable tangible and intangible assets acquired and liabilities assumed as of the Closing Date, with the recording of goodwill for the excess of the consideration transferred over the net aggregate fair value of the identifiable assets acquired and liabilities assumed (\$ in thousands):

	Initial allocation of the consideration	Measurement period adjustments	Allocation of consideration as of December 31, 2021
Cash and cash equivalents	\$ 187,178	\$ -	\$ 187,178
Restricted cash	2,561	-	2,561
Trade and other receivables	136,142	(1,882)	134,260
Inventories	69,567	(109)	69,458
Assets held for sale	10,061	-	10,061
Income tax receivables	2,030	-	2,030
Property, plant and equipment	212,639	(2,479)	210,160
Goodwill	154,399	41,077	195,476
Intangible assets	104,791	-	104,791
Right-of-use assets	27,406	-	27,406
Non-current trade and other receivables	20,494	(70)	20,424
Total assets	927,268	36,537	963,805
Trade and other payables	100,590	7,406	107,996
Lease liabilities	8,344	-	8,344
Current income tax liabilities	8,932	9,862	18,794
Provisions	1,287	8,273	9,560
Deferred tax liabilities	5,673	-	5,673
Non-current lease liabilities	19,607	-	19,607
Non-current provisions	6,291	10,343	16,634
Non-current trade and other payables	34,262	653	34,915
Total Liabilities	184,986	36,537	221,523
Total Merger Consideration Exchanged	\$ 742,282	\$ -	\$ 742,282

The preliminary valuation of the assets acquired and liabilities assumed, in the Merger initially resulted in goodwill of \$154.4 million. During the third quarter of 2022, the Company finalized the valuation and recorded measurement period adjustments to its preliminary estimates due to additional information received primarily related to trade and other payables, (please see Note 24 "Commitments and contingencies" for additional information), non-current trade and other payables and income taxes. The measurement period adjustments resulted in an increase in goodwill of \$41.1 million, for final total goodwill associated with the Merger of \$195.5 million. The statement of financial position as of December 31, 2021 has been retrospectively adjusted for these measurement period adjustments, as if these adjustments were identified as of the date of the Merger. The fair values of identifiable intangible assets were prepared using an income valuation approach, which requires a forecast of expected future cash flows either through the use of the relief-from-royalty method or the multi-period excess earnings method, which are discounted to approximate their current value. The estimated useful lives are based on management's historical experience and expectations as to the duration of time that benefits from these assets are expected to be realized.

The intangible assets will be amortized on a straight-line basis over an estimated 10- to 15-year life. We expect annual amortization to be approximately \$7.7 million associated with these intangible assets.

Expro Group Holdings N.V.

Notes to the consolidated financial statements (continued)

Year Ended December 31, 2022

3. Business combinations and dispositions (continued)

Goodwill will not be amortized but rather subject to an annual impairment test, absent any indicators of impairment. Goodwill is attributable to planned synergies expected to be achieved from the combined operations of Legacy Expro and Frank's. Goodwill recorded in the Merger is not expected to be deductible for tax purposes.

Results of Frank's for the period October 1, 2021 through December 31, 2021

The Company's operating results for the period October 1, 2021 through December 31, 2021 include \$112.1 million of revenue and \$31.0 million of net loss attributable to Frank's.

Unaudited Pro Forma Financial Information

The following unaudited pro forma consolidated results of operations for the year ended December 31, 2021 assume the Merger was completed as of January 1, 2021 (in thousands):

	Year Ended December 31, 2021
Unaudited pro forma revenues	\$ 1,143,356
Unaudited pro forma net loss	\$ (121,546)

Estimated unaudited pro forma information is not necessarily indicative of the results that actually would have occurred had the Merger been completed on the date indicated or of future operating results.

Sale of assets

On November 13, 2020, Legacy Expro entered into an agreement to transfer, sell and assign all rights, title and interest in and to certain identified tangible and intangible assets and liabilities relating to its pressure-control chokes product line for total cash consideration of \$15.5 million and an additional earn-out consideration of up to a maximum of \$1.0 million, contingent upon certain criteria being met in the following year. No contingent consideration was recognized during the year ended December 31, 2020. Legacy Expro recognized a gain of \$9.7 million for the year ended December 31, 2020 net of the carrying value of the assets transferred of \$4.8 million and costs directly attributable to the sale of \$1.0 million. As of December 31, 2021, the conditions upon which the earn-out consideration was contingent were met. As a result, the Company recognized a gain of \$1.0 million for the year ended December 31, 2021.

4. Revenue

We disaggregate our revenue from contracts with customers by geography, as disclosed in Note 5 below, as we believe this best depicts how the nature, amount, timing and uncertainty of our revenue and cash flows are affected by economic factors. Additionally, we disaggregate our revenue into areas of capability.

The following table sets forth the total amount of revenue by area of capability of the Company:

	December 31, 2022 \$'000	December 31, 2021 \$'000
Well construction	500,438	112,126
Well management	778,980	713,636
	1,279,418	825,762

Notes to the consolidated financial statements (continued)

Year Ended December 31, 2022

4. Revenue (continued)

Contract balances:

	December 31, 2022	December 31, 2021
	\$'000	\$'000
Trade receivables (Note 16)	289,235	235,127
Accrued revenue (Note 16)	139,690	94,662
Deferred revenue (Note 18)	51,192	17,038

Contract assets represent trade receivables and accrued revenue, and contract liabilities represent deferred revenue.

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

Accrued Revenue is initially recognized for revenue earned on completion of the performance obligations which are not yet invoiced to the customer. The amounts recognized as accrued revenue are reclassified to trade receivables upon billing. Accrued revenue has primarily reduced due to billing of invoices.

Deferred revenue represents the Company's obligations to transfer goods or services to customers for which the Company has received consideration, in full or part, from the customer, or where the conditions for recognition of revenue have not been met.

The Company recognized revenue of \$15.5 million and \$15.4 million for the years ended December 31, 2022, and 2021 respectively, out of the deferred revenue balance as of the beginning of the applicable year. As of December 31, 2022, \$50.9 million of the deferred revenue was classified as current with the remainder classified as non-current. The present value of the non-current portion of deferred revenue approximates its carrying value.

The Company has applied the practical expedient under IFRS 15 and hence is not required to disclose the transaction price allocated to remaining performance obligations, as either the remaining performance obligations are expected to be recognized within one year or the Company has a right to consideration from customers in an amount that corresponds directly with the value to the customer of the performance completed to date. With respect to our long-term construction contracts, revenue allocated to remaining performance obligations is \$139.2 million.

The Company has not recognized any revenue during the current period from performance obligations satisfied during the previous periods.

Expro Group Holdings N.V.

Notes to the consolidated financial statements (continued)

Year Ended December 31, 2022

5. Business segment reporting

Operating segments are defined as components of an enterprise for which separate financial information is available that is regularly evaluated by the Company's Chief Operating Decision Maker ("CODM"), which is our Chief Executive Officer, in deciding how to allocate resources and assess performance. Our operations are comprised of four operating segments which also represent our reporting segments and are aligned with our geographic regions as below:

- North and Latin America ("NLA"),
- Europe and Sub-Saharan Africa ("ESSA"),
- Middle East and North Africa ("MENA"), and
- Asia-Pacific ("APAC").

The following table presents our revenue disaggregated by our operating segments:

	December 31, 2022	December 31, 2021
	\$'000	\$'000
NLA	499,813	193,156
ESSA	389,342	300,557
MENA	201,495	171,136
APAC	188,768	160,913
	<u>1,279,418</u>	<u>825,762</u>

Expro Group Holdings N.V.

Notes to the consolidated financial statements (continued)

Year Ended December 31, 2022

5. Business segment reporting (continued)

Segment EBITDA

Our CODM regularly evaluates the performance of our operating segments using Segment EBITDA, which we define as loss before income taxes adjusted for corporate costs, equity in income of joint ventures, depreciation and amortization expense, impairment expense, other expense, gain on disposal of assets, foreign exchange losses, other income, interest and finance expense, net (excluding interest expense on lease liabilities) and stock-based compensation expense. Segment EBITDA includes depreciation on right-of-use assets.

The following table presents our Segment EBITDA disaggregated by our operating segments and reconciliation to loss before income taxes (in thousands):

	December 31, 2022 \$'000	December 31, 2021 \$'000
NLA	131,560	30,542
ESSA	73,039	50,808
MENA	62,919	55,918
APAC	4,643	33,288
Total Segment EBITDA	272,161	170,556
Corporate costs	(84,282)	(62,001)
Equity in income of joint ventures	15,731	16,747
Depreciation and amortization expense	(137,121)	(121,458)
Other expenses	(21,445)	(55,419)
Stock-based compensation expense	(17,686)	(58,547)
Gain on disposal of assets	-	1,000
Foreign exchange losses	(8,341)	(4,314)
Other income, net	332	1,335
Interest and finance expense, net *	1,362	(7,325)
Income (Loss) before income taxes	20,711	(119,426)

* excludes interest expense on lease liabilities.

Corporate costs include the costs of running our corporate head office and other central functions that support the operating segments, including research and engineering, logistics, sales and marketing and health and safety and are not attributable to a particular operating segment.

We are a Netherlands based company and we derive our revenue from services and product sales to customers primarily in the oil and gas industry. No single customer accounted for more than 10% of our revenue for the years ended December 31, 2022 and 2021. The revenue generated in the Netherlands was immaterial for the years ended December 31, 2022 and 2021. Other than U.S. in 2022 and Norway in 2021, no individual country represented more than 10% of our revenue for the years ended December 31, 2022 and 2021.

Expro Group Holdings N.V.

Notes to the consolidated financial statements (continued)

Year Ended December 31, 2022

5. Business segment reporting (continued)

The following table presents total assets by geographic region and assets held centrally. Assets held centrally includes certain property plant and equipment, investments in joint ventures, collateral deposits, income tax related balances, corporate cash and cash equivalents, trade and other receivables, which are not included in the measure of segment assets reviewed by the CODM:

	December 31, 2022 \$'000	December 31, 2021 \$'000
NLA	631,486	585,403
ESSA	440,664	379,784
MENA	288,032	349,435
APAC	229,961	229,551
Assets held centrally	347,649	345,652
Total segment assets	1,937,792	1,889,825

The Company's CODM does not review liabilities by segment and accordingly liabilities of the Company has not been disaggregated and presented by our operating segments.

The following table presents our depreciation on property, plant and equipment and amortization expense disaggregated by our operating segments:

	December 31, 2022 \$'000	December 31, 2021 \$'000
NLA	30,521	20,265
ESSA	24,412	27,031
MENA	27,118	28,303
APAC	18,288	18,059
Assets held centrally	36,782	27,800
Total depreciation and amortization expenses	137,121	121,458

The following table presents our capital expenditures disaggregated by our operating segments:

	December 31, 2022 \$'000	December 31, 2021 \$'000
NLA	18,435	6,426
ESSA	17,574	11,151
MENA	27,354	14,553
APAC	13,457	19,958
Assets held centrally	8,265	33,445
Total capital expenditures	85,085	85,533

Expro Group Holdings N.V.

Notes to the consolidated financial statements (continued)

Year Ended December 31, 2022

6. Staff costs

The following table shows the average number of staff employed by the Company during the year.

	December 31, 2022	December 31, 2021
	Number	Number
Average employees working in the Netherland	86	109
Average employees working abroad (outside the Netherlands)	6,436	6,456
Average number of staff	6,522	6,565

The following table provides an analysis of the employee benefit expense incurred in respect of the Company's employees.

	December 31, 2022	December 31, 2021
	\$'000	\$'000
Salaries and wages	434,052	287,250
Social security expenses	29,612	24,934
Employee benefit expenses	8,429	7,797
Stock based compensation expenses	17,686	54,162
Severance and other expenses	6,930	23,198
Other employee benefits	20,664	10,467
	517,373	407,808

7. Auditor remuneration

The following table presents the aggregate fees for the Company for services rendered for the years ended December 31, 2022 and December 31, 2021:

	Deloitte Netherlands	Deloitte United States of America and other affiliates December 31, 2022	Total
	\$'000	\$'000	\$'000
Audit fees	340	3,577	3,917
Audit related fees	-	214	214
Tax fees	-	345	345
	340	4,136	4,476

	Deloitte Netherlands	Deloitte United States of America and other affiliates December 31, 2021	Total
	\$'000	\$'000	\$'000
Audit fees	372	3,437	3,809
Audit related fees	-	1,010	1,010
Tax fees	-	193	193
	372	4,640	5,012

Expro Group Holdings N.V.

Notes to the consolidated financial statements (continued)

Year Ended December 31, 2022

8 (a). Interest and finance income

The below table provides a summary of interest and finance income during the year.

	December 31, 2022 \$'000	December 31, 2021 \$'000
Interest and finance income:		
Interest income	949	266
Other finance income	3,152	304
Total Interest and finance income:	4,101	570

8 (b). Interest and finance expenses

The below table provides a summary of interest and finance expenses during the year.

	December 31, 2022 \$'000	December 31, 2021 \$'000
Interest and finance expenses:		
Revolving credit facility commitment fees and other charges	(2,320)	(7,122)
Interest expense on lease liabilities	(8,824)	(8,967)
Interest on pension deficit	(419)	(773)
Total Interest and finance expense:	(11,563)	(16,862)

9. Tax

The below table provides a summary of the tax charge for the years ended December 31, 2022 and 2021.

	December 31, 2022 \$'000	December 31, 2021 \$'000
Corporation income tax:		
Current year	42,591	17,013
Current tax	42,591	17,013
Origination and reversal of timing difference	(203)	(435)
Deferred tax	(203)	(435)
Total Income tax expense	42,388	16,578

The tax charge in respect of the Netherlands during the year ended December 31, 2022 was \$617K (December 31, 2021: Nil). Taxation charges for the Company are based on the results of subsidiaries and branches in other jurisdictions which are calculated at the rates prevailing in the respective jurisdictions. Taxation in other jurisdictions can be based on profit and revenue.

The below table provides a reconciliation between the tax charge and the pre-tax profit at the Netherlands tax rate of 25.8% (December 31, 2021: 25%).

Expro Group Holdings N.V.

Notes to the consolidated financial statements (continued)

Year Ended December 31, 2022

9. Tax (continued)

	December 31, 2022 \$'000	December 31, 2021 \$'000
Income (Loss) before tax and equity in income of joint ventures	4,980	(136,173)
Income (loss) before tax multiplied by the standard corporation tax rate of 25.8% (December 31, 2021: 25%)	1,285	(34,043)
Tax effect of expenses that are not deductible in determining taxable profit	48,888	15,512
Effect of overseas tax rates	(32,031)	10,583
Change in unrecognized deferred tax assets	29,416	28,479
Exempt dividends from joint ventures	(2,649)	(1,014)
Return to provision adjustments	(5,966)	(5,001)
Withholding taxes	3,029	1,995
Foreign exchange movements on tax balances	416	67
Total Income tax expense	42,388	16,578

The following are the major deferred tax liabilities and assets recognized by the Group and movements thereon during the current and prior reporting period.

	Net operating losses \$'000	Employee compensation and benefits \$'000	Depreciation \$'000	Other timing differences \$'000	Intangibles \$'000	Total \$'000
At January 1, 2021	13,495	224	(880)	1,274	(37,701)	(23,588)
Additions attributable to the Merger	-	-	-	-	(5,673)	(5,673)
(Credit)/Charge to profit or loss	(9,842)	(27)	5,181	(158)	5,281	435
At December 31, 2021	3,653	197	4,301	1,116	(38,093)	(28,826)
Charge/(credit) to profit or loss	834	4	(2,632)	(829)	2,826	203
At December 31, 2022	4,487	201	1,669	287	(35,267)	(28,623)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	December 31, 2022 \$'000	December 31, 2021 \$'000
Deferred tax liabilities	(44,064)	(98,771)
Deferred tax assets	15,441	69,945
	(28,623)	(28,826)

Expro Group Holdings N.V.

Notes to the consolidated financial statements (continued)

Year Ended December 31, 2022

9. Tax (continued)

The below table provides a summary of the movements on the unrecognized deferred tax assets from January 1, 2021 to December 31, 2022.

	\$'000
At 1 January 2021	502,883
Increase in unrecognized deferred tax assets	127,873
Increase in unrecognized deferred tax assets attributable to the Merger	187,319
At 31 December 2021	818,075
Increase in unrecognized deferred tax assets	53,177
At 31 December 2022	871,252

At the reporting date, the Group has unused tax losses of \$2,991 million (2021: \$2,750 million) available for offset against future profits. A deferred tax asset has been recognized in respect of \$45.5 million (2021: \$33.1 million) of such losses. No deferred tax asset has been recognized in respect of the remaining \$2,934 million (2021: \$2,717 million) as it is not considered probable that there will be future taxable profits available. Included in unrecognized tax losses are US operating losses of \$628.7 million of which \$160.6 million will start to expire in 2036, and the balance do not expire. The company also has approximately \$1,853 million and \$138.4 million of losses in the UK and Norway respectively which do not expire.

No deferred tax liability is recognized in relation to the unremitted earnings of overseas subsidiaries as the Group is able to control the timings of the reversal of these temporary differences and it is probable that they will not reverse in the foreseeable future. Temporary differences arising in connection with interests in associates are insignificant.

On October 8, 2021, almost 140 countries in the OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting (BEPS), including the U.S. and the Netherlands, reached an agreement on international tax reform. The reform of international corporate tax rules consist of two pillars: Pillar 1 and Pillar 2. Pillar 1 covers a new system of allocating taxing rights over the largest multinationals to jurisdictions where profits are earned. Pillar 2 contains rules aimed at reducing the opportunities for base erosion and profit shifting with the goal to ensure that the largest multinational groups of companies pay a minimum rate of corporate tax.

On December 15, 2022 it was announced that the EU adopted a directive implementing a global minimum tax at an effective rate of 15% at the EU level (the EU Pillar 2 Directive). The EU Pillar 2 Directive is largely aligned with the OECD's model rules released in 2021. Some deviations were introduced to ensure compliance with EU treaties. The EU Pillar 2 rules will apply to large multinational and domestic groups or companies with a combined annual turnover of at least €750 million. As a result of these new tax rules and the ongoing initiatives at the OECD level, if enacted into law, in whole or in part, our effective tax rate may change which may impact our financial results.

Expro Group Holdings N.V.

Notes to the consolidated financial statements (continued)

Year Ended December 31, 2022

10. Other expenses

The following table presents total amount of impairment charges recognized during the year ended December 31, 2022 and 2021.

	December 31, 2022 \$'000	December 31, 2021 \$'000
Merger and integration expenses	13,620	47,593
Severance and other expenses	7,825	7,826
	21,445	55,419

Merger and integration expenses

During the year ended December 31, 2022 and 2021, the Company incurred \$13.6 million and \$47.6 million of merger and integration expense respectively, which consist primarily of legal fees, professional fees, integration, severance and other costs directly attributable to the Merger.

Expro Group Holdings N.V.

Notes to the consolidated financial statements (continued)

Year Ended December 31, 2022

11. Property, plant and equipment

The below table provides a summary of the movements in property, plant and equipment from January 1, 2021 to December 31, 2022.

	Land	Land	Buildings and	Plant and	Total
		Improvement	leasehold	Machinery	
			improvements		
	\$'000	\$'000	\$'000	\$'000	\$'000
Cost					
At January 1, 2021	3,379	-	17,873	531,988	553,240
Addition on Merger	18,201	3,054	72,122	116,783	210,160
Additions	-	-	225	66,986	67,211
Disposals	-	-	-	(2,360)	(2,360)
At December 31, 2021	21,580	3,054	90,220	713,397	828,251
Additions	-	-	1,130	92,229	93,359
Disposals	-	-	-	(1,686)	(1,686)
Transfer to Held for sale	-	-	(2,425)	-	(2,425)
Transfer to inventory	-	-	-	(2,632)	(2,632)
At December 31, 2022	21,580	3,054	88,925	801,308	914,867
Accumulated depreciation					
At January 1, 2021	-	-	9,204	263,091	272,295
Depreciation charge for year	-	55	2,827	91,996	94,878
Disposals	-	-	-	(2,858)	(2,858)
At December 31, 2021	-	55	12,031	352,229	364,315
Depreciation charge for year	-	258	4,615	96,108	100,981
Disposals	-	-	-	(1,686)	(1,686)
Transfer to Held for sale	-	-	(246)	-	(246)
At December 31, 2022	-	313	16,400	446,651	463,364
Carrying amount					
At December 31, 2021	21,580	2,999	78,189	361,168	463,936
At December 31, 2022	21,580	2,741	72,525	354,657	451,503

No impairment expense related to property, plant and equipment was recognized for the year ended December 31, 2022 and 2021, respectively.

There was no loss on disposal of property, plant and equipment for the year ended December 31, 2022 (December 31, 2021: \$ 0.1 million).

Depreciation expense related to property, plant and equipment was \$101.0 million and \$94.8 million for the years ended December 31, 2022, and 2021, respectively. Out of which \$100.3 million and \$94.3 million for the year ended December 31, 2022, and 2021, respectively is included in "Cost of revenue" and \$0.7 and \$0.5 million for the year ended December 31, 2022 and 2021, respectively is included in "General and administrative expense" in the consolidated statements of comprehensive income.

Expro Group Holdings N.V.

Notes to the consolidated financial statements (continued)

Year Ended December 31, 2022

12. Investment in joint ventures

The Company has investments in two joint ventures, which together provide us access to certain Asian markets that otherwise would be challenging for the Company to penetrate or develop effectively on our own. COSL – Expro Testing Services (Tianjin) Co. Ltd (“CETS”), in which the Company has a 50% equity interest, has extensive offshore well testing and completions capabilities and a reputation for providing technology-driven solutions in China. Similarly, PV Drilling Expro International Co. Ltd. (“PVD-Expro”) in which the Company has a 49% equity interest, offers the full suite of the Company’s products and services, including well testing and completions, in Vietnam. Both of these are strategic to our activities and offer the full capabilities and technology of the Company, but each company is independently managed.

The carrying value of our investment in joint ventures as of December 31, 2022 and 2021 was as follows.

	At December 31, 2022 \$'000	At December 31, 2021 \$'000
COSL – Expro Testing Services (Tianjin) Co. Ltd (“CETS”)	62,471	54,014
PV Drilling Expro International Company Limited (“PVD-Expro”)	3,567	3,590
	66,038	57,604

Summary of the joint venture’s financial position as of December 31, 2022 and 2021 was as follows.

	At December 31, 2022 \$'000	At December 31, 2021 \$'000
Non-current assets	32,818	38,578
Current assets, including cash and cash equivalents	148,068	126,887
Non-current liabilities	(1,381)	(1,096)
Current liabilities	(60,902)	(48,050)
Equity	118,603	116,319

Summary of the joint venture’s statement of operations for the year ended December 31, 2022 and 2021 was as follows.

	At December 31, 2022 \$'000	At December 31, 2021 \$'000
Revenue	129,021	114,736
Cost of sales	(89,362)	(77,598)
Gross profit	39,659	37,138
Administrative expenses	(8,049)	(7,623)
Interest income	1,902	1,387
Other expenses	-	(1)
Profit before tax	33,512	30,901
Income tax expense	(3,646)	(4,405)
Profit for the year	29,866	26,496

Expro Group Holdings N.V.

Notes to the consolidated financial statements (continued)

Year Ended December 31, 2022

13. Intangible assets

The following table summarizes the Company's intangible assets as at December 31, 2022 and 2021.

	Customer relationship and contracts \$'000	Trademarks \$'000	Technology \$'000	Software \$'000	Total \$'000
Cost					
At January 1, 2021	215,200	40,100	110,155	7,387	372,842
Addition on Merger	7,000	17,000	79,920	871	104,791
Additions	-	-	3,957	3,123	7,080
Disposal	-	-	-	(2,628)	(2,628)
At December 31, 2021	222,200	57,100	194,032	8,753	482,085
Additions	-	-	14,342	2,802	17,144
At December 31, 2022	222,200	57,100	208,374	11,555	499,229
Amortization and impairment					
At January 1, 2021	78,846	30,595	84,792	6,439	200,672
Charge for the year	19,425	1,531	3,578	2,008	26,542
Disposal	-	-	-	(2,628)	(2,628)
At December 31, 2021	98,271	32,126	88,370	5,819	224,586
Charge for the year	19,950	3,019	9,318	3,853	36,140
At December 31, 2022	118,221	35,145	97,688	9,672	260,726
Carrying amount					
At December 31, 2021	123,929	24,974	105,662	2,934	257,499
At December 31, 2022	103,979	21,955	110,686	1,883	238,503

Amortization for the year ended December 31, 2022 of \$36.1 million (December 31, 2021: \$26.5 million) has been included in "Cost of Revenue".

Intangible assets are reviewed for impairment whenever facts and circumstances indicate that their carrying amounts may not be recoverable. The Company reviewed the carrying value of its intangibles and as a result of this review no impairment was recognized for the year ended December 31, 2022 and 2021.

14. Goodwill

Our cash generating units are either our operating segments or components of our operating segments depending on the level at which segment management oversees the business. Prior to the Merger, Legacy Expro's cash generating units included Europe and the Commonwealth of Independent States, Sub-Saharan Africa, MENA, Asia, North America and Latin America. During 2021, due to the Merger we changed our internal organization and reporting structure and as a result, our operating segments, NLA, ESSA, MENA and APAC, are also our cash generating units.

Expro Group Holdings N.V.

Notes to the consolidated financial statements (continued)

Year Ended December 31, 2022

14. Goodwill (continued)

The allocation of goodwill by operating segment was as follows:

	December 31, 2022	December 31, 2021
	\$'000	\$'000
NLA	118,511	118,511
ESSA	80,058	80,058
MENA	4,218	4,218
APAC	18,193	18,193
	220,980	220,980

The following table provides the gross carrying amount and cumulative impairment expense of goodwill for each operating segment as of December 31, 2022 and 2021:

	2022			2021			
	Cost	Accumulated impairment	Net Book Value	Cost	Acquired in Merger	Accumulated impairment	Net Book Value
NLA	\$ 155,852	\$ (37,341)	\$ 118,511	\$ 37,341	\$ 118,511	\$ (37,341)	\$ 118,511
ESSA	94,536	(14,478)	80,058	28,982	65,554	(14,478)	80,058
MENA	130,601	(126,383)	4,218	126,383	4,218	(126,383)	4,218
APAC	58,306	(40,113)	18,193	51,113	7,193	(40,113)	18,193
Total	\$ 439,295	\$ (218,315)	\$ 220,980	\$ 243,819	\$ 195,476	\$ (218,315)	\$ 220,980

During the third quarter of 2022, goodwill associated with the Merger increased by \$41.1 million as a result of measurement period adjustments to our preliminary estimates due to additional information received. Please see Note 3 "Business combinations and dispositions" for additional information.

Goodwill is not subject to amortization but is tested for impairment annually or whenever there is an indication that the asset may be impaired. For the purpose of impairment testing, assets are grouped at the lowest levels for which there are separately identifiable cash flows, known as cash-generating units (CGUs). If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. During the year ended December 31, 2022 and 2021, we tested goodwill for impairment as of our annual testing date and based on our assessment, we concluded that there was no impairment of goodwill. Accordingly, no impairment expense related to goodwill has been recorded during the years ended December 31, 2022 and 2021.

For the purposes of impairment testing, the fair value of each CGU was estimated using budgeted after-tax cash flows against which a discount rate reflecting the post-tax weighted average cost of capital for a comparable company was applied. The forecast cash flows were based upon the most recent five-year plan approved by the executive management team. Cash flows after the fifth year were estimated by applying a long-term growth rate assumption to the final year of the plan, adjusted for normalized levels of capital expenditure and working capital movements.

The recoverable amount of each CGU was assessed based on fair value less cost of disposal. This method of valuation is categorized as level 3 on the fair value hierarchy.

The key assumptions inherent in the budgeted after-tax cash flows are (i) the Company's revenue growth rate (ii) discount rate and (iii) cost of disposal.

The Company's revenue is estimated to grow at a compounded annual growth of 11.5% over the 5 year period beginning 2022 with the perpetual growth rate estimated to be 2%. The discount rate was estimated to be 15.5% using the capital asset pricing model. In order to calculate fair value less cost of disposal, a cost to sell assumption was applied. This was estimated to be 2% of the fair value based on management's assessment of costs to be incurred in relation to the sale of a business. We believe there was no reasonably possible change in assumption that would cause the carrying value of any of either of the Company's cash generating units to be higher than their recoverable amount.

Expro Group Holdings N.V.

Notes to the consolidated financial statements (continued)

Year Ended December 31, 2022

15. Inventories

Inventories consisted of the following as of December 31, 2022 and 2021.

	December 31, 2022	December 31, 2021
	\$'000	\$'000
Finished goods	26,810	34,899
Raw material, equipment spares and consumables	102,395	76,025
Work in progress	24,513	14,083
	153,718	125,007

The cost of sold equipment, inventories, materials and consumables was \$76.49 million during the year ended December 31, 2022 (December 31, 2021: \$58.59 million).

The cost of inventories recognized as an expense includes \$2.4 million in respect of write-downs of inventory to net realizable value (December 31, 2021: \$0.1 million).

16. Trade and other receivables

The below table provides an analysis of trade and other receivables as of December 31, 2022 and 2021.

	December 31, 2022	December 31, 2021
	\$'000	\$'000
Trade receivables	300,923	243,527
Accrued revenue	139,690	94,662
Provision for expected credit losses	(11,688)	(8,400)
	428,925	329,789
Prepayments	18,084	19,455
Cash surrender value of life insurance policies	-	18,857
Value added tax receivables	20,727	22,524
Deposits	8,914	8,930
Other	5,513	8,709
	482,163	408,264
Represented by		
Current assets	464,219	370,342
Non-current assets	17,944	37,922
	482,163	408,264

Expro Group Holdings N.V.

Notes to the consolidated financial statements (continued)

Year Ended December 31, 2022

16. Trade and other receivables (continued)

The provision for expected credit losses of \$11.7 million (December 31, 2021: \$8.4 million) primarily relates to several specific matters where full recovery of overdue receivables has been deemed unlikely and loss allowance for trade receivables and accrued revenue at an amount equal to lifetime ECL. The expected credit losses on trade receivables and accrued revenue are estimated using a provision matrix by reference to past default experience of the trade receivables, current conditions and risk characteristics of customers, and reasonable and supportable forecasts relevant to assessing risk associated with the collectability of trade receivables and accrued revenue. Also refer to note 27 "Financial risk management".

The below table provides a summary of the movements on the provision for expected credit losses from January 1, 2021 to December 31, 2022.

	\$'000
At January 1, 2021	6,917
Additions / charges to expenses	1,527
Deductions	(44)
At December 31, 2021	8,400
Additions / charges to expenses	4,096
Deductions	(808)
At December 31, 2022	11,688

The below table summarizes the level of past due trade receivables, before deducting the impairment provision.

	December 31, 2022 \$'000	December 31, 2021 \$'000
Not due at the balance sheet date	133,089	140,743
Past due at the balance sheet date	167,834	102,784
	300,923	243,527

The below table provides an aging analysis of past due and unimpaired debt.

	December 31, 2022 \$'000	December 31, 2021 \$'000
Fewer than 90 days past due	97,710	61,509
Greater than 90 days past due	70,124	41,275
	167,834	102,784

Expro Group Holdings N.V.

Notes to the consolidated financial statements (continued)

Year Ended December 31, 2022

17. Related party Transactions

Our related parties consist primarily of CETS and PVD-Expro, the two companies in which we exert significant influence, and Mosing Holdings LLC, a company that is owned by a member of our Board and its affiliates. During the years ended December 31, 2022 and 2021, we provided goods and services to CETS and PVD-Expro totaling \$5.4 million and \$6.8 million respectively. During the year ended December 31, 2022, we received services from related parties totaling \$1.0 million.

Additionally, we entered into various lease agreements to lease facilities with affiliated companies. Rent expense associated with our related party leases was \$0.6 million and \$0.5 million for the year ended December 31, 2022 and 2021, respectively.

Further, during the years ended December 31, 2022 and 2021, we received dividends from CETS and PVD-Expro totaling \$7.3 million and \$4.1 million respectively.

As of December 31, 2022 and 2021, amounts receivable from related parties were \$2.4 million and \$1.6 million, respectively, and amounts payable to related parties were \$0.8 million and \$2.1 million as of December 31, 2022 and 2021, respectively.

As of December 31, 2022, \$0.7 million of our operating lease right-of-use assets and \$0.7 million of our lease liabilities were associated with related party leases. As of December 31, 2021, \$1.3 million of our operating lease right-of-use assets and \$1.3 million of our lease liabilities were associated with related party leases.

Tax Receivable Agreement

Mosing Holdings, LLC, a Delaware limited liability company (“Mosing Holdings”), converted all of its shares of Frank’s Series A convertible preferred stock into shares of Frank’s common stock on August 26, 2016, in connection with its delivery to Frank’s of all of its interests in Frank’s International C.V. (“FICV”) (the “Conversion”).

The tax receivable agreement (the “Original TRA”) that Frank’s entered into with FICV and Mosing Holdings in connection with Frank’s initial public offering (“IPO”) generally provided for the payment by Frank’s to Mosing Holdings of 85% of the net cash savings, if any, in U.S. federal, state and local income tax and franchise tax that Frank’s actually realize (or are deemed to realize in certain circumstances) in periods after the IPO as a result of (i) tax basis increases resulting from the Conversion and (ii) imputed interest deemed to be paid by Frank’s as a result of, and additional tax basis arising from, payments under the Original TRA. Frank’s retained the benefit of the remaining 15% of these cash savings, if any.

In connection with the Merger Agreement, Frank’s, FICV and Mosing Holdings entered into the Amended and Restated Tax Receivable Agreement, dated as of March 10, 2021 (the “A&R TRA”). Pursuant to the A&R TRA, on October 1, 2021, the Company made a payment of \$15 million to settle the early termination payment obligations that would otherwise have been owed to Mosing Holdings under the Original TRA as a result of the Merger. As the payment was a condition precedent to effect the Merger, it was included in the determination of Merger consideration exchanged. Refer to Note 3 “Business combinations and dispositions” for more details. The A&R TRA also provides for other contingent payments to be made by the Company to Mosing Holdings in the future in the event the Company realizes cash tax savings from tax attributes covered under the Original TRA during the ten year period following October 1, 2021 in excess of \$18.1 million

Additionally, refer to Note 12 in the separate financial statements of the Company for details of remuneration and transactions with the Company’s key management personnel.

Expro Group Holdings N.V.

Notes to the consolidated financial statements (continued)

Year Ended December 31, 2022

18. Trade and other payables

The below table provides an analysis of trade and other payables as of December 31, 2022, and 2021.

	December 31, 2022 \$'000'	December 31, 2021 \$'000'
Trade payables	100,951	85,846
Payroll, vacation, and other employee benefits	46,935	43,324
Accruals for goods received not invoiced	32,102	18,666
Deferred revenue	51,192	17,038
Other tax and social security	28,557	32,910
Deferred compensation plan	-	9,339
Accrued liabilities	92,716	69,845
Other payables	21,905	15,288
	374,358	292,256
Represented by		
Current liabilities	355,394	268,187
Non-current liabilities	18,964	24,069
	374,358	292,256

Cash Surrender Value of Life Insurance Policies

At December 31, 2022, we had \$18.9 million of cash surrender value of life insurance policies that are held within a Rabbi Trust for the purpose of paying future executive deferred compensation benefit obligations. During 2022, the Company terminated the executive deferred compensation benefit plan. Please see Note 20 Post-retirement benefits for additional information. Prior to the termination of the executive deferred compensation plan, the impact of cash distributions from the trust for benefits paid pursuant to the executive deferred compensation benefit plan was included in "Proceeds from sale / maturity of investments" on the consolidated statements of cash flows. Loss associated with these policies was included in "Other income" on our condensed consolidated statement of comprehensive income. Loss on changes in the cash surrender value of life insurance policies was \$0.3 million for the year ended December 31, 2022.

Expro Group Holdings N.V.

Notes to the consolidated financial statements (continued)

Year Ended December 31, 2022

19. Provisions

The below table provides a summary of the movements in balance of provisions from January 1, 2021 to December 31, 2022.

	Restructuring	Others	Total
	\$'000'	\$'000'	\$'000'
At January 1, 2021	1,877	10,420	12,297
Additions – Acquired in the Merger	899	25,295	26,194
Increase	18,607	2,073	20,680
Payments or amount utilized	(6,968)	(578)	(7,546)
Foreign exchange difference	12	(57)	(45)
At December 31, 2021	14,427	37,153	51,580
Increase	5,587	6,009	11,596
Payments or amount utilized	(16,284)	(1,213)	(17,497)
Foreign exchange difference	(102)	(329)	(431)
At December 31, 2022	3,628	41,620	45,248
Represented by			
Current liabilities	1,228	23,854	25,082
Non-current liabilities	2,400	17,766	20,166
At December 31, 2022	3,628	41,620	45,248

There is no significant difference between provision included above and the value of the undiscounted cash flow.

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle that obligation and reliable estimate can be made of the amount of the obligation. Provisions are based on management's best estimate of the expenditure required to settle the obligation at the reporting date. The provisions primarily comprise of (i) Restructuring provisions relating to exit and disposal activities intended to accelerate operating cost reductions and improve overall operating efficiency and restructuring relating to the ongoing integration and synergy activities; and (ii) Provisions for various indirect taxes and duties exposures across multiple jurisdictions, legal and other miscellaneous provisions.

Expro Group Holdings N.V.

Notes to the consolidated financial statements (continued)

Year Ended December 31, 2022

20. Post-retirement benefits

The Company operates a number of pension schemes, primarily consisting of defined contribution plans for U.S. and non-U.S. employees. The Company also sponsors a pension plan for certain employees in the United Kingdom, Norway and Indonesia. The majority of the pension costs relate to defined contribution plans. The assets of the various schemes are held separately from those of the Company. The Company's principal retirement savings plans, and pension plans are discussed below.

Defined contribution plans

We offer various defined contribution plans for employees around the globe as per local statute and market practice. Specific to our largest employee populations, for employees in the U.S., we offer a 401(K) plan, which is a defined contribution retirement savings plan to which the employer matches employee contributions up to 4% of eligible earnings. For U.K. employees, we offer the Group Personal Pension plan ("GPP"), which is a portable, personal pension plan to which the employer contributes on a matching basis between a base of 4.5% and a ceiling of 6% of base salary.

Expense recognized in respect of these plans were \$8.4 million and \$7.3 million for the years ended December 31, 2022, and 2021 respectively.

Defined benefit plans

The Company offers a pension plan to certain of our UK employees, which qualifies as defined benefit scheme. Effective October 1, 1999 this plan was closed to new entrants. The contributions to the scheme are determined by a qualified external actuary on the basis of annual valuations. In December 2015, the decision was taken to close the UK defined benefit scheme ("DB Scheme") to new accrual. The status of the DB scheme's remaining active members has changed to that of deferred member. This change affected approximately 80 employees. As deferred members, these employees will no longer accrue further benefits under the DB scheme through their service. However, benefits earned through past service are retained and will continue to increase with inflation. In addition, affected individuals were auto enrolled in the Company's existing defined contribution pension plan ("DC scheme").

On December 28, 2020, the Company, with the written consent of the trustees, amended the DB Plan rules to introduce a new pension option for members who retire before their state pension age, a bridging pension option. Under this new option, a plan member who receives his or her pension before the later of age 65 or their state pension age can elect to have their pension temporarily increased at retirement and then reduced at the time of state pension.

Key assumptions

The major assumptions, included on a weighted average basis across the defined benefit plans, used to calculate the defined benefit plan liabilities were:

	December 31,	
	2022	2021
Discount rate	4.7%	1.8%
Expected return on plan assets	5.6%	3.2%
Expected rate of salary increases	0.1%	0.1%

Expro Group Holdings N.V.

Notes to the consolidated financial statements (continued)

Year Ended December 31, 2022

20. Post-retirement benefits (continued)

The discount rate has been calculated with reference to AA rated corporate bonds of a suitable maturity. Expected rates of salary increases have been estimated by management following a review of the participant data. Within the U.K. plans pensionable salary was frozen in 2012 resulting in the reduction in the weighted average assumption for salary increases disclosed above.

The expected long-term return on cash is based on cash deposit rates available at the reporting date. The expected return on bonds is determined by reference to U.K. long term government bonds and bond yields at the reporting date. The expected rates of return on equities and property have been determined by setting an appropriate risk premium above government bond yields having regard to market conditions at the reporting date.

Net periodic benefit cost

Amounts recognized in the consolidated statements of comprehensive income in respect of the defined benefit plans were as follows;

	Year ended December 31, (\$'000')	
	2022	2021
Current service cost	(357)	(439)
Interest expense on net liability	(419)	(773)
Amounts included in profit or loss	(776)	(1,212)
Actuarial gain	10,708	25,228
Other comprehensive income	10,708	25,228
Total comprehensive income	9,932	24,016

The service costs have primarily been included in "Cost of revenue" in the consolidated statements of total comprehensive income. Interest expense on net liability have been recognized in Interest and finance expenses, net and plan curtailment / amendment events have been recognized in "Other income, net" in the consolidated statements of total comprehensive income.

The actuarial gain (loss) is derived from the components shown in the table below:

	Year ended December 31, (\$'000')	
	2022	2021
Actuarial (loss) gain on assets	(71,064)	14,261
Actuarial gain on liabilities	81,772	10,967
Actuarial gain on defined benefit schemes	10,708	25,228

The actuarial gain on the benefit obligation for the year ended December 31, 2022 has arisen primarily as a result of changes in financial and demographic assumptions, with a small change resulted from allowance for known inflation increases in 2021 and 2022.

The amount of employer contributions expected to be paid to our defined benefit plans during the years to December 31, 2032 is set out below:

Years ending December 31:	\$'000
2023	5,481
2024	5,691
2025	5,886
2026	6,135
2027	6,416
Thereafter to December 31, 2032	22,495

Expro Group Holdings N.V.

Notes to the consolidated financial statements (continued)

Year Ended December 31, 2022

20. Post-retirement benefits (continued)

The amounts included in the consolidated statement of financial position arising from our obligations in respect of defined retirement benefit plans and post-employment benefits was as follows:

	December 31, (\$'000')	
	2022	2021
Present value of defined benefit obligations	(134,844)	(241,808)
Fair value of plan assets	123,840	212,688
Deficit recognized under non-current liabilities	(11,004)	(29,120)

Changes in the present value of defined benefit obligations were as follows:

	December 31, (\$'000')	
	2022	2021
Opening balance	(241,808)	(261,576)
Current service cost	(357)	(439)
Interest cost	(3,969)	(3,407)
Actuarial gain	81,772	10,967
Exchange differences	23,823	2,378
Benefits paid	5,695	10,269
Ending balance	(134,844)	(241,808)

Movements in fair value of plan assets were as follows:

	December 31, (\$'000')	
	2022	2021
Opening balance	212,688	203,630
Expected return on plan assets	3,550	2,616
Actuarial (losses) gains	(71,064)	14,261
Exchange differences	(20,798)	(2,245)
Contributions from the sponsoring companies	5,159	4,695
Benefits paid	(5,695)	(10,269)
Ending balance	123,840	212,688

The investment strategy of the main U.K. plan ("U.K. Plan") is set by the trustees and is based on advice received from an investment consultant. The primary investment objective for the U.K. Plan is to achieve an overall rate of return that is sufficient to ensure that assets are available to meet all liabilities as and when they become due. In doing so, the aim is to maximize returns at an acceptable level of risk taking into consideration the circumstances of the U.K. Plan.

The investment strategy has been determined after considering the U.K. Plan's liability profile and requirements of the U.K. statutory funding objective, and an appropriate level of investment risk.

Expro Group Holdings N.V.

Notes to the consolidated financial statements (continued)

Year Ended December 31, 2022

20. Post-retirement benefits (continued)

Taking all these factors into consideration, approximately 45% of the assets are invested in a growth portfolio, comprising diversified growth funds (“DGFs”) and property, and approximately 55% of the assets in a stabilizing portfolio, comprising corporate bonds and liability driven investments. DGFs are actively managed multi-asset funds. The managers of the DGFs aim to deliver equity like returns in the long term, with lower volatility. They seek to do this by investing in a wide range of assets and investment contracts in order to implement their market views.

The present value of the U.K. Plan’s future benefits payments to members is sensitive to changes in long term interest rates and long-term inflation expectations. Liability driven investment (“LDI”) funds are more sensitive to changes in these factors and therefore provide more efficient hedging than traditional bonds. A small proportion of the assets have therefore been invested in LDI funds to help to reduce the volatility of the U.K. Plan’s funding position. The hedging level is expected to be increased over time as the U.K. Plan’s funding position improves.

Assets of the other plans are invested in a combination of equity, bonds, real estate and insurance contracts.

The analysis of the plan assets and the expected rate of return at the reporting date were as follows:

	December 31, 2022		December 31, 2021	
	Expected rate of return %	Fair value of asset	Expected rate of return %	Fair value of asset
Mutual funds				
DGFs	7.5	55,633	4.6	123,460
LDI funds	4.0	45,170	1.1	61,163
Bond funds	4.5	21,899	1.8	26,571
Equities	1.8	188	1.5	360
Other assets	2.2	950	1.5	1,134
Total		123,840		212,688

The aggregated asset categorization for the plans were as follows (in thousands):

	December 31, 2022			
	Level 1	Level 2	Level 3	Total
Mutual funds				
DGFs	\$ 55,633	\$ -	\$ -	\$ 55,633
LDI funds	45,170	-	-	45,170
Bond funds	21,899	-	-	21,899
Equities	188	-	-	188
Other assets	172	395	383	950
Total	\$ 123,062	\$ 395	\$ 383	\$ 123,840

	December 31, 2021			
	Level 1	Level 2	Level 3	Total
Mutual funds				
DGFs	\$ 123,460	\$ -	\$ -	\$ 123,460
LDI funds	61,163	-	-	61,163
Bond funds	26,571	-	-	26,571
Equities	360	-	-	360
Other assets	445	329	360	1,134
Total	\$ 211,999	\$ 329	\$ 360	\$ 212,688

Expro Group Holdings N.V.

Notes to the consolidated financial statements (continued)

Year Ended December 31, 2022

20. Post-retirement benefits (continued)

Other assets primarily represent insurance contracts. The fair value is estimated, based on the underlying defined benefit obligation assumed by the insurers.

Movements in fair value of Level 3 assets were as follows (in thousands):

	December 31,	
	2022	2021
Opening balance	\$ 360	\$ 292
Actual return on plan assets	6	5
Exchange differences	(6)	33
Contributions from the sponsoring companies	23	30
Ending balance	\$ 383	\$ 360

Executive Deferred Compensation Plan

The Company maintains the Executive Deferred Compensation Plan (the "EDC Plan") for certain current and former Frank's employees. Effective during 2015, this plan was closed to new entrants. The purpose of the EDC Plan was to provide participants with an opportunity to defer receipt of a portion of their salary, bonus, and other specified cash compensation. Participant contributions were immediately vested. Company contributions vested after five years of service. All participant benefits under this EDC Plan shall be paid directly from the general funds of the applicable participating subsidiary or a grantor trust, commonly referred to as a Rabbi Trust, created for the purpose of informally funding the EDC Plan, and other than such Rabbi Trust, no special or separate fund shall be established and no other segregation of assets shall be made to assure payment. The assets of the EDC Plan's trust are invested in a corporate owned split-dollar life insurance policy and an amalgamation of mutual funds.

During 2022, the Company terminated the EDC Plan and settled substantially all remaining obligations under the plan by liquidating the cash surrender value of life insurance policies that were held within the Rabbi Trust.

As of December 31, 2021, the total liability related to the EDC Plan was \$9.3 million and was included in "trade and other payables" on the consolidated statement of financial position. As of December 31, 2021, the cash surrender value of life insurance policies that are held within a Rabbi Trust for the purpose of paying future executive deferred compensation benefit obligations was \$18.9 million.

21. Leases

We are a lessee for numerous leases, primarily related to real estate, transportation and equipment. The terms and conditions for these leases vary by the type of underlying asset. The vast majority of our leases have terms ranging between one and fifteen years, some of which include options to extend the leases, and some of which include options to terminate the leases. We include the renewal or termination options in the lease terms, when it is reasonably certain that we will exercise that option. Our lease contracts generally do not provide any guaranteed residual values.

The accounting for some of our leases may require significant judgment, which includes determining whether a contract contains a lease, determining the incremental borrowing rates to utilize in our net present value calculation of lease payments for lease agreements which do not provide an implicit rate, and assessing the likelihood of renewal or termination options.

Set out below are the carrying amounts of right-of-use assets recognized and amortization and impairment expenses:

	Building \$'000	Plant and machinery \$'000	Total \$'000
December 31, 2022			
Right-of-use assets	71,920	5,299	77,219
Depreciation expense	19,113	4,071	23,184
December 31, 2021			
Right-of-use assets	84,995	4,746	89,741
Depreciation expense	12,957	4,338	17,295

Expro Group Holdings N.V.

Notes to the consolidated financial statements (continued)

Year Ended December 31, 2022

21. Leases (continued)

Right-of-use assets are reviewed for impairment whenever facts and circumstances indicate that their carrying amounts may not be recoverable. The Company reviewed the carrying value of its right-of-use assets and as a result of this review no impairment was recognized for the year ended December 31, 2022 and 2021.

The following tables illustrate the financial impact of our leases as of and for the years ended December 31, 2022 and 2021, along with other supplemental information about our existing leases (in thousands, except years and percentages):

	Year ended December 31 (\$'000')	
	2022	2021
<i>Components of lease expenses:</i>		
Lease expense:		
Depreciation of right-of-use-assets	23,184	17,295
Interest incurred on lease liabilities	8,824	8,967
Short term lease expense	84,045	54,756
Total lease expense	<u>116,053</u>	<u>81,018</u>
	Year ended December 31,	
	2022	2021
Weighted average remaining lease term:	7.3	7.9

As of December 31, 2022, maturity of our lease liabilities are as follows:

	Minimum lease payment
Years ending December 31,	
2023	28,512
2024	22,157
2025	16,068
2026	12,034
2027	10,713
Due after 5 years	48,653
	<u>138,137</u>
Less: future finance charges	(43,413)
Total	<u>94,724</u>
Short-term portion	20,104
Long-term portion	74,620
Total	<u>94,724</u>

Expro Group Holdings N.V.

Notes to the consolidated financial statements (continued)

Year Ended December 31, 2022

22. Share capital

The below table shows the amount of share capital outstanding at December 31, 2022 and 2021.

	Authorized Number	Issued Number	Outstanding Number	Outstanding and fully paid value €'000	Outstanding and fully paid value \$'000
At December 31, 2022					
Ordinary shares of €0.06	200,000,000	110,710,188	108,743,761	6,525	7,911

	Authorized Number	Issued Number	Outstanding Number	Outstanding and fully paid value	Outstanding and fully paid value
At December 31, 2021					
Ordinary shares of €0.06	200,000,000	109,697,040	109,142,925	6,549	7,844

The number and nominal value of shares have been restated to reflect the 1-for-6 reverse stock split as discussed in Note 1 above.

23. Stock-based compensation

Management Incentive Plan

During October 2018, Legacy Expro's board of directors approved the Management Incentive Plan ("MIP") which was comprised of (a) stock options to non-executive directors and key management personnel and (b) restricted stock units. The outstanding awards under the MIP were assumed by the Company in connection with the Merger.

MIP Stock options

Stock options issued under the MIP vest over a three or four year vesting period as defined in the award agreement, subject to the fulfilment of continued service and a performance condition related to the occurrence of a Liquidity Event as defined in the MIP. Additionally, a portion of the management options are subject to performance conditions linked to an internal rate of return.

There were 5.8 million MIP stock options issued and outstanding as of December 31, 2020 under the MIP. Legacy Expro granted no stock options in 2020. Due to the nature of the performance conditions, recognition of compensation expense for the stock options was deferred until the occurrence of a Liquidity Event as defined in the MIP as the performance condition was deemed to be improbable. On October 1, 2021, the MIP stock options were modified to redefine the occurrence of the Liquidity Event to the closing of the Merger. Upon Closing, the MIP stock options were exchanged for options to purchase Company common stock based on the post-reverse stock split Exchange Ratio of 1.2120 to 1. As of the modification date, there were 6.9 million MIP stock options issued and outstanding.

Expro Group Holdings N.V.

Notes to the consolidated financial statements (continued)

Year Ended December 31, 2022

23. Stock-based compensation (continued)

Compensation expense was immediately recognized upon the Merger closing. The Company recognized stock-based compensation expense related to the MIP stock options of \$0.1 million and \$44.9 million during the years ended December 31, 2022 and 2021, respectively. As of December 31, 2022, unrecognized stock compensation expense relating to MIP stock options totaled \$0.2 million, which will be expensed over a weighted average period of 0.6 years.

As of December 31, 2022 and 2021, there were 6.7 and 6.9 million MIP stock options issued and outstanding with a weighted average exercise price of \$17.19 and \$17.20, respectively. There were no stock options granted during 2021 or 2022 and there are no plans to grant stock options in 2023. During the year ended December 31, 2022 there were 0.1 million options forfeited; the number of options exercised was not material. Both options forfeited and options exercised had a weighted average exercise price of \$17.08. The options exercised during the period had a weighted average share price at the date of exercise of \$18.70. As of December 31, 2022, there were 2.7 million exercisable MIP stock options with a weighted average exercise price of \$17.15 per option. As of December 31, 2022, the weighted average remaining term for the MIP stock options was 5.1 years.

The fair value of the time-based MIP stock options granted to non-executive directors and management was estimated at the Grant Date using a Black-Scholes model and the fair value of the performance-based MIP stock options granted to management was estimated at the Grant Date using a Monte-Carlo Option valuation model. The Closing Date fair value of the Company's shares is a key input in the determination of the fair value of the awards.

The weighted average key assumptions used to estimate the fair value of the MIP stock options were as follows:

Risk free interest rate	1.74% - 3.0%
Expected volatility	40%
Dividend yield	0.0%
Stock price on valuation date	\$ 20.69

MIP Restricted stock units ("MIP RSUs")

RSUs granted under the MIP were subject to vesting over a three year period. There were 0.1 million outstanding MIP RSUs as of December 31, 2020. No stock-based compensation expense attributable to the MIP RSUs was recognized during the year ended December 31, 2020 as the performance conditions within the agreements were deemed to be improbable. In February 2021, the MIP RSU awards were modified so that upon the closing of the Merger, the MIP RSUs would convert to RSUs of the Company based on the post-reverse stock split Exchange Ratio of 1.2120 to 1 and would immediately vest pursuant to the terms of the Merger Agreement. As the MIP RSUs were fully vested on the closing of the Merger, the Company recognized \$2.6 million of stock-based compensation expense attributable to the MIP RSUs during the year ended December 31, 2021 and had no further expenses outstanding to be recognized for the MIP RSUs as of December 31, 2021 or during the year ended December 31, 2022.

Expro Group Holdings N.V. Long-Term Incentive Plan

Effective October 1, 2021, in connection with the consummation of the Merger, the Company amended its 2013 Long-Term Incentive Plan to the Expro Group Holdings N.V. Long-Term Incentive Plan, As Amended and Restated. Further, effective May 25, 2022, the Expro Group Holdings N.V. Long-Term Incentive Plan, As Amended and Restated was terminated and the Expro Group Holdings N.V. 2022 Long-Term Incentive Plan (the "2022 LTIP" plan) was adopted and established by the Board and approved by the Company's stockholders. Pursuant to the 2022 LTIP, stock options, stock appreciation rights, restricted stock, restricted stock units, dividend equivalent rights and other types of equity and cash incentive awards may be granted to employees, non-employee directors and consultants. The LTIP expires after 10 years, unless prior to that date the maximum number of shares available for issuance under the plan has been issued or our Board terminates the plan. There are approximately 13.2 million shares of common stock reserved for issuance under the LTIP. As of December 31, 2022, approximately 11.5 million shares remained available for issuance

Expro Group Holdings N.V.

Notes to the consolidated financial statements (continued)

Year Ended December 31, 2022

23. Stock-based compensation (continued)

LTIP Restricted Stock Units ("LTIP RSUs")

All RSUs granted under the LTIP vest ratably over a period of one to three years. Our treasury stock primarily consists of shares that were withheld from employees to settle personal tax obligations that arose as a result of RSUs that vested. Certain RSU awards provide for accelerated vesting for qualifying terminations of employment or service.

Employees granted LTIP RSUs are not entitled to dividends declared on the underlying shares while the RSU is unvested. As such, the grant date fair value of the award is measured by reducing the grant date price of our common stock by the present value of the dividends expected to be paid on the underlying shares during the requisite service period, discounted at the appropriate risk-free interest rate.

Stock-based compensation expense relating to LTIP RSUs was \$13.9 million and \$6.2 million for the years ended December 31, 2022 and 2021, respectively. The total fair value of LTIP RSUs vested during the years ended December 31, 2022 and 2021 was \$13.0 million and \$2.0 million, respectively. As of December 31, 2022, unrecognized stock compensation expense relating to LTIP RSUs totaled approximately \$10.7 million, which will be expensed over a weighted average period of 1 years.

The following is a summary of RSU information and weighted-average grant-date fair values for Expro's LTIP RSUs:

	Number of Shares	Weighted Average Grant Date Fair Value
Non-vested on the Closing Date	883,079	\$ 21.97
Granted	458,258	17.64
Vested	(93,688)	21.80
Forfeited	(12,549)	22.59
Non-vested at December 31, 2021	1,235,100	20.49
Granted	913,034	16.51
Vested	(593,037)	21.91
Forfeited	(70,899)	18.80
Non-vested at December 31, 2022	1,484,198	\$ 17.51

Performance Restricted Stock Units

The purpose of the PRSUs is to closely align the incentive compensation of the executive leadership team for the duration of the performance cycle with returns to the Company's shareholders and thereby further motivate the executive leadership team to create sustained value to the Company shareholders. The design of the PRSU grants effectuates this purpose by placing a material amount of incentive compensation for each executive at risk by offering an extraordinary reward for the attainment of extraordinary results. Design features of the PRSU grant that in furtherance of this purpose include the following: (1) The vesting of the PRSUs is based on total shareholder return ("TSR") based on a comparison to the returns of a peer group, which is the SPDR S&P Oil & Gas Equipment and Services ETF. (2) TSR performance is calculated separately with respect to three separate one-year achievement periods included in the three-year Performance Period (as defined below), resulting in a weighted average payout at the end of the three-year Performance Period. The TSR calculation will assume reinvestment of dividends. (3) The ultimate number of shares to be issued pursuant to the PRSU awards will vary in proportion to the actual TSR achieved as a percentile compared to the peer group during the Performance Period as follows: (i) no shares will be issued if the Company's performance falls below the 25th percentile; (ii) 50% of the Target Level (as defined below) if the Company achieves a rank in the 25th percentile (the threshold level); (iii) 100% of the Target Level if the Company achieves a rank in the 50th percentile (the target level); (iv) 150% of the Target Level if the Company achieves a rank in the 75th percentile; and 200% of the Target Level if the Company achieves a rank in the 90th percentile and above (the maximum level). (4) Unless there is a qualifying termination as defined in the PRSU award agreement, the PRSUs of an executive will be forfeited upon an executive's termination of employment during the Performance Period.

Expro Group Holdings N.V.

Notes to the consolidated financial statements (continued)

Year Ended December 31, 2022

23. Stock-based compensation (continued)

Though the value of the PRSU grant may change for each participant, the compensation expense recorded by the Company is determined on the date of grant. Expected volatility is based on historical equity volatility of our stock-based on 50% of historical and 50% of implied volatility weighting commensurate with the expected term of the PRSU. The expected volatility considers factors such as the historical volatility of our share price and our peer group companies, implied volatility of our share price, length of time our shares have been publicly traded, and split- and dividend-adjusted closing stock prices.

In 2022, no shares were granted under the PRSU program. In 2021, we granted 354,275 PRSUs ("Target Level"). The performance period for these grants is the three-year period from January 1, 2022 to December 31, 2024 ("Performance Period"), but with separate one-year achievement periods from January 1, 2022 to December 31, 2022, January 1, 2023 to December 31, 2023, and January 1, 2024 to December 31, 2024, resulting in a weighted average payout at the end of the Performance Period.

The weighted average assumptions for the PRSUs granted in 2021 are as follows:

	<u>2021</u>
Total expected term (in years)	3.25
Expected volatility	84.2
Risk-free interest rate	0.54%
Correlation range	21.2% to 79.5%

In the event of death or disability, the restrictions related to forfeiture as defined in the performance awards agreement will lapse with respect to 100% of the PRSUs at the target level effective on the date of such event. In the event of involuntary termination except for cause, the Company may enter into a special vesting agreement with the executive under which the restrictions for forfeiture will not lapse upon such termination. In the event of a termination for any other reason prior to the end of the Performance Period, all PRSUs will be forfeited.

Stock-based compensation expense related to PRSUs was \$3.3 million and \$5.2 million for the years ended December 31, 2022 and 2021, respectively. The total fair value of PRSUs vested during the years ended December 31, 2022 and 2021, was \$9.9 million and \$0.1 million. As of December 31, 2022, unrecognized stock compensation expense relating to PRSUs totaled approximately \$5.3 million, which will be expensed over a weighted average period of 0.5 years.

Non-vested PRSUs outstanding as of December 31, 2022, and the changes since the Close Date, were as follows:

	<u>Number of Shares</u>	<u>Weighted Average Grant Date Fair Value</u>
Non-vested on the Closing Date	340,071	\$ 32.28
Granted	354,275	23.34
Vested	<u>(2,715)</u>	29.72
Non-vested at December 31, 2021	691,631	27.75
Vested	<u>(305,119)</u>	32.50
Non-vested at December 31, 2022	<u><u>386,512</u></u>	\$ 24.00

Employee Stock Purchase Plan

Under the Expro Group Holdings N.V. Employee Stock Purchase Program ("ESPP"), eligible employees have the right to purchase shares of common stock at the lesser of (i) 85% of the last reported sale price of our common stock on the last trading date immediately preceding the first day of the option period, or (ii) 85% of the last reported sale price of our common stock on the last trading date immediately preceding the last day of the option period. The ESPP is intended to qualify as an employee stock purchase plan under Section 423 of the Internal Revenue Code. We have reserved 500,000 shares of our common stock for issuance under the ESPP, of which 113,863 shares were available for issuance as of December 31, 2022. For the years ended December 31, 2022 and 2021, we recognized \$0.5 and \$0.1 million of compensation expense related to stock purchased under the ESPP, respectively.

Notes to the consolidated financial statements (continued)

Year Ended December 31, 2022

24. Commitments and contingencies

Commercial Commitments

During the normal course of business, we enter into commercial commitments in the form of letters of credit and bank guarantees to provide financial and performance assurance to third parties.

The Company entered into contractual commitments for the acquisition of property, plant and equipment totaling \$45.5 million and \$26.3 million as of December 31, 2022 and 2021, respectively. The Company also entered into purchase commitments related to inventory on an as-needed basis. As of December 31, 2022 and 2021, inventory purchase commitments were \$25.8 million and \$14.2 million, respectively.

The Company is committed under various lease agreements primarily related to real estate, vehicles and certain equipment that expire at various dates throughout the next several years. Refer to Note 21 "Leases" for further details.

Contingencies

Certain conditions may exist as of the date our consolidated financial statements are issued that may result in a loss to us, but which will only be resolved when one or more future events occur or fail to occur. Our management, with input from legal counsel, assesses such contingent liabilities, and such assessment inherently involves an exercise in judgment. In assessing loss contingencies related to legal proceedings pending against us or unasserted claims that may result in proceedings, our management, with input from legal counsel, evaluates the perceived merits of any legal proceedings or unasserted claims as well as the perceived merits of the amount of relief sought or expected to be sought therein.

If the assessment of a contingency indicates it is probable a material loss has been incurred and the amount of liability can be estimated, then the estimated liability would be accrued in our consolidated financial statements. If the assessment indicates a potentially material loss contingency is not probable but is reasonably possible, or is probable but cannot be estimated, then the nature of the contingent liability, together with an estimate of the range of possible loss if determinable and material, is disclosed.

Loss contingencies considered remote are generally not disclosed unless they involve guarantees, in which case the guarantees would be disclosed.

We are the subject of lawsuits and claims arising in the ordinary course of business from time to time. A liability is accrued when a loss is both probable and can be reasonably estimated. We had no material accruals for loss contingencies, individually or in the aggregate, as of December 31, 2022 and December 31, 2021. We believe the probability is remote that the ultimate outcome of these matters would have a material adverse effect on our financial position, results of operations or cash flows.

We have conducted an internal investigation of the operations of certain of Frank's foreign subsidiaries in West Africa including for possible violations of the U.S. Foreign Corrupt Practices Act ("FCPA"), our policies and other applicable laws. In June 2016, we voluntarily disclosed the existence of our internal review to the SEC and the U.S. Department of Justice ("DOJ"). The DOJ has provided a declination, subject to the Company and the SEC reaching a satisfactory settlement of civil claims. We are discussing a possible resolution with the SEC and, based on the course of these discussions to date, we believe that a final resolution of this matter is likely to include a civil penalty in the amount of approximately \$8 million and, accordingly, we have recorded a loss contingency in that amount within "trade and other payables" on our consolidated statement of financial position as of December 31, 2022, with the offset taken as an increase to goodwill as a measurement period adjustment associated with the Merger. While we believe the final resolution, including the amount of any civil penalty, of this matter is nearing a conclusion, there can be no assurance as to the timing or the terms of any final resolution, or that a settlement will be reached at all. In the event a settlement is not reached, litigation may ensue and, accordingly, the actual loss incurred in connection with this matter could be less than or exceed the amount accrued and may have a material adverse effect on our financial position, results of operations or cash flows.

On April 26, 2023, the SEC issued a cease-and-desist order against the Company pursuant to section 21C of the Securities Exchange Act of 1934 ("Exchange Act"). Under this Order, the Company neither admitted nor denied any of the SEC's findings and agreed to cease and desist from committing or causing any violations and any future violations of the anti-bribery, books and records and internal accounting controls requirements of the FCPA and the Exchange Act. In addition, the Company agreed to pay \$8 million to the SEC in respect of disgorgement, prejudgment interest and civil penalty. In accepting the Company's settlement offer, the SEC noted the Company's self-reporting, co-operation afforded to the SEC staff and remedial

Expro Group Holdings N.V.

Notes to the consolidated financial statements (continued)

Year Ended December 31, 2022

action including improving the Company's internal controls and further enhancements to its internal controls environment and compliance program following the Merger.

Other than discussed above, we had no other material legal accruals for loss contingencies, individually or in the aggregate, as of December 31, 2022 and December 31, 2021.

Our Board and management are committed to continuously enhancing our internal controls that support improved compliance and transparency throughout our global operations, including the integration of the legacy Frank's compliance related processes into the Expro compliance framework and program.

25. Interest bearing loans

On October 1, 2021, in connection with the closing of the Merger, we entered into a new revolving credit facility (the "New Facility") with DNB Bank ASA, London Branch, as agent (the "Agent"), with total commitments of \$200.0 million, of which \$130.0 million was available for drawdowns as loans and \$70.0 million was available for letters of credit. On July 21, 2022, the Company increased the facility available for letters of credit to \$92.5 million and total commitments to \$222.5 million. Proceeds of the New Facility may be used for general corporate and working capital purposes.

All obligations under the New Facility are guaranteed jointly and severally by the Company and certain of the Company's subsidiaries incorporated in the U.S., the U.K., the Netherlands, Norway, Hungary, Australia, Cyprus, the Cayman Islands and Guernsey. Going forward, the guarantors must comprise at least 80% of the EBITDA (as defined in the New Facility) and 70% of the consolidated assets of the Company and its subsidiaries, as well as subsidiaries individually representing 5% or more of the EBITDA or assets of the group, subject to customary exceptions and exclusions. In addition, the obligations under the New Facility are secured by first priority liens on certain assets of the borrowers and guarantors, including pledges of equity interests in certain of the Company's subsidiaries, including all of the borrowers and subsidiary guarantors, material operating bank accounts, intercompany loans receivable and, in jurisdictions where customary, including the U.S., the U.K., Australia and the Cayman Islands, substantially all of the assets and property of the borrowers and guarantors incorporated in such jurisdictions, in each case subject to customary exceptions and exclusions.

Borrowings under the New Facility bear interest at a rate per annum of LIBOR, subject to a 0.00% floor, plus an applicable margin of 3.75% for cash borrowings or 3.00% for letters of credit. A 0.75% per annum fronting fee applies to letters of credit, and an additional 0.25% or 0.50% per annum utilization fee is payable on drawdowns as loans to the extent one-third or two-thirds, respectively, or more of commitments are drawn. The unused portion of the New Facility is subject to a commitment fee of 30% per annum of the applicable margin. Interest on loans is payable at the end of the selected interest period, but no less frequently than semi-annually.

The New Facility contains various undertakings and affirmative and negative covenants which limit, subject to certain customary exceptions and thresholds, the Company and its subsidiaries' ability to, among other things, (1) enter into asset sales; (2) incur additional indebtedness; (3) make investments, acquisitions, or loans and create or incur liens; (4) pay certain dividends or make other distributions; and (5) engage in transactions with affiliates. The New Facility also requires the Company to maintain (i) a minimum cash flow cover ratio of 1.5 to 1.0 based on the ratio of cash flow to debt service; (ii) a minimum interest cover ratio of 4.0 to 1.0 based on the ratio of EBITDA to net finance charges; and (iii) a maximum senior leverage ratio of 2.25 to 1.0 based on the ratio of total net debt to EBITDA, in each case tested quarterly on a last-twelve-months basis, subject to certain exceptions. In addition, the aggregate capital expenditure of the Company and its subsidiaries cannot exceed 110% of the forecasted amount in the relevant annual budget, subject to certain exceptions. If the Company fails to perform its obligations under the agreement that results in an event of default, the commitments under the New Facility could be terminated and any outstanding borrowings under the New Facility may be declared immediately due and payable. The New Facility also contains cross-default provisions that apply to the Company and its subsidiaries' other indebtedness.

On March 31, 2022, the Agent, on behalf of the consenting lenders, countersigned a Consent Request Letter dated March 10, 2022 to the New Facility (the "Consent"). Pursuant to the Consent, the lenders consented to, among other things, an amendment to the New Facility permitting dividends or distributions by the Company, or the repurchase or redemption of the Company's shares in an aggregate amount of \$50.0 million over the life of the New Facility, subject to pro forma

Expro Group Holdings N.V.

Notes to the consolidated financial statements (continued)

Year Ended December 31, 2022

compliance with the 2.25 to 1.0 maximum senior leverage ratio financial covenant. As at December 31, 2022, the Company is in compliance with the loan covenants.

The Facility remained undrawn on a cash basis (i.e., no loans were outstanding) as of December 31, 2022 and December 31, 2021. We utilized \$53.8 million and \$33.4 million as of December 31, 2022 and December 31, 2021, respectively, for bonds and guarantees.

26. Fair value

The below table shows the carrying value and fair value of the Company's financial assets and liabilities.

	Carrying value December 31, 2022 \$'000	Carrying value December 31, 2021 \$'000	Fair value December 31, 2022 \$'000	Fair value December 31, 2021 \$'000
Financial assets				
Trade and other receivables	303,662	271,623	303,662	271,623
Cash and cash equivalents, including restricted cash	218,460	239,847	218,460	239,847
Total financial assets	522,122	511,470	522,122	511,470
Financial liabilities				
Trade and other payables	294,609	242,308	294,609	242,308
Total financial liabilities	294,609	242,308	294,609	242,308

The following methods and assumptions were used to estimate the fair values shown above:

Our financial instruments consist primarily of cash and cash equivalents (including restricted cash), trade and other receivables (excluding prepayments, accrued revenue and value added tax receivables), trade and other payables (excluding deferred revenue and other tax and social security). Due to their short-term nature, the carrying values of cash and cash equivalents (including restricted cash), trade and other receivables (excluding prepayments, accrued revenue and value added tax receivables) and trade and other payables (excluding deferred revenue and other tax and social security) approximate to their fair values. We estimate the fair value of our non-current trade receivable using discounted cash flow analysis applying rates available for debt on similar terms, credit risk and remaining maturities.

Management assessed that cash and cash equivalents, trade and other receivables, trade and other payables, and other current liabilities approximate to their carrying amounts largely due to the short-term maturities of these instruments.

27. Financial risk management

The Company's operations expose it to several financial risks, principally foreign currency risk, credit risk and liquidity risk.

Foreign currency risk

Expro Group Holdings N.V.

Notes to the consolidated financial statements (continued)

Year Ended December 31, 2022

Cash flow exposure

We expect many of the subsidiaries of our business to have future cash flows that will be denominated in currencies other than USD. Our primary cash flow exposures are revenues and expenses. Changes in the exchange rates between USD and other currencies in which our subsidiaries transact will cause fluctuations in the cash flows we expect to receive or pay when these cash flows are realized or settled. We generally attempt to minimize our currency exchange risk by seeking to naturally hedge our exposure by offsetting non-USD inflows with non-USD denominated local expenses. We generally do not enter into forward hedging agreements, and our largest exposures are to the British pound and Norwegian kroner, mainly driven by facility costs and employee compensation and benefits.

Notes to the consolidated financial statements (continued)

Year Ended December 31, 2022

27. Financial risk management (continued)

Transaction exposure

Many of our subsidiaries have assets and liabilities that are denominated in currencies other than the USD. Changes in the exchange rates between USD and the other currencies in which such liabilities are denominated can create fluctuations in our reported consolidated statement of comprehensive income and cash flows.

Sensitivity analysis – foreign currency risk

The table below shows the impact on the Company's significant foreign currency denominated financial assets and liabilities that would result from a 5% change in the US Dollar with all other variables being held constant. This represents management's assessment of the reasonable possible change in exchange rate over the next financial year and is the basis for reporting internally to management. There is no impact on equity.

	At December 31, 2022		At December 31, 2021	
	Net financial assets/ (liabilities)	Effect	Net financial assets/ (liabilities)	Effect
	\$'000	\$'000	\$'000	\$'000
Change in GBP basis points by 5.00%	(31,510)	(1,576)	(27,025)	(1,379)
Change in NOK basis points by 5.00%	(12,306)	(615)	(3,454)	(739)
Change in AUD basis points by 5.00%	(10,621)	(531)	2,052	164
Change in DZD basis points by 5.00%	(9,275)	(464)	(10,815)	(541)
Change in XOF basis points by 5.00%	6,470	(324)	1,291	(65)
Change in NGN basis points by 5.00%	(6,464)	(323)	(5,231)	(357)
Change in COP basis points by 5.00%	2,128	106	4,611	111
Change in CAD basis points by 5.00%	4,996	250	8,789	(353)
Change in BND basis points by 5.00%	6,111	306	(789)	77
Change in BRL basis points by 5.00%	9,473	474	9,418	164
Change in IDR basis points by 5.00%	9,631	482	8,794	320
Change in THB basis points by 5.00%	10,680	534	10,184	509
Change in TTD basis points by 5.00%	12,457	623	9,640	(412)
Change in XAF basis points by 5.00%	13,715	686	(7,971)	1,079
Change in MZN basis points by 5.00%	20,963	1,048	11,047	552
Change in MXN basis points by 5.00%	25,436	1,272	13,835	(548)

Credit risk

Exposure of the Company credit risk is primarily through cash and cash equivalents, and trade and other receivable including accrued revenue. The Company invest its liquid assets in cash, with a mix of local and international banks, and highly rated, short-term money market deposits generally with original maturities of less than 90 days. The Company monitor the ratings of such investments and mitigate counterparty risks as appropriate.

Notes to the consolidated financial statements (continued)

Year Ended December 31, 2022

27. Financial risk management (continued)

The Company extends credit to customers and other parties in the normal course of business and are thus subject to concentrations of customer credit risk. The Company have established various procedures to manage our credit exposure, including credit evaluations and maintaining allowance for expected credit losses. The Company are also exposed to credit risk because our customers are concentrated in the oil and natural gas industry. This concentration of customers impacts overall exposure to credit risk because our customers may be similarly affected by changes in economic and industry conditions, including changes in oil and gas prices. The Group operates in approximately 60 countries and as such, receivables are spread over many countries and customers. Trade receivable in Algeria and the U.S. represented approximately 13% and 17%, respectively, of net trade receivable balance at December 31, 2022. No other country accounted for greater than 10% of our accounts receivable balance. The Company's customer base is comprised of a large number of IOC, NOC, Independents and service partners from all major oil and gas locations around the world. The majority of trade receivable are due for payment in less than 90 days and largely comprise amounts receivable from IOCs and NOCs. The Company closely monitor trade receivable and raise allowance for expected credit losses where it is deemed appropriate.

Liquidity risk

The Company has sufficient liquidity to meet projected working capital requirements, with adequate headroom to protect against variability of cash flows. Key ratios are monitored on a historical and forward looking basis, to ensure that the Company has adequate liquidity to meet its contractual obligations as they fall due.

Cash balances are held in a number of currencies, in order to meet our immediate operating and administrative expenses or to comply with local currency regulations.

Liquidity risk – contractual undiscounted cash flows

The table below summarizes the maturity profile of the Company's financial liabilities as at December 31, 2022 and December 31, 2021 based on contractual undiscounted payments.

	Within 1 year	1 year to 5 years	Greater than 5	Total
	\$'000	\$'000	years	\$'000
			\$'000	
Financial liabilities				
Trade and other payables	275,905	18,704	-	294,609
Lease liabilities	28,512	60,972	48,653	138,137
As at December 31, 2022	304,417	79,676	48,653	432,746
Trade and other payables	220,245	22,063	-	242,308
Lease liabilities	29,468	71,835	62,577	163,880
As at December 31, 2021	249,713	93,898	62,577	406,188

Interest rate risk

We currently have no outstanding variable interest rate bearing debt and accordingly, we are not exposed to variability in interest expense and cash flows due to interest rate changes.

Capital management

The Company's objective when managing its capital structure is to minimize the cost of capital while maintaining adequate capital to protect against volatility in earnings and net asset values. The strategy is designed to maximize shareholder return over the long-term.

Expro Group Holdings N.V.

Notes to the consolidated financial statements (continued)

Year Ended December 31, 2022

28. Loss per share

Basic income (loss) per share attributable to Company stockholders is calculated by dividing net income (loss) attributable to the Company by the weighted-average number of common shares outstanding for the period. Diluted income (loss) per share attributable to Company stockholders is computed giving effect to all potential dilutive common stock, unless there is a net loss for the period. We apply the treasury stock method to determine the dilutive weighted average common shares represented by unvested restricted stock units and ESPP shares.

The calculation of basic and diluted loss per share attributable to the Company stockholder for years ended December 31, 2022 and 2021 respectively, are as follows (in thousands, except shares outstanding and per share amounts):

	At December 31, 2022	At December 31, 2021
	\$'000	\$'000
Net loss	(21,677)	(136,004)
Basic and diluted weighted average number of shares outstanding	109,072,761	80,525,694
Total basic and diluted loss per share	<u>(0.20)</u>	<u>(1.69)</u>

Approximately 0.3 million shares of unvested restricted stock units and stock to be issued pursuant to the ESPP have been excluded from the computation of diluted loss per share as the effect would be anti-dilutive for the year ended December 31, 2022.

Notes to the consolidated financial statements (continued)

Year Ended December 31, 2022

29. Changes in liabilities arising from financing activities

The table below details changes in the Group’s liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group’s consolidated cash flow statement as cash flows from financing activities.

	January 1, 2022	Financing Cash flow	Interest and finance expense, net	Other movements	Foreign exchange	December 31, 2022
Lease liabilities	110,302	(31,265)	8,824	10,752	(3,889)	94,724
Treasury stock	(22,785)	(17,163)	-	(922)	-	(40,870)
Financed insurance premium	-	(7,245)	-	7,245	-	-
Revolving credit facility	-	(2,885)	2,885	-	-	-
Collateral deposits	-	(70)	-	70	-	-
Total	87,517	(58,628)	11,709	17,145	(3,889)	53,854

30. Subsequent events

On February 8, 2023 (“Closing Date”), DeltaTek Oil Tools Limited, a limited liability company registered in the United Kingdom, and its subsidiary (“DeltaTek”), was acquired (“the Acquisition”) by our wholly owned subsidiary Exploration and Production Services (Holdings) Limited, a limited liability company registered in the United Kingdom (“EPSH”). DeltaTek has developed a number of innovative technologies and solutions and their range of low-risk open water cementing solutions increases clients’ operational efficiency, delivers rig time and cost savings, and improves the quality of cementing operations of clients. The purchase consideration for the Acquisition included a fixed cash consideration of \$9.0 million, subject to a true-up for net of customary working capital adjustments, and a contingent consideration which requires the Company to pay the former owners of DeltaTek a percentage of future revenues generated specifically from the acquired technology over a period of seven years.

There were no events between the reporting date and the date the financial statements were authorized for issue that require disclosure.

Expro Group Holdings N.V. Company Accounts

Expro Group Holdings N.V. profit and loss account for 2022

(in thousands USD)

	Notes	For the Year Ended December 31, 2022	For the Year Ended December 31, 2021
Share of results of subsidiaries, after tax	2	\$ (11,267)	\$ (155,636)
Loss from operations, after tax		(10,410)	(21,361)
Net results		<u>\$ (21,677)</u>	<u>\$ (176,997)</u>

Expro Group Holdings N.V. company balance sheet as of December 31, 2022

(before proposed appropriation of net result)

(in thousands USD)

	<u>Notes</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Non-current assets			
Financial assets	2	<u>1,513,714</u>	<u>1,505,894</u>
		\$ 1,513,714	\$ 1,505,894
Current assets			
Amounts owed by group entities	3	79,130	83,836
Other current assets		4,290	4,237
Cash and cash equivalents	4	<u>284</u>	<u>866</u>
		<u>83,704</u>	<u>88,939</u>
		<u>\$ 1,597,418</u>	<u>\$ 1,594,833</u>
Shareholders' equity and liabilities			
Shareholders' equity			
Share capital	5	7,911	7,844
Share premium	5	1,678,282	1,677,473
Other reserves	5	(379,070)	(212,383)
Unappropriated results	5	<u>(21,677)</u>	<u>(176,997)</u>
		\$ 1,285,446	\$ 1,295,937
Current liabilities			
Loans from group entities	6	245,001	234,101
Amounts due to group entities	7	56,304	62,031
Accrued expenses and other	8	<u>10,667</u>	<u>2,764</u>
		<u>311,972</u>	<u>298,896</u>
		<u>1,597,418</u>	<u>\$ 1,594,833</u>

Notes to the Expro Group Holdings N.V. company financial statements

1. General

The company financial statements for 2022 reflects full year of Expro Group Holdings N.V. The comparative financial statements for 2021 reflect nine months (up to and including September 30, 2021) of results for the Frank's business only and three months (as from October 1, 2021) of combined company results.

From 1 October 2021 onwards, the Company has made use of the option provided in section 2:362(8) of the Dutch Civil Code. This means that the principles for the recognition and measurement of assets and liabilities and determination of the result (hereinafter referred to as principles for recognition and measurement) of the separate financial statements of the Company are the same as those applied for the consolidated EU-IFRS financial statements. These principles also include the classification and presentation of financial instruments, being equity instruments or financial liabilities. In case no other principles are mentioned, refer to the accounting principles as described in the consolidated financial statements. For an appropriate interpretation of these company financial statements, the company financial statements should be read in conjunction with the consolidated financial statements.

Information on the use of financial instruments and on related risks for the group is provided in the notes to the consolidated financial statements of the group.

All amounts in the company financial statements are presented in USD thousand, unless stated otherwise.

As the income statement of Expro Group Holdings N.V. is included in the consolidated financial statements, an abridged income statement has been disclosed in the company financial statements in accordance with Section 402, Book 2 of the Dutch Civil Code.

Reverse Merger

As discussed in Note 1 "Corporate information" to the Notes to the Consolidated Financial Statements, the merger of Expro Group Holdings N.V. (formerly known as Frank's International N.V.) with Expro Group Holdings International Limited ("Legacy Expro") was accounted for as a reverse merger. As a result, the Consolidated Financial Statements reflect Legacy Expro as the accounting acquirer and in accordance with IFRS 3 Legacy Expro applied the acquisition method of accounting to account for Frank's International N.V.'s assets acquired and liabilities assumed. Prior to October 1, 2021, Expro Group Holdings N.V. was comprised of a two-tier board structure. Subsequent to the Merger, it is now comprised of a one-tier structure.

As per the company financial statements, the Legacy Expro business became a wholly owned subsidiary of Expro Group Holdings N.V. from the date of the reverse merger. Investment in group entities and shareholders' equity reflect a step up in the value of the Frank's business as well as the carrying value of the Legacy Expro business as of October 1, 2021.

Participating interests in group companies

Group companies are all entities in which the Company has directly or indirectly control. The Company controls an entity when it is exposed, or has rights, to variable returns from its involvement with the group company and has the ability to affect those returns through its power over the group company. Group companies are recognized from the date on which control is obtained by the Company and derecognized from the date that control by the Company over the group company ceases. Participating interests in group companies are accounted for in the separate financial statements according to the equity method, with the principles for the recognition and measurement of assets and liabilities and determination of results as set out in the notes to the consolidated financial statements.

Participating interests with a negative net asset value are valued at nil. This measurement also covers any receivables provided to the participating interests that are, in substance, an extension of the net investment. In particular, this relates to loans for

which settlement is neither planned nor likely to occur in the foreseeable future. A share in the profits of the participating interest in subsequent years will only be recognized if and to the extent that the cumulative unrecognized share of loss has been absorbed.

If the Company fully or partially guarantees the debts of the relevant participating interest, or if has the constructive obligation to enable the participating interest to pay its debts (for its share therein), then a provision is recognized accordingly to the amount of the estimated payments by the Company on behalf of the participating interest.

Share of result of participating interests

The share in the result of participating interests consists of the share of the Company in the result of these participating interests. Results on transactions involving the transfer of assets and liabilities between the Company and its participating interests and mutually between participating interests themselves, are eliminated to the extent that they can be considered as not realized.

The Company makes use of the option to eliminate intragroup expected credit losses against the book value of loans and receivables from the Company to participating interests, instead of elimination against the net asset value of the participating interests.

2. Financial Assets

Movements in financial assets can be broken down as follows (in thousands):

	<u>Interests in Group Entities (1)</u>
Balances at January 1, 2021	
Book value	\$ 907,903
Movements in book value	
Net loss from subsidiaries	(155,636)
Other comprehensive income from subsidiaries	25,228
Step up of interest in group entities as a result of the Merger	172,870
Interest acquired in Legacy Expro entities	568,183
Reestablishment of historical intercompany stock-based compensation receivables	(15,822)
Currency exchange rate differences and revaluation	3,168
	<u>597,991</u>
Balances at December 31, 2021	
Book value	<u>\$ 1,505,894</u>

	Interests in Group Entities ⁽¹⁾
Balances at January 1, 2022	
Book value	\$ 1,505,894
Movements in book value	
Net loss from subsidiaries	(11,267)
Other comprehensive income from subsidiaries	10,708
Dividend received during the year from Frank's International Partners B.V.	(185,700)
Additions during the year	185,979
Step up of interest in group entities as a result of the Measurement period adjustments	8,100
	<u>7,820</u>
Balances at December 31, 2022	
Book value	<u>\$ 1,513,714</u>

(1) The Company has certain guarantees in place for the liabilities from subsidiaries with negative equity.

2.1 Direct interests in Group Entities

Name	Domicile	Directly owned (Prior Year)
New Eagle Holdings Limited	Cayman Islands	100% (100%)
Frank's International Partners B.V. ("FIPBV")	Amsterdam, the Netherlands	100% (100%)
Oilfield Equipment Rentals Ltd. ("OERL")	Dublin, Ireland	100% (100%)
Frank's International LP B.V. ("FILPBV")	Amsterdam, the Netherlands	NA (100%)
Expro LP B.V.	Amsterdam, the Netherlands	100% (NA)
Blackhawk Group Holdings, LLC	Delaware, United States	100% (100%)

The Company has executed liability statements for its indirect subsidiaries Oilfield Equipment Rentals B.V., ("OER BV") and Frank's International Coöperatief U.A. ("FI Coop"), on May 20, 2022 and on May 23, 2022, respectively, as meant in article 2:403 of the Dutch Civil Code. The Company's liability statement is one of the requirements for OER BV and FI Coop to use the exemptions under article 2:403 of the Dutch Civil Code for its financial statements, i.e. to prepare simplified financial statements (balance sheet and income statement only) and that these do not need to be filed the Dutch trade register. The liability statements have been filed with the Dutch trade register and remain valid until revoked.

As part of restructuring the organization structure, during the year, the Company received dividend of \$115.7 million from FIPBV in the form of notes receivable from FILPBV. The Company contributed these notes receivable as capital contribution to Frank's International LP B.V.

Further, the Company received dividend of \$70.0 million from FIPBV in the form of interest in Frank's International C.V. ("FICV"). The Company contributed its interest in FICV received above, as capital contribution to New Eagle Holdings Limited.

Additionally, the Company made a capital contribution of \$0.3 million in FIPBV during the year ended December 31, 2022.

3. Amounts owed by group entities

Amounts owed by group entities consist of the following (in thousands):

	December 31,	
	2022	2021
Blackhawk Specialty Tools, LLC	\$ 9,573	\$ 9,573
Expro Americas LLC	15,308	19,708
Expro North Sea Limited	15,586	16,201
Expro US Holdings LLC	6,206	2,902
Expro Overseas Inc	5,723	2,786
Frank's International, LLC	22,557	29,125
Frank's International (BVI) Limited	—	1,987
Expro Holdings US Inc.	2,902	—
Other	1,275	1,554
	<u>\$ 79,130</u>	<u>\$ 83,836</u>

The amounts owed have no fixed repayment dates or stated interest rates and are expected to be received within the next 12 months.

4. Cash and Cash Equivalents

The Company had cash and cash equivalents of \$0.3 million and \$0.9 as on December 31, 2022 and 2021, respectively. There are no restrictions on cash and cash equivalents.

5. Shareholders' Equity

Movements in shareholders' equity can be broken down as follows (in thousands):

	Share Capital	Share Premium	Other Reserves	Foreign Currency Translation Reserve	Unappropriated Results	Participating Interest Other Legal Reserves	Total
Balances at January 1, 2021	\$ 2,780	\$ 957,590	\$ (141,284)	\$ (23,102)	\$ (144,662)	\$ (1,996)	\$ 649,326
Movements							
Equity-based compensation	—	—	68,166	—	—	—	68,166
Treasury shares purchased	—	—	(2,748)	—	—	—	(2,748)
Currency translation adjustment	86	—	(86)	3,168	—	—	3,168
Granted share-based award plans	33	(1,236)	—	—	—	—	(1,203)
Development expenditures	—	—	(1,996)	—	—	1,996	—
Transfer to other reserves	—	—	(144,662)	—	144,662	—	—
Defined benefits plan	—	—	25,228	—	—	—	25,228
Result after taxation	—	—	—	—	(176,997)	—	(176,997)
Merger	4,945	721,118	(15,000)	19,934	—	—	730,997
Balances at December 31, 2021	\$ 7,844	\$ 1,677,472	\$ (212,382)	\$ —	\$ (176,997)	\$ —	\$ 1,295,937
Movements							
Equity-based compensation	—	—	17,686	—	—	—	17,686
Acquisition of common stock	—	—	(12,995)	—	—	—	(12,995)
Treasury shares purchased	—	—	(5,090)	—	—	—	(5,090)
Granted share-based award plans	67	810	—	—	—	—	877
Transfer to other reserves	—	—	(176,997)	—	176,997	—	—
Defined benefits plan	—	—	10,708	—	—	—	10,708
Result after taxation	—	—	—	—	(21,677)	—	(21,677)
Balances at December 31, 2022	\$ 7,911	\$ 1,678,282	\$ (379,070)	\$ —	\$ (21,677)	\$ —	\$ 1,285,446

5.1 Share Capital

The authorized share capital of the Company at December 31, 2022 amounts to \$7.9 million and consists of 200,000,000 Common Stock shares with a nominal value of EUR 0.06 each (1 EUR = \$1.21). The movement in the number of outstanding shares in 2022 is as follows, adjusted for the 1-for-6 reverse stock split discussed below (in thousands):

Balance at January 1, 2021	37,721
Issuance of common shares under equity-based incentive plans	532
Issuance of common shares from Merger	70,890
Balance at December 31, 2021	<u>109,143</u>
Balance at January 1, 2022	109,143
Issuance of common shares under equity-based incentive plans	701
Acquisition of common stock	(1,100)
Balance at December 31, 2022	<u>108,744</u>

The supervisory board of directors of Frank's unanimously approved a 1-for-6 reverse stock split of Frank's common stock, which was affected on October 1, 2021. All of the outstanding share numbers, nominal value, share prices and per share amounts in these Company accounts have been retroactively adjusted to reflect the Exchange Ratio and the 1-for-6 reverse stock split for all periods presented, as applicable. The shares have been fully paid up.

5.2 *Share Premium*

The share premium concerns the income from the issuing of shares in so far as this exceeds the nominal value of the shares (above par income).

5.3 *Other Reserves*

Dividends

There were no cash dividends declared or paid during 2022.

The declaration and payment of future dividends will be at the discretion of the Board of Directors and will depend upon, among other things, future earnings, general financial condition, liquidity, capital requirements, and general business conditions. No dividend will be proposed to the 2022 General Meeting.

Stock based compensation in relation to the RSUs, PRSUs and stock options is expensed and recognized in other reserves.

Treasury shares

At December 31, 2022, common shares held in treasury totaled 1,966,427 with a cost of \$40.9 million. On June 16, 2022, the Company's Board has approved a new stock repurchase program, under which the Company is authorized to acquire up to \$50.0 million of common stock through November 24, 2023. The Company may repurchase shares of common stock in open market purchases, in privately negotiated transactions or otherwise. The Stock Repurchase Program is being utilized at management's discretion and in accordance with U.S. federal securities laws. The timing and actual numbers of shares repurchased, if any, will depend on a variety of factors including price, corporate requirements, the constraints specified in the Stock Repurchase Program along with general business and market conditions. The Stock Repurchase Program does not obligate to repurchase any particular amount of common stock, and it could be modified, suspended or discontinued at any time. From the inception of this program in June 2022 up to December 31, 2022, the Company repurchased 1.1 million shares of common stock for a total cost of approximately \$13.0 million.

5.4 *Appropriation of Result*

Appropriation of profit of 2021

The financial statements for the reporting year 2021 have been adopted by the General Meeting on May 25, 2022. The General Meeting has adopted the appropriation of loss after tax of \$177.0 million as proposed by management to other reserves.

Proposal for profit appropriation 2022

Management proposes, with consent of the Board, to the General Meeting to appropriate the loss after tax for 2022 of \$21.7 million to other reserves.

5.5 *Participating Interest Other Legal Reserve*

Other legal reserve concerns the reserve for defined benefits pension plans.

5.6 *Reconciliation of shareholders' equity and net result per the consolidated financial statements with shareholders' equity and net result per the separate financial statements*

	December 31, (\$'000')
	2022
Shareholders' equity according to the consolidated statement of financial position	\$ 1,288,648
Difference arising from the Merger transaction	3,202
Shareholders' equity according to the separate statement of financial position	1,285,446

6. Loans from group entities

On July 30, 2013, the Company entered into a \$234.1 million intercompany loan agreement with Oilfield Equipment Rentals Limited (Ireland). The payment of the principal is due on demand with no stated interest rate. The Company is in the process of liquidating Oilfield Equipment Rentals Limited (Ireland), at which point the loan will no longer be outstanding. During the year, the Company entered into an intercompany loan agreement for \$10.9 million with Exploration and Production Services (Holdings) Ltd. The principal payment is due on demand with no stated interest rate. At December 31, 2022, the total outstanding loan amount was \$245.0 million. The related party transactions were carried out in line with the transfer pricing policy of the Company.

7. Amounts due to group entities

Amounts due to group entities consist of the following (in thousands):

	December 31,	
	2022	2021
Frank's International, LLC	\$ —	\$ 3,156
Oilfield Equipment Rentals B.V.	20,969	21,000
Frank's International (BVI) Limited	861	2,847
Expro LP B.V.	11,100	—
Frank's International L.P. B.V.	—	11,100
Expro US Holdings LLC*	23,000	23,000
Frank's International Partners B.V.	280	—
Other	94	928
	\$ 56,304	\$ 62,031

* During the year, Frank's International Asset Management, Inc. is merged with Expro US Holdings LLC.

The amounts due have no fixed repayment dates or stated interest rates and are expected to be paid within the next 12 months.

8. Accrued expenses and other liabilities

Accrued expenses and other liabilities are summarized as follows (in thousands):

	Year Ended December 31,	
	2022	2021
Other accounts payable and accrued expenses	\$ 10,667	\$ 2,551
Accrued expenses (related party)	—	213
	<u>\$ 10,667</u>	<u>\$ 2,764</u>

9. Financial Instruments

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk.
- Liquidity risk.
- Market risk.

In the notes to the consolidated financial statements information is included about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

These risks, objectives, policies and processes for measuring and managing risk, and the management of capital apply also to the company financial statements of Expro Group Holdings N.V.

The fair values of most of the financial instruments recognized on the statement of financial position, including accounts receivable, cash at bank and in hand and current liabilities, is approximately equal to their carrying amounts.

10. Related Parties

Key Management Remuneration

	2021	2022
Short-term employee benefits	5,892,317	5,997,042
Post-employment benefits	195,615	197,529
Other long-term benefits	-	474,727
Termination benefits	-	-
Share-based payment	26,565,779	5,623,772

The remuneration of the directors is included in Note 12 to the Company Financial Statements.

11. Number of Employees

The Company had no employees for the years ended December 31, 2022 and 2021.

12. Directors' Remuneration

Set forth below is a summary of the total compensation earned by the Company's Directors and key employees:

	Year	Salary (\$)(2)	Stock Awards (\$)(3)	Non-Equity Incentive Plan Compensation (\$)	All Other Compensation (\$)(4)	Total
Michael C. Kearney						
<i>Chairman of the Board, Former Supervisory Director, Former President and Chief Executive Officer</i>						
	2022	\$ 175,000	\$ 174,532	\$ —	\$ —	\$ 349,532
	2021	471,765	6,782,771	—	3,643,750	10,898,286
Michael Jardon						
<i>Chief Executive Officer, Director</i>						
	2022	1,000,000	2,129,313	1,117,500	430,819	4,677,632
	2021	1,149,618	14,534,136	1,008,900	12,000	16,704,654
Eitan Arbeter						
<i>Director</i>						
	2022	82,500	174,532	—	—	257,032
	2021	20,625	989,838	—	—	1,010,463
Alan Schragar						
<i>Director</i>						
	2022	75,000	174,532	—	—	249,532
	2021	18,750	945,820	—	—	964,570
Lisa L. Troe						
<i>Director</i>						
	2022	105,000	174,532	—	—	279,532
	2021	26,250	64,528	—	—	90,778
Brian Truelove						
<i>Director</i>						
	2022	97,500	174,532	—	—	272,032
	2021	24,375	615,341	—	—	639,716
Eileen G. Whelley						
<i>Director</i>						
	2022	96,877	174,532	—	—	271,409
	2021	23,750	64,528	—	—	88,278
Robert W. Drummond						
<i>Director, Former Supervisory Director</i>						
	2022	95,000	174,532	—	—	269,532
	2021	121,250	181,067	—	—	302,317
D. Keith Mosing						
<i>Director, Former Supervisory Director</i>						
	2022	29,589	85,800	—	—	115,389
	2021	55,000	181,067	—	—	236,067
Quinn Fanning						
<i>Chief Financial Officer</i>						
	2022	450,000	1,166,603	402,300	78,075	2,090,878
	2021	431,298	2,472,025	352,612	12,000	3,267,935
Alistair Geddes						
<i>Chief Operating Officer</i>						
	2022	520,726	794,263	465,529	114,491	1,895,009
	2021	556,792	4,174,685	444,113	121,850	5,297,440
Steven Russell						
<i>Chief Technology Officer, Former Managing Director, Former Senior Vice President, Operations</i>						
	2022	425,000	833,490	379,950	6,100	1,644,540
	2021	400,219	647,012	321,071	—	1,368,302

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
dated May 2, 2023

	Year	Salary \$(2)	Stock Awards \$(3)	Non-Equity Incentive Plan Compensation (\$)	All Other Compensation \$(4)	Total
John McAlister						
<i>General Counsel and Secretary</i>	2022	385,585	502,418	344,713	89,450	1,322,166
	2021	417,237	3,664,634	335,032	96,639	4,513,542
Michael E. McMahon						
<i>Former Supervisory Lead Director</i>	2022	—	—	—	—	—
	2021	146,875	116,540	—	—	263,415
L. Don Miller						
<i>Former Supervisory Director</i>	2022	—	—	—	—	—
	2021	99,375	116,540	—	—	215,915
Kirkland D. Mosing						
<i>Former Supervisory Director</i>	2022	—	—	—	—	—
	2021	36,250	116,540	—	—	152,790
Erich L. Mosing						
<i>Former Supervisory Director</i>	2022	45,103	88,732	—	—	133,835
	2021	36,250	116,540	—	—	152,790
Melanie Trent						
<i>Former Supervisory Director</i>	2022	—	—	—	—	—
	2021	101,250	116,540	—	—	217,790
Alexander Vriesendorp						
<i>Former Supervisory Director</i>	2022	—	—	—	—	—
	2021	93,750	116,540	—	—	210,290
John Symington						
<i>Former Managing Director, Former Senior Vice President, General Counsel, Secretary and Chief Compliance Officer</i>	2022	—	—	—	—	—
	2021	290,696	1,111,516	—	1,607,813	3,010,025
Melissa Cogle						
<i>Former Managing Director, Former Senior Vice President and Chief Financial Officer</i>	2022	—	—	—	—	—
	2021	345,292	1,235,427	—	1,969,500	3,550,219

(1) Amounts reported in this table include remuneration to the Company's Directors for the current and prior fiscal year pursuant to reporting requirements under Dutch law, as well as to certain key employees. Furthermore, pursuant to the reporting requirements under Dutch law, amounts reported under the "Stock Awards" column and the "Non-Equity Incentive Plan Compensation" column, respectively, reflect the amounts actually expensed by the Company in fiscal 2022 and 2021.

12. Directors' Remuneration (continued)

- (2) Mr. Michael Kearney currently serves as a Director and was previously the Frank's Chief Executive Officer and President. Mr. Michael Jardon currently serves as a Director and also services as the Company's Chief Executive Officer and President. The amounts in this column for Messrs. Kearney and Jardon, as well as Messrs. Geddes, Fanning, McAlister, and Russell and the former Managing Directors reflect their salaries as employees of the Company. For the other Directors, the amounts reflected were director fees earned for the 2022 and 2021 periods. Amounts for Directors consist of fees paid for service on the supervisory board or board of directors, as applicable, as well as for service on the Audit Committee, Nominating and Governance Committee and Compensation Committee, as applicable.
- (3) The amounts reflected in this column represent the stock-based compensation expense relating to stock options, RSUs and PRSUs for the years ended December 31, 2022 and 2021.
- (4) For Messrs. McAlister and Geddes this column includes a cash allowance in lieu of pension participation, since they are otherwise eligible to participate in the Expro North Sea Limited Retirement and Death Benefits Plan. The cash allowance is equal to 20% of their respective base salaries. For Messrs. Jardon, Fanning, Geddes and McAlister, this column includes automobile expenses. For Messrs. Kearney and Symington and Mrs. Cogle, this column includes severance payments associated with their separation. For Mr. Kearney, this column includes a cash retainer received by him in connection with his service as a non-employee director after the closing of the Merger.

13. List of direct and indirect subsidiaries of Expro Group Holdings N.V. at December 31, 2022:

Entity Name	Place of Residence	% of Control
Annulus Intervention System AS	Norway	100%
Antelope Oil Tools Limited	British Virgin Islands	100%
AS Petrotech Knowledge (Malaysia) Sdn Bhd	Malaysia	100%
Blackhawk Group Holdings, LLC	Delaware, USA	100%
Blackhawk Intermediate Holdings, LLC	USA	100%
Blackhawk Specialty Tools de Mexico, S. de R.L. de C.V.	Mexico	100%
Blackhawk Specialty Tools do Brasil Servicos de Petroleo Ltda.	Brazil	100%
Blackhawk Specialty Tools LLC	Texas, USA	100%
Coilhose AS	Norway	100%
Ecodrill Nigeria Ltd	Nigeria	100%
Exploration and Production Services (Holdings) Ltd	United Kingdom	100%
Expro (Brunei) Sdn Bnd	Brunei	100%
Expro Americas LLC	Delaware, USA	100%
Expro Argentina SRL	Argentina	100%
Expro Benelux Ltd	United Kingdom	100%
Expro Chile Servicios de Exploracion y Produccion Limitada	Chile	100%
Expro Corporate Trustee Ltd	United Kingdom	100%
Expro do Brasil Propriedades Ltda	Brazil	100%
Expro do Brasil Servicos Ltda	Brazil	100%
Expro ECOCP (Holdings) Ltd	United Kingdom	100%
Expro Egypt LLC	Egypt	100%
Expro Equatorial Guinea Ltd	Equatorial Guinea	100%
Expro Eurasia Ltd	United Kingdom	100%
Expro Gabon Sarl	Gabon	100%
Expro Group Australia Pty Ltd	Australia	100%
Expro Group Canada Inc.	Alberta, Canada	100%
Expro Group Holdings N.V.	The Netherlands	100%
Expro Group Integrated Services Limited	United Kingdom	100%
Expro Group Malaysia Sdn Bhd	Malaysia	100%
Expro Gulf Ltd	Cyprus	100%
Expro Holdings Australia 1 Pty Ltd	Australia	100%
Expro Holdings Australia 2 Pty Ltd	Australia	100%
Expro Holdings Norway AS	Norway	100%
Expro Holdings UK 2 Limited	United Kingdom	100%
Expro Holdings UK 3 Limited	United Kingdom	100%
Expro Holdings UK 4 Limited	United Kingdom	100%
Expro Holdings US Inc.	Delaware, USA	100%
Expro International BV	The Netherlands	100%
Expro International Group Ltd	United Kingdom	100%
Expro International Ltd	Guernsey	100%
Expro Italiana Srl	Italy	100%
Expro LP B.V.	The Netherlands	100%
Expro Meters Inc	Delaware, USA	100%
Expro Midstream Services LLC	USA	100%

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
dated May 2, 2023

Expro North Sea Ltd	United Kingdom	100%
Expro Norway AS	Norway	100%
Expro Oilfield Services (SMC) Limited	Uganda	100%
Expro Oilfield Services Ghana Ltd	Ghana	100%
Expro Oilfield Services PLC	United Kingdom	100%
Expro Oilfield Services Sdn Bhd – Malaysia	Malaysia	100%
Expro Oilfields India Private Limited	India	100%
Expro Overseas Inc	Panama	100%
Expro Overseas Ltd	United Kingdom	100%
Expro Peru S.A.	Peru	100%
Expro Petroleum Equipment Technology (Beijing) Limited Company	China	100%
Expro Production Systems FZE	United Arab Emirates	100%
Expro Resources Ltd	United Kingdom	100%
Expro Servicios S de RL de CV	Mexico	100%
Expro Tool S de RL de CV	Mexico	100%
Expro Trinidad Ltd	Trinidad and Tobago	100%
Expro Ukraine LLC	Ukraine	100%
Expro US Finco LLC	USA	100%
Expro US GP, LLC	Delaware, USA	100%
Expro US Holdings LLC	Delaware, USA	100%
Expro Worldwide BV	The Netherlands	100%
Expro-ECOCP JV LLP	Kazakhstan	100%
Exprotech (Malaysia) Sdn Bhd	Malaysia	100%
Exprotech Nigeria Ltd	Nigeria	100%
FI Mexico S de RL de CV	Mexico	100%
Frank's (Shenzhen) Oilfield Technical Services Co. Ltd	China	100%
Frank's Canada Holding B.V.	The Netherlands	100%
Frank's Eiendom AS	Norway	100%
Frank's France S.A.R.L.	France	100%
Frank's International (Bermuda) Limited	Bermuda	100%
Frank's International (BVI) Limited	British Virgin Islands	100%
Frank's International (Gibraltar) Limited	Gibraltar	100%
Frank's International (Myanmar) Limited	Myanmar	100%
Frank's International Americas B.V.	The Netherlands	100%
Frank's International AS	Norway	100%
Frank's International Brasil Ltda	Brazil	100%
Frank's International C.V.	The Netherlands	100%
Frank's International Cooperatief U.A.	The Netherlands	100%
Frank's International Ecuador CIA. LTDA	Ecuador	100%
Frank's International Foundation	USA	100%
Frank's International GmbH	Germany	100%
Frank's International GP, LLC	The Netherlands	100%
Frank's International Guyana, Inc.	Guyana	100%
Frank's International Hungary Kft.	Hungary	100%
Frank's International ITL Ltd	British Virgin Islands	100%
Frank's International Libya for Oil Services	Libya	100%
Frank's International Limited	United Kingdom	100%

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
dated May 2, 2023

Frank's International LLC	Texas, USA	100%
Frank's International LP	The Netherlands	100%
Frank's International LP B.V.	The Netherlands	100%
Frank's International Management B.V.	The Netherlands	100%
Frank's International Middle East (BVI) Ltd	British Virgin Islands	100%
Frank's International Middle East FZCO	UAE	100%
Frank's International Middle East FZCO Sarl (Gabon)	Gabon	100%
Frank's International Middle East LLC	UAE	100%
Frank's International NAPC SDN BHD	Malaysia	100%
Frank's International Oilfield Services (Nigeria) Limited	Nigeria	100%
Frank's International Operations B.V.	The Netherlands	100%
Frank's International Partners B.V.	The Netherlands	100%
Frank's International Peru S.R.L.	Peru	100%
Frank's International S.R.L.	Italy	100%
Frank's International Sdad. Ltda	Panama	100%
Frank's International Sdn Bhd	Brunei	100%
Frank's International Services (Ghana) Ltd	Ghana	100%
Frank's International Services Doha LLC	Qatar	100%
Frank's International Services Muscat SPC	Oman	100%
Frank's International South America, Ltd	British Virgin Islands	100%
Frank's International Trinidad Unlimited	Trinidad	100%
Frank's International Tubular Products Ltd	British Virgin Islands	100%
Frank's International Venezuela B.V.	The Netherlands	100%
Frank's International Venezuela S.C.A.	Venezuela	100%
Frank's International West Africa (B.V.I.) Ltd	British Virgin Islands	100%
Frank's Latin America B.V.	The Netherlands	100%
Frank's Logistic Singapore Pte Ltd	Singapore	100%
Frank's Oilfield (Africa) Limited	British Virgin Islands	100%
Frank's Oilfield Services (Aust) Pty Ltd	Australia	100%
Frank's Oilfield Services Limited	British Virgin Islands	100%
Frank's Properties Aberdeen Limited	United Kingdom	100%
Frank's Properties Lowestoft Limited	United Kingdom	100%
Frank's Property AS	Norway	100%
Frank's Rawabi (S.A) Limited	Saudi Arabia	100%
Frank's Trinidad Holding B.V.	The Netherlands	100%
Frank's Tubular Ltd	British Virgin Islands	100%
Frank's Tubulars International Limited	United Kingdom	100%
Gulf Oil Middle East Co Limited	Saudi Arabia	100%
Integrated Services (Intl) Limited	United Kingdom	100%
International Tubular Services Limited	British Virgin Islands	100%
New Eagle 2 Limited	Cayman Islands	100%
New Eagle Holdings Limited	Cayman Islands	100%
Oilfield Equipment Rentals (West Africa) S.A.	Equatorial Guinea	100%
Oilfield Equipment Rentals B.V	The Netherlands	100%
Oilfield Equipment Rentals Limited	Ireland	100%
Oilfield Equipment Rentals Limited	UAE	100%
Oilfield Equipment Rentals Senegal SUARL	Senegal	100%

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
dated May 2, 2023

Paramode Limited	United Kingdom	100%
Petrotech AS	Norway	100%
Petrotech BV	The Netherlands	100%
Pilot Drilling Control (Engineering) Ltd	United Kingdom	100%
Pilot Drilling Control Limited	United Kingdom	100%
Premium Connection Nigeria Limited	Nigeria	100%
PT Expro Indonesia	Indonesia	100%
PT Frank's Indonesia	Indonesia	100%
PT Power Well Services Indonesia	Indonesia	100%
PWSH Nigeria Ltd	Nigeria	100%
Quality Intervention AS	Norway	100%
Quality Intervention Operations AS	Norway	100%
Quality Intervention Technology AS	Norway	100%
Queen's Row Property Holdings, LLC	USA	100%
Selaut Oil Tools Services SDN BHD	Malaysia	100%
SolaSense Ltd	United Kingdom	100%
Trinity Tool Rentals, LLC	USA	100%

Signing of the Financial Statements

Mastenmakersweg 1 1786 PB
Den Helder, the Netherlands
May 24, 2023
Expro Group Holdings N.V.

Board of Directors,

/s/ Michael C. Kearney

Michael C. Kearney
Chairman of the Board

/s/ Michael Jardon

Michael Jardon
President and Chief Executive Officer and Director

/s/ Eitan Arbeter

Eitan Arbeter
Director

/s/ Robert W. Drummond

Robert W. Drummond
Director

/s/ Erich L. Mosing

Erich L. Mosing
Director

/s/ Alan Schrager

Alan Schrager
Director

/s/ Lisa L. Troe

Lisa L. Troe
Director

/s/ Brian Truelove

Brian Truelove
Director

/s/ Eileen G. Whelley

Eileen G. Whelley
Director

Other Information

Company's branches

The Company has indirect branches in the following regions:

North and Latin America

Europe Sub Saharan Africa

Middle East and North Africa

Asia Pacific

Provision in the Articles of Association Governing the Appropriation of Profits

Article 27. Profits

- 27.1 The Board shall determine which portion of the profits earned in the past financial year, shall be reserved and which portion shall be distributed as dividends to the shareholders.
- 27.2 The company can only make distributions to the extent its equity exceeds the paid and called up part of the capital increased with the reserves, which must be maintained pursuant to the law.
- 27.3 Dividends shall be paid after the adoption of the Annual Accounts evidencing that the payment of dividends is lawful.
- 27.4 The Board may resolve to pay interim dividends, if the requirement of paragraph 2 of this article has been met as evidenced by an interim statement of assets and liabilities. Such interim statement shall relate to the condition of such assets and liabilities on a date no earlier than the first day of the third month preceding the month in which the resolution to distribute is published. It shall be prepared on the basis of generally acceptable valuation methods. The amounts to be reserved by law shall be included in such statement of assets and liabilities. The interim statement of assets and liabilities shall be signed by the Directors, if the signature of one of them is missing, this fact and the reason for such omission shall be stated. The company shall deposit the statement of assets and liabilities with the trade register within eight days after the day on which the resolution to distribute is published.
- 27.5 The Board may, with due observance of the provisions of paragraph 2 and 4, resolve to make distributions out of a reserve which need not be kept by law.
- 27.6 The Board may, with due observance of the provisions of paragraph 2 and 4, resolve to pay, wholly or partly, dividends other than in cash.
- 27.7 For the calculation of the amount to be distributed on the shares, the shares held by the company in its own capital shall not be taken into account. For the calculation of the amount to be distributed on each share, only the amount of the mandatory payments on the nominal value of the shares shall be taken into account. The foregoing may be deviated from with the consent of all shareholders.
- 27.8 A claim of a shareholder to receive a distribution expires after five years.

Independent Auditors Report