EXPRO GROUP HOLDINGS N.V.

Annual Report for the year ended December 31, 2023

Mastenmakersweg 1, 1786 PB
Den Helder
The Netherlands

25 April 2024

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
dated 25 April 2024

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, 2023

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Management Board Report
The management of Expro Group Holdings N.V. (“Expro”) herewith submits its annual report for the year 2023. 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 2023

The year ended December 31, 2023 has seen continued growth and increased activity as the market rebounds from the effects of the COVID-19 pandemic and Russia’s invasion of Ukraine, with limited effect currently from the heightened tensions resulting from the ongoing conflicts in the Middle East. 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 customer 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.

- By the fourth quarter of 2023 average daily oil demand exceeded average daily demand levels in 2022, with liquid demand recovering to annualized 2019 levels in 2023. Brent crude oil prices have been returning to mid-year levels (average $75/bbl in June) through the fourth quarter, declining from an average of $91/bbl in October to an average of $78/bbl in December. The Brent price decrease came despite the announcement of an extension by Organization of Petroleum Exporting Countries and certain other oil producing nations (“OPEC+”) of supply cuts amid ongoing concerns

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about global oil demand growth and rising global oil inventories, which were estimated to increase by 0.8 million b/d in the fourth quarter.

- Activity related to gas and liquified natural gas (“LNG”) production (and associated asset development) continues to grow within our ESSA and MENA regions in support of Europe’s ongoing drive to diversify away from its reliance on Russian pipeline gas supplies over the long term. More broadly, the energy security and transition imperatives of policymakers in the U.S. and Europe are expected to result in increased investment in global gas development.

- International, offshore and deepwater activity continued to strengthen throughout 2023 as operator upstream investments increased to pre-pandemic levels. We also experienced an increased demand for services and solutions related to brownfield and production enhancement and infield development programs as operators strive to maximize their previous investments and maintain production with a lower carbon footprint. In addition, we have seen an increase in demand for early production facilities and production optimization technologies, especially in support of gas and LNG developments.

- The clean energy transition continues to gain momentum. We believe, however, that hydrocarbons, and natural gas in particular, will continue to play a vital role in the transition towards more sustainable energy resources, and 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 develop more sustainable energy solutions.

We reported a net loss for the year ended December 31, 2023 of $24.1 million, compared to a net loss of $21.7 million for the year ended December 31, 2022. The increase in net loss primarily reflects, higher depreciation and amortization expense of $39.0 million, higher corporate costs of $18.3 million, higher interest and finance expense of $3.6 million, higher other expense of $3.4 million, lower equity in income of joint ventures by $2.9 million, higher stock-based compensation expense of $1.8 million, higher income tax expense of $1.4 million, and higher foreign exchange loss of $0.9 million, partially offset higher Segment EBITDA of $66.0 million (as defined in Note 5 “Business segment reporting”).

Net turnover was $1,512.8 million, an increase of $233.4 million as compared to 2022. Activity and revenue across all our geography-based operating segments also increased during the year ended December 31, 2023, most notably in Europe and Sub-Saharan Africa (“ESSA”).

During the year ended December 31, 2023, the Company acquired DeltaTek Oil Tools Limited and Professional Rental Tools, LLC. Please refer to Note 3 “Business combinations and dispositions” to the consolidated financial statements for additional information.

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

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 2024, 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) 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. 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. 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. Within the Netherlands, in April 2023, the Dutch government introduced a package of 120 measures worth €28 billion that is intended to reduce carbon emissions and promote clean energy to meet the EU's target of reducing net emissions by 55% by 2030 from 1990 levels.

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. As of December 31, 2023, total available liquidity was $298.4 million, including cash and cash equivalents and restricted cash of $151.7 million and $146.7 million available for borrowings under our Amended and Restated Facility Agreement. 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, acquisitions and repurchases of company stock. We monitor potential capital sources, including equity and debt financing, in order to meet our investment and liquidity requirements. The solvency ratio (total equity divided by total equity and liabilities) was 0.65 and 0.67 as of the years ended December 31, 2023 and 2022.

Our total capital expenditures are estimated to range between $130.0 million and $140.0 million for 2024. Our total capital expenditures were $122.1 million for the year ended December 31, 2023, out of which approximately 90% were used for the purchase or 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. 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 October 25, 2023, the Board approved an extension to the stock repurchase program first approved on June 16, 2022. Pursuant to the extended stock repurchase program, we are authorized to acquire up to $100.0 million of our outstanding common stock from October 25, 2023 through November 24, 2024 (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 will continue to be 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. During the year ended December 31, 2023, under the Stock Repurchase Program we repurchased 1.2 million shares of our common stock at an average price of $16.70 for a total cost of approximately $20.0 million, including shares repurchased prior to the extension of the Stock Repurchase Program. 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 the preceding 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 October 6, 2023, we amended and restated our previous facility agreement pursuant to an amendment and restatement agreement (the "Amended and Restated Facility Agreement") with DNB Bank ASA, London Branch, as agent in order to extend the maturity of the Amended and Restated Facility Agreement for a further 36 months and increase the total commitments to $250.0 million, of which $166.7 million was available for drawdowns as loans and $83.3 million was available for letters of credit. The Company has the ability to increase the commitments to $350.0 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, 2023 and 2022 (in thousands):

	Years ended December 31,	
	2023	**2022**
Cash provided by / (used in):		
Operating activities	$ 169,933	$ 108,302
Investing activities	(141,526)	(66,114)
Financing activities	(87,669)	(58,837)
Exchange losses on cash and cash equivalents	(6,032)	(4,738)
Net change in cash and cash equivalents	$ (65,294)	$ (21,387)

Net cash provided by operating activities was $169.9 million during the year ended December 31, 2023 as compared to $108.3 million during the year ended December 31, 2022. The increase of $61.6 million in net cash provided by operating activities is primarily driven by improvements in Segment EBITDA of $66.0 million, favorable movement in working capital of $29.7 million, partially offset by a decrease in payments of taxes of $13.1 million.

Net cash used in investing activities was $141.5 million during the year ended December 31, 2023, as compared to net cash used in investing activities of $66.1 million during the year ended December 31, 2022. Our principal recurring investing activity is our capital expenditures, which increased by $41.5 million. The remaining increase in net cash provided by investing activities was primarily due to payment for acquired businesses, net of cash acquired, of $28.7 million, lower proceeds from sale/maturity of investments by $10.8 million and lower proceeds from disposal of assets of $5.2 million. In addition, cash used to acquire technology of $7.9 million during 2022 was not repeated in 2023.

Net cash used in financing activities was $87.7 million during the year ended December 31, 2023, as compared to $58.8 million during the year ended December 31, 2022. The increase of $28.9 million in cash used by financing activities primarily due to net repayments of long term borrowings of $15.1 million and an increase in the repurchase of our common stock of $7.0 million.

Personnel

As of December 31, 2023, we had approximately 8,000 employees (including contractors) worldwide (including 78 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, 2023, approximately 19% of our employees were subject to collective bargaining agreements, with 15% 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. At the 2024 Annual General Meeting, the size of the board will be reduced from nine to eight members.

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, 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 2023, the Board held six meetings, the Audit Committee of the Board held four meetings, the Compensation Committee of the Board held four meetings, and the Nominating and Governance Committee held five meetings. During 2023, 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. Each of the Company's directors at the time attended the 2023 annual meeting of shareholders either in person or through electronic conferencing and were available to answer questions.

<u>Michael Jardon</u>

a. gender: male
b. age: 54
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 2024, Mr. Jardon will be standing for re-election as director to serve until the Company's annual meeting 2025.

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: 75
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 2024, Mr. Kearney will be standing for re-election as director to serve until the Company's annual meeting 2025. Mr. Kearney is not standing for re-election as Chair of the Board.

Mr. Kearney currently serves as the Chairman of the Board and non-executive director of the Board, 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 of Ranger Energy Services, Inc., an independent provider of well service rigs and associated services, since 2018 and as Chairman of the Board and its Nominating and Governance Committee since January 2024. He also previously served as Chairman of its Audit Committee and as a member of its Compensation Committee until his appointment as Chairman of the Board. 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: 43
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 2024, Mr. Arbeter will be standing for re-election as director to serve until the Company's annual meeting 2025.

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 for stressed and distressed credit and certain less liquid multi-strategy portfolios as Portfolio Manager and Partner at Oak Hill Advisors, L.P., a leading alternative investment firm. Mr. Arbeter serves on the Oak Hill Advisors' investment strategy and several fund investment committees. He has led a number of high-profile restructuring cases and has served on various ad hoc creditor committees, including on several steering committees. Prior to assuming a portfolio management role, Mr. Arbeter spent over 10 years as a senior research analyst. In this role, he had responsibility for Oak Hill Advisors' distressed investments and covered the consumer products, retail, restaurants, cable and telecommunications industries. Prior to joining Oak Hill Advisors, Mr. Arbeter worked at Bear, Stearns & Co. Inc. in its Global Industrials Group. He currently serves on the Board of Directors for the Winebow 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.

Robert Drummond

a. gender: male
b. age: 63
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 2024, Mr. Drummond will be standing for re-election as director to serve until the Company's annual meeting 2025. If re-elected to the Board at the 2024 annual meeting, Mr. Drummond will serve as Chair of the Board following the meeting.

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 Board. He currently serves as Vice Chairman of the Board of Directors of Patterson-UTI Energy, Inc., an oilfield services company, a position he has held since September 2023. Prior to serving in his current position, Mr. Drummond was President and Chief Executive Officer of NexTier Energy Solutions Inc., f.k.a. Keane Group, Inc., an oilfield services company, from August 2018 until its merger with Patterson-UTI in September 2023. He also served on the Board of Directors of NexTier from August 2018 until September 2023. Prior to that, 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. Formerly, he served as a member of the Board of Directors of the National Ocean Industries Association, the Energy Workforce & Technology Council and 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 Alabama College of Engineering Board, 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.

Lisa Troe

a. gender: female
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: October 1, 2021
g. current term in office: at the Company's annual meeting 2024, Ms. Troe will be standing for re-election as director to serve until the Company's annual meeting 2025.

Ms. Troe has been a non-executive member of the Board since October 2021. From January 2014 to June 2021, Ms. Troe was a Senior Managing Director of Athena Advisors LLC, a business advisory firm she co-founded 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, she 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, she was an auditor at a Big Four public accounting firm and worked inhouse in upstream oil and gas companies and a petroleum products pipeline company. 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. Ms. Troe serves on the board of HireRight Holdings Corporation (NYSE: HRT), a global provider of technology-driven workforce risk management and compliance solutions. She previously served on the board of Magnite, Inc. (Nasdaq: MGNI), an independent platform that facilitates the purchase and sale of digital advertising, from February 2014 to June 2023, and Stem, Inc. (NYSE: STEM), a provider of clean energy solutions and services designed to maximize the economic, environmental, and resiliency value of energy assets and portfolios, from April 2021 to June 2023. Ms. Troe is an experienced public company audit committee chair and 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: 65
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 2024, Mr. Truelove will be standing for re-election as director to serve until the Company's annual meeting 2025.

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
dated 25 April 2024

Mr. Truelove has been a non-executive member of the 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.

<u>Frances M. Vallejo</u>

a. gender: female
b. age: 59
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 24, 2023
g. current term in office: at the Company's annual meeting 2024, Ms. Vallejo will be standing for re-election as director to serve until the Company's annual meeting 2025.

Ms. Vallejo has been a non-executive member of the Board since May 2023. 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. She previously served from February 2021 to November 2023 on the board of directors of Crestwood Equity Partners LP, a publicly traded master limited partnership that owned and operated oil and gas midstream assets located primarily in the Bakken Shale, Delaware Basin and Powder River Basin before being purchased by Energy Transfer LP. 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 because of her vast experience in the oil and gas industry and extensive leadership roles in corporate planning, budgeting, and treasury. Ms. Vallejo is a NACD Certified Director and CERT Certified in Cybersecurity Oversight.

Eileen Whelley

a. gender: female
b. age: 70
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 2024, Ms. Whelley will be standing for re-election as director to serve until the Company's annual meeting 2025.

Ms. Whelley has been a non-executive member of the Board since October 2021. Ms. Whelley founded EGW Advisors, LLC in January 2019 through which she provides coaching to C-suite executives in the areas of leadership and executive team effectiveness, strategic plan and performance alignment and cultural transformation. She retired from the XL Group, a commercial (re)insurance 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 member of the SUNY Research Foundation Board of Directors where she serves as Vice Chair of the Board and chairs the Nominating Committee. Ms. Whelley graduated from SUNY Potsdam with a BA in Sociology and earned an MA from Bowling Green State University. She was selected as a director due to her experience in management, executive development and human resources.

Committees of the Board

The Company's Board currently has three standing committees: the Audit Committee, the Compensation Committee and the Nominating and Governance 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. Vallejo 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. Vallejo are financially literate as defined by the rules and regulations of the NYSE.

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

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

Compensation Committee

The Company's Compensation Committee currently consists of Ms. Whelley, Mr. Arbeter and Mr. Drummond, with Ms. Whelley 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 its purpose. The Compensation Committee may form and delegate some or all of its authority to subcommittees or to its Chair 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.

Nominating and Governance Committee

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

The Nominating and Governance 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; enterprise risk management, including risks related to matters including compliance, and information technology and cybersecurity; 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 Nominating and Governance Committee charter defining the committee's primary duties, which is available at www.expro.com.

The Nominating and Governance Committee is delegated all authority of the Board as may be required or advisable to fulfill its purpose. The Nominating and Governance Committee may form and delegate some or all of its authority to subcommittees or to its Chair when it deems appropriate. Meetings may, at the discretion of the Nominating and Governance Committee, include other directors, members of the Company's management, consultants or advisors, and such other persons as the Nominating and Governance 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 Nominating and Governance Committee, with Mr. Truelove serving as Chair.

Selection of Director Nominees and Shareholder Participation

The number of members of the 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 and 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, if a binding proposal for the relevant board seat is made, then that person is deemed elected if 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. Mr. Arbeter was appointed pursuant to this right under the Director Nomination Agreement and will be the Oak Hill Group's designee at the 2024 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 Nominating and Governance 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. The criteria include (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 2025 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 2025 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 2025 annual meeting accompanied by a statement containing the reasons for the request. We currently expect our 2025 annual meeting to be held on or about May 22, 2025, with mailing to commence on or about March 28, 2025. Requests received later than the 60th day prior to the day of the meeting (anticipated to be Friday, March 21, 2025), 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 shareholder's intent to solicit proxies in support of nominees submitted under the Company's Articles is March 25, 2025.

Any proposals sought for inclusion in the proxy statement for the 2025 annual meeting must comply with Rule 14a-8 under the Exchange Act and be submitted by November 29, 2024.

In order for any matters to be included in the Company's proxy statement or presented at the 2025 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 and its affiliates (Mr. Erich Mosing served as a director until May 24, 2023). During the years ended December 31, 2023 and 2022, we provided goods and services to related parties totaling $13.0 million and $5.4 million, respectively. During the years ended December 31, 2023 and 2022, we received services from related parties totaling $1.1 million and $1.0 million, respectively.

Additionally, we entered into various operating lease agreements to lease facilities with affiliated companies. Rent expense associated with our related party leases was $0.5 million and $0.6 million for the years ended December 31, 2023 and 2022, respectively.

Further, during the years ended December 31, 2023 and 2022, we received dividends from CETS totaling $8.3 million and $7.3 million, respectively.

As of December 31, 2023 and 2022, amounts receivable from related parties were $2.7 million and $2.4 million, respectively, and amounts payable to related parties were $1.2 million and $0.8 million as of December 31, 2023 and 2022, respectively.

As of December 31, 2023, $0.6 million of our operating lease right-of-use assets and $0.6 million of our lease liabilities were associated with related party leases. 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.

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 (Mr. Erich Mosing served as a director until May 24, 2023) to lease operating facilities as well as office space from such entities. Rent expense related to lease operating facilities was $0.3 million for the year ended December 31, 2023. The operating leases with the Mosing family entities were terminated in June and July 2023. 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 September 20, 2023, taking effect as of January 1, 2024 (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/), which contains a number of principles and best practices. This section is based on the Dutch Code which came into force as of 2016, which was last updated on December 20, 2022

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 2022. 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 1.1, 1.1.1, 1.1.4, and 1.1.5

Expro conducts a sustainability review on an annual basis. The results of our review are published in the 2023 ESG report which is available on our website and highlights the Company's achievements in 2023 along with the progress it has made during that time working toward its near- and long-term environmental, social and governance (ESG) objectives. The 2023 ESG report celebrates Expro's achievements from the past year in sustainability and highlights advancements on key initiatives, including:

- **Developing Lower Carbon Solutions:** Expro has turned commitments into actions to help address customers' most complex challenges in sustainability. This includes new developments in game-changing projects spanning Carbon Capture Utilization and Storage (CCUS), natural hydrogen and geothermal in Australia, Colombia, Germany and Japan.
- **Reducing Scope 1 and Scope 2 Greenhouse Gas Emissions:** Expro reduced emissions by 11% from a 2021 baseline, driven by increased use of renewable energy while increasing its ability to track Scope 3 emissions, setting the stage to further integrate ESG reduction initiatives throughout the supply chain.
- **Advancing the Expro Portfolio with Sustainable Energy Solutions:** Expro took large strides forward in its work within the areas of Geothermal and CCUS, adapting the company's solutions across three emerging markets.
- **Prioritizing Safety:** The organization renewed its commitment to safety in the workplace along with the second annual Expro ENGAGE initiative designed to focus on highlighting employees' safety successes, while teaching and reinforcing best practices, and reducing the company's Lost Time Incident Frequency (LTIF) to just 0.06.
- **Fostering a Collaborative and Inclusive Culture:** Believing in the importance of diversity in the organization, Expro is reaping the benefits of a collaborative and inclusive workplace where ideas are shared through the rollout of Expro Culture of Care and the 2023 Elevate employee pulse survey that ultimately informed company action plans for 2024.

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

Best practice provision 2.1.5 and 2.1.6

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 August 16, 2023) and the Nominating and Governance Committee Charter (last reviewed and affirmed on February 23, 2024), which are under continuous consideration and review by the Board.

We value diversity in our workforce, and in our customers, suppliers, and others. We provide equal employment opportunity for all applicants and employees. We want to attract, develop and retain the best talent to create a diverse and inclusive working environment, where everyone is accepted, valued and treated fairly without discrimination.

We want to regularly improve our approach to diversity, equity and inclusion and, during 2022, we established a partnership with a provider of online learning materials which was embedded within our learning and development platforms during 2023 and going forward. This will help to widen learning opportunities for employees and support our commitment to this important area of culture development.

In addition, 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 Nominating and Governance 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 Nominating and Governance Committee Charter.

During the 2023 annual meeting, the Board composition was changed from two woman and seven men to three women and six men. With this change, the Company reached its pursued goal of more diversity (i.e. a Board consisting of at least 30% woman and at least 30% men). If the proposed slate of director nominees is elected at the 2024 annual meeting, then three of the eight directors (or 37.5%) will be women.

Best practice provision 2.1.7 and 2.1.8

During 2023, 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. Erich Mosing (who was only a member until the Company’s 2023 annual general meeting), and Mr. Michael C. Kearney. 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 have no material relationships with the Company and are independent under the applicable NYSE rules and the Dutch Code.

Best practice provision 2.2.8

The Board conducts an annual self-evaluation to determine whether it is functioning effectively. The self-evaluation process is overseen by the Board in consultation with the Nominating and Governance Committee. As part of this process, the Lead Director or non-management Chairman of the Board will receive comments in response to a distributed questionnaire from all directors and will determine whether the Board should discuss the findings.

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.

Best practice provision 2.5.4

Our culture is the essence of who we are. At Expro, we have a strong and thriving culture that we seek to continuously strengthen and improve. It is important that every member of the Expro team feels that they have a voice and are able to make constructive suggestions to constantly improve our working environment

Our cross-company Social committee helps to champion our social efforts. This team acts as a conduit for the broader employee community to gain input and perspective to ultimately support in enhancing our culture. Last year, our Social team has been active in collaborating and networking, providing Quarterly updates on activities across the regions, and sharing of CSR and Wellbeing initiatives. The team shares ideas and best practice to support and encourage participation in global and regional initiatives. This cross-Expro approach has built momentum around these initiatives, helping to capture and celebrate examples of activities that develop our Citizen of the World culture.

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 2024 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 2024 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 approximately 13.2 million shares available under the LTIP. At the 2023 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 2023 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 2023, 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 2023 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 2023, 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, scope of 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 2023 from the base salary amounts in effect following the Merger in 2021, except that the base salary for Mr. Geddes was denominated in British Pounds prior to March 31, 2023, at which time one of the Company's subsidiaries entered into an amended Service Contract with Mr. Geddes in connection with his relocation to the Company's offices in Dubai. Pursuant to the service contract, Mr. Geddes salary was set at $529,200, denominated in U.S. Dollars.

The 2023 annual base salary for each of the Named Executive Officers is set forth below.

Name	Annual Base Salary
Michael Jardon	$1,000,000
Quinn Fanning.................	$450,000
John McAlister	$386,130*
Alistair Geddes................	$527,265*
Steven Russell ………………	$425,000

** Converted to USD from GBP using an exchange ratio of $ 1.24157 to British Pound, which is the average monthly rate for 2023 as reported by XE.com. With respect to Mr. Geddes, only amounts paid prior to March 31, 2023 were denominated in GBP.*

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 2023 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 2023, 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 2023 base salary.

Name	Target Annual Incentive Award (% of Annual Base Salary)	Target Incentive Award ($)
Michael Jardon	125%	1,250,000
Quinn Fanning	100%	450,000
John McAlister	100%	386,130*
Alistair Geddes...	100%	527,265*
Steven Russell	100%	425,000

* Converted to USD from GBP using an exchange ratio of $ 1.24157 to British Pound, which is the average monthly rate for 2023 as reported by XE.com.

Consistent with the Company's historical practices, the plan provided for a target incentive opportunity expressed as a percentage of each executive officer's 2023 base salary. The amounts listed in the table above reflect each individual's STI target award for 2023, based on a level of achievement that results in a 100% payout of their target annual incentive award, and the actual STI payout received by each such individual based on the performance criteria further described below.

For the Named Executive Officers, the target incentive opportunity granted for 2023 was dependent on the Company's achievement of four corporate-wide numerical performance goals. The Committee also has discretion to adjust the payments up or down, based on individual performance and other factors. The following table illustrates the weighting of each metric and the potential payout levels for 2023 before the exercise of any such discretion.

Metric	Weighting	Threshold (50% Payout)	Target (100% Payout)	Maximum (150% Payout)
Adjusted EBITDA*	50%	$264M	$292M	$335M
Free Cash Flow**	35%	$87M	$100M	$120M
TRCF***	10%	1.24	1.18	n/a
ESG****	5%	550 tonnes	825 tonnes	n/a

* “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.

** “Free Cash Flow” is defined by the Company as Adjusted Cash Flow From Operations (Adjusted CFFO, which excludes cash paid for interest and exceptional items, such as severance and other integration related costs, share repurchases, withholding taxes on vested shares, settlement costs/payments (e.g., FCPA), and M&A related costs) less Core Capital Expenditures (Core Capex, which excludes integration-related Capex, capitalized software and licenses, and M&A)

*** Total Recordable Case Frequency, or “TRCF”, is defined as the total recordable cases multiplied by one million, divided by the number of exposure (working) hours.

**** ESG component is measured by the total reduction measured in CO_2e GHG (Greenhouse Gas) emissions as compared to the Company’s 2021 emissions as a baseline.

As reflected in the table above, if the Company achieved the target performance metrics for 2023, the cash incentive awards for the Named Executive Officers would be paid at 100% of the target levels, and unless discretion is exercised to adjust the payouts, 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 the Adjusted EBITDA and Free Cash Flow metrics, the Company may reward additional incentive compensation beyond the target incentive award for above target performance based on the metrics described above, each at a weighting of 50%. Annual incentive awards for 2023 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 2023 with respect to the performance metrics established for 2023 yielded a 15% payout. This was based on actual results as described in the table below.

Goal	Weighting	Actual	Weighted Achievement (%)
Adjusted EBITDA	50%	$249M	0%
Free Cash Flow	35%	$48M	0%
TRCF	10%	0.61	10%
ESG	5%	1,215 tonnes	5%
Total Payout %			15%

In reviewing the Company’s 2023 results and the resulting payouts under the plan, the Committee determined that the Adjusted EBITDA and Free Cash Flow had been significantly negatively impacted by two unusual events beyond management’s control, which were:

(1) the delayed receipt of a material customer payment, budgeted to be received in the fourth quarter of 2023 but not actually received until January 2024, and

(2) the Company’s suspension of vessel-deployed light well intervention (“LWI”) operations during the third quarter of 2023 following a wire failure on the main crane of the third party-owned vessel working with the Company while the crane was suspending the subsea module of the Company’s vessel-deployed LWI system.

The Committee exercised discretion to credit the delayed payment to count towards the 2023 free cash flow performance goals and adjust the EBITDA achievement for the extraordinary LWI event to exclude the impact that was outside of Expro's control but determined to include the impact of other events that were within management's control. The impact of these adjustments resulted in a formulaic outcome of 120% of target for free cash flow and 66% of target for adjusted EBITDA, which then resulted in an overall formulaic weighted average payout of 90%. The Compensation Committee then exercised further discretion under the plan to reduce the total weighted payouts to 75% of target to better reflect the Committee's assessment of the overall financial and operating performance in 2023.

The following chart summarizes the original target weighting, the actual results and corresponding weighted achievement, the adjusted results and the corresponding weighted achievement, and the further adjusted final weighted achievement established by the Committee.

Goal	**Original Target Weighting**	**Actual Results**	**Actual Weighted Achievement (%)**	**Adjusted Results**	**Adjusted Weighted Achievement (%)**	**Further Adjusted Final Weighted Achievement (%)**
Adjusted EBITDA	50%	$249M	0%	$273M	33%	25%
Free Cash Flow	35%	$48M	0%	$104M	42%	35%
TRCF	10%	0.61	10%	0.61	10%	10%
ESG	5%	1,215 tonnes	5%	1,215 tonnes	5%	5%
Total Payout %			15%		90%	75%

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 2022 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 performance-based restricted stock unit awards ("PRSU") and time-based restricted stock unit awards ("RSU"); 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.

Below is a summary of the value of LTIP awards made to each Named Executive Officer in 2023. The number of RSUs and PRSUs underlying each award is calculated using the 30-day volume-weighted average price of the Company's common stock. Each award granted consisted of 60% PRSUs and 40% RSUs.

Name	2023 Target RSU	2023 Target PRSU	Total 2023 Target LTIP Award
Michael Jardon	$ 1,400,000	$ 2,100,000	$ 3,500,000
Quinn Fanning	$ 495,000	$ 742,500	$ 1,237,500
Alistair Geddes	$ 410,041	$ 615,063	$ 1,025,104
John McAlister	$ 303,626	$ 455,439	$ 759,065
Steven Russell	$ 340,000	$ 510,000	$ 850,000

In February 2023, the Compensation Committee of the Company made grants on the following terms to each of the Named Executive Officers:

PRSU / RSU mix

- 60% of the annual RSU awards were provided in the form of performance-based restricted stock units ("PRSUs"), while the remaining 40% of annual RSUs were provided in the form of time-based RSUs.
- As compared to the last equity grants that were made by the Company at the time of the Merger, the Committee increased the percentage of the equity awards that are provided in the form of PRSUs in order to tie a larger portion of the equity compensation to long-term performance.

Vesting Conditions

- The time-based RSUs provide for ratable vesting with one-third vesting on February 24, 2024, February 24, 2025 and February 24, 2026.
- The PRSUs granted in 2023 vest at the end of a three-year performance period ending on December 31, 2025, and will be delivered in February 2026. Performance will be measured at the end of the full three-year period, taken as a whole. PRSUs granted prior to 2023 by the Company measured performance separately at the end of each year of the performance period, then paid out based on the average performance during the separate yearly periods.

Key Award Conditions

- RSUs and PRSUs are subject to the awardholder's continuous employment at the Company.
- The PRSUs are subject to the achievement of performance conditions based on the Company's total shareholder return ("TSR") performance as compared to the TSR performance of companies in the exchange traded fund (ETF) described below, with payout determined as follows:
  (1) performance for the three-year performance period is measured by calculating TSR performance at the end of the entire 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. Comparison Group	Payout Percentage
Maximum	90th percentile and above	200% of Target Level
Target	75th percentile	150% of Target Level

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
dated 25 April 2024

Target	50th percentile	100% of Target Level
Threshold	25th percentile	50% of Target Level
	Below 25th percentile	0%

Vesting and Payout of Prior PRSUs

PRSUs previously granted to the Named Executive Officers during 2021 are paid out based on 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.

Mr. Russell received a grant of PRSUs in February 2021. The 2023 fiscal year was the third and final performance period for this award. Based on the average TSR performance during each of the performance periods, as shown below, Mr. Russell received a payout equal to 39% of target level for this award.

February 2021 Grant	TSR Percentile Payout Percentage
2021 performance period	0%
2022 performance period	57%
2023 performance period	60%
Final average	39%

All of the Named Executive Officers received grants of PRSUs in October 2021 in connection with the Merger. The 2023 fiscal year was the second performance period for this award. After the completion of the 2024 performance period, subject to the terms of the PRSUs, each of the Named Executive Officers will receive a payout equal to the average payout percentage of target level for this award. TSR performance to date is the following:

October 2021 Grant	TSR Percentile Payout Percentage
2022 performance period*	0%
2023 performance period	64%
2024 performance period	TBD

* covers the period from October 1, 2021 to December 31, 2022

Severance Benefits

Other than Mr. Jardon, who is party to an employment agreement, none of our Named Executive Officers is a party to an individual employment agreement providing for severance upon a termination of employment. However, the Change in Control ("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 any 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 2023. 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 2023.

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).

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 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.

On March 24, 2023, Expro Overseas Inc., a subsidiary of the Company, entered into an amended service contract with Alistair Geddes effective March 31, 2023 (the "Service Contract") in connection with his relocation to the Company's offices in Dubai for an initial period of two years, which can be extended by mutual agreement. The Company determined it was advisable to have Mr. Geddes relocate to ensure a more even geographic distribution of key management personnel. The Service Contract provides for certain perquisites related to the relocation, including various allowances and payments which are generally in line with the Company's expatriate policy applicable to all similarly situated employees. Specifically, he is eligible to receive the following, in addition to certain other benefits summarized below in the Summary Compensation Table: (i) a relocation payment of $10,000 at the start of his assignment and again on repatriation at the end of his assignment, (ii) an annual housing payment to be paid directly to his landlord not to exceed 480,000 United Arab Emirates Dirham (approximately $130,701), and (iii) monthly allowances paid directly to Mr. Geddes for goods and services and cost of living, as well as a monthly hardship payment.

Director Compensation

In accordance with Dutch law and the Company's Articles, the shareholders shall determine the compensation policy of the Board. At the 2023 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 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.

For 2023, the Board received 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 Nominating and Governance Committee Chairman and each other Nominating and Governance 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 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:

Officer Level	Ownership Guideline
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 $30,528; and
- The annual total compensation of our CEO, using annualized 2023 compensation data, was $7,132,091.
- Based on this information, for 2023 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 233.6 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 Nominating and Governance 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. If the proposed slate of director nominees is elected at the 2024 annual meeting, then three of the eight directors (or 37.5%) will be women.

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 diverse composition for the Board, although it is not possible to predict when we will be able to fully achieve all targets.

Since January 1, 2022 a 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 above two criteria will increase from €20 million to €25 million and from €40 million to €50 million, respectively. It is yet uncertain which financial year (either starting on or after January 1, 2023 or January 1, 2024) these two criteria must be applied.

In any event, the Company is considered to be a large company under Dutch law (and would also be considered as such under the new criteria). Under the Dutch law regarding gender diversity, 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, 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 supervisory board, which is comprised of the directors excluding Mike Jardon, our CEO, currently consists of 3 women and 5 men. If the proposed slate of director nominees is elected at the 2024 annual meeting, the size of the supervisory board will be reduced from eight to seven members, and three of the seven supervisory directors (or 42.9%) will be women. The target percentage for the supervisory board is at least 30% men and at least 30% women. The executive management team currently consists of five men and one woman (or 16.7%). The target percentage for the executive management team is at least 20% men and at least 20% women. In 2024 the target for the executive management team will increase to at least 33% men and at least 33% women, and the target for the executive management team will be to at least 20% men and at least 20% women until that target is achieved.

The Company does not have a formal plan of action to achieve or maintain our target male-to-female ratios on the supervisory board or executive management team. In evaluating candidates, the Company assesses various aspects (integrity, knowledge, experience, skills, expertise) and considered diversity in its broadest sense, including personal and professional experiences, geography, gender, race and ethnicity. Because the Company does not have a formal plan and considers a wide variety of factors in evaluating candidates, the executive management team did not achieve its target during 2023.

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 Nominating and Governance 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 Nominating and Governance 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, fraud and strategic risks, including cybersecurity risks. The Board supports its oversight responsibility through full reports from the Audit Committee Chair and the Nominating and Governance Committee Chair regarding the respective committee's 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, Nominating and Governance 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 chief executive officer ("CEO") and chief financial officer ("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, 2023, 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.

On October 2, 2023, Expro consummated the PRT Acquisition which was the acquisition of a privately-held company that was not subject to Section 404 of the Sarbanes-Oxley Act ("SOX"). As the PRT Acquisition occurred during the fourth quarter of 2023, and PRT was not previously subject to Section 404 of SOX, management concluded there was insufficient time for management to complete its assessment of the internal controls over financial reporting related to PRT, and, therefore, PRT's internal controls over financial reporting were excluded from this report on internal control over financial reporting.

Our management with the participation of the CEO and CFO conducted an evaluation of the effectiveness of the Company's internal control over financial reporting excluding PRT's internal controls as of December 31, 2023 (covering approximately 99.0% of the revenue on the Consolidated Statements of Operations for the year ended December 31, 2023 and 93.6% of the total assets on the Consolidated Balance Sheets as of December 31, 2023) 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, 2023.

Changes in Internal Control Over Financial Reporting

As of December 31, 2023 management has concluded that there have been no changes in our internal control over financial reporting that occurred during the quarter ended December 31, 2023 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, 2023 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, 2023;

- The Annual Report gives a true and fair view of the position as per the balance sheet date, the state of affairs during the 2023 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 varies between low to high depending on the type of risk. 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, 2023, filed with the U.S. Securities Exchange Commission on February 21, 2024. 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 Russian war in Ukraine, heightened tensions resulting from ongoing conflicts in the Middle East 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.

Lastly, some scientists have concluded that increasing concentrations of GHGs in the Earth's atmosphere may produce climate changes that have significant physical effects on weather conditions, such as increased frequency and severity of storms, droughts, floods and other climatic events. If such climatic events were to occur more frequently or with greater intensity, they could adversely affect or delay demand for the oil or natural gas produced or cause us to incur significant costs in preparing for or responding to the effects of climatic events themselves. If any such events were to occur, they could have an adverse effect on the demand for our services and our financial condition, results of operations and cash flows.

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 the section titled "Environmental Compliance" 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.

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;
- pandemics, epidemics and other public health events; 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 and heightened tensions resulting from the ongoing conflicts in Middle East 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. If we are not able to keep pace with technological advances in a timely and cost-effective manner, demand for our services and products may decline.

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. The weakening of protection of our trademarks, patents, trade secrets and other intellectual property rights could also adversely affect our business.

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 Environmental, Social and Governance ("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., several states have enacted or proposed such regulations related to pension investments or for the responsible investment of public funds. Additional regulation is pending in other states and federally, including rules issued by the SEC in March 2024 that 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 Nominating and Governance 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 and ongoing conflicts in the Middle East, may further heighten the risk of cyberattacks.

Although we utilize various procedures and controls to mitigate our exposure to such risk, cybersecurity attacks and other cyber incidents are evolving and unpredictable. 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

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 statements of comprehensive income and cash flows. As of December 31, 2023, we estimate that a 5% appreciation (depreciation) in USD would result in a change in our net loss of approximately $2.8 million.

Interest rate risk

We are exposed to the impact of interest rate changes primarily through our borrowing activities. Borrowings under the Amended and Restated Facility Agreement bear interest at a rate per annum of the Secured Overnight Financing Rate ("SOFR") subject to a 0.00% floor, plus an applicable margin of 3.75% (which is subject to a margin ratchet which reduces the margin in 4 step downs according to the Total Net Leverage Ratio (as defined in the Amended and Restated Facility Agreement)) for cash borrowings or 2.50% for letters of credit (which are similarly subject to a margin ratchet which reduces the margin in 4 step downs according to the Total Net Leverage Ratio). As of December 31, 2023, we had outstanding borrowings of $20 million. A 5% change in interest rates would have an approximate impact of $1.0 million on our results of operations and cash flows.

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 15% and 12%, respectively, of our net accounts receivable balance as of December 31, 2023. 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 2024

Economic Outlook:

Global liquids demand growth slowed in the first quarter of 2024 compared to the previous quarter, however, average year-on-year consumption is expected to continue to grow in 2024. Demand growth, particularly in Asia, along with an extension of voluntary production cuts by OPEC+, as well as escalating geopolitical tension in the Middle East have led to a tightening of the market and supply concerns, adding upward pressure to prices.

The U.S. Energy Information Administration ("EIA") forecasts that global liquids fuels consumption will average 102.9 million b/d in 2024, continuing growth from pre-pandemic levels and increasing by 0.9 million b/d over 2023. Global liquid fuels demand is then expected to grow by a further 1.4 million b/d to reach 104.3 million b/d in 2025. Global liquids fuels demand growth is mostly driven by non-OECD Asian countries – particularly China and India – with significant growth also expected in the Middle East and United States, increasing industrial requirements and jet fuel consumption resulting from increasing global travel.

The EIA forecasts that global liquid fuels production will average 102.6 million b/d in 2024 - an increase of 0.8 million b/d over 2023 – and average 104.6 million b/d in 2025, a further 2.0 million b/d increase over 2024. Supply growth in 2024 is slowing from the increases seen in 2023 as the extension of OPEC+ voluntary cuts are offset by supply growth outside of OPEC+. Although forecast OPEC+ crude oil production in 2024 is expected to decrease by 0.9 million b/d compared to last year, forecast production outside of OPEC+ is set to increase by 1.8 million b/d, led by the United States, Guyana, Brazil and Canada. Global liquid fuels production is predicted to increase by 2.0 million b/d in 2025 as the OPEC+ production cuts expire and supply growth outside of OPEC+ continues to grow.

Oil prices rose in the first quarter of 2024 driven by heightened geopolitical risk in the Middle East with the recent extension of OPEC+ voluntary production cuts adding further upward price pressure. The combination of flat production and rising consumption causes the EIA's forecast of global inventories to fall in the second quarter of 2024 with the tighter market balance keeping oil prices relatively elevated. As a result, the EIA expects oil prices to average $90/bbl in the Q2 2024 and $89/bbl for all of 2024. Inventories are forecast to build in 2025 following the expected unwinding of OPEC+ supply cuts putting downward pressure on prices and as a result the EIA estimates oil prices will average $87/bbl in 2025.

In addition to the continued positive oil market outlook, global natural gas prices are expected to remain elevated as the market remains fundamentally tight.

The EIA estimates that annual average Henry Hub prices will remain under $3.00 per million British thermal unit ("MMBtu") for 2024 and 2025, averaging $2.20/MMBtu in 2024 and $2.90/MMBtu in 2025 respectively. The low prices are driven by high natural gas storage inventories due to a surplus at the start of winter and a milder winter resulting in below average natural gas consumption in the residential and commercial sectors. Rystad Energy predicts prices at the European Title Transfer Facility (TTF) and Northeast Asian LNG spot will average $9.20/MMBtu and $9.80/MMBtu respectively for 2024 as prices have declined in the first quarter driven by healthy storage levels, milder weather and bearish indicators for economic growth. Despite muted demand growth globally and healthy European storage levels, muted LNG supply growth this year maintains a price floor for gas and LNG.

Consequently, the market outlook for 2024 remains positive with strong prices driving growth in exploration and production expenditures and close to the level of upstream investment since 2015 expected. Strong investment growth is expected in the deepwater and offshore shelf segments with support from large projects in the Middle East driven by Saudi Arabia, the UAE and Qatar, as well as Norway, and Brazil and Guyana in Latin America.

As a result, we expect demand for our services and solutions to continue trending positively throughout 2024. The following provides an outlook for 2024 by our reporting segments based on data from Spears and Associates, Inc.

NLA: Drilling activity in North America is forecast to decline by 6% in 2024 to an average of 648 active rigs as both large and small operators strive for continued capital discipline, creating a ceiling on potential growth as they prioritize financial returns. Completion activity is expected to hold steady in 2024, with a total of about 18,100 well completions and 13,000 frac jobs. The uptick in merger and acquisition activity in 2023 and continuing into 2024 may contribute to a slower recovery in drilling activity as new owners prioritize production growth from existing assets. In Latin America, drilling activity is estimated to increase by 6% in 2024 to an average of 191 active rigs, accounting for over 2,500 new wells driven by Mexico, Argentina and Brazil. Mexico, Argentina and Colombia are expected to collectively account for 75-80% of overall Latin American rig activity in 2024. After Brazil, the top four producing nations in Latin America are Mexico, Venezuela, Colombia and Argentina, with Guyana expected to soon take over third place.

ESSA: European drilling activity is now expected to average 101 active rigs in 2024, up by 4%, accounting for over 850 new wells. Ukraine, Norway and the U.K. are expected to collectively account for over approximately 75% of overall European rig activity in 2024. Onshore drilling in Europe is forecast to average 68 active rigs in 2024, up by 5%, accounting for over 450 new wells. Offshore drilling activity is predicted to grow by 3% in 2024, averaging 33 active rigs as North Sea activity is constrained by the exodus of rigs from Norwegian waters for international contracts in Namibia, Brazil and Australia. Drilling activity in Africa is projected to average 156 active rigs in 2024, up by 15%, accounting for almost 1,250 new wells, with activity in Namibia and Uganda continuing to increase. Onshore drilling activity is expected to improve by 16% in 2024 to average 124 active rigs, drilling 850 new wells, while offshore drilling activity is predicted to increase by 10% to average 32 active rigs, drilling around 375 new wells.

MENA: In the Middle East, drilling activity is now expected to average 343 active rigs in 2024, up by 9%, accounting for almost 2,600 new wells. Saudi Arabia, Iraq and Abu Dhabi are expected to collectively account for around 65% of overall Middle Eastern rig activity in 2024. The growth is driven by analysts estimates that state-owned national oil companies in the region could potentially spend up to $100 billion this year on upstream investment, despite some projections that crude oil could reach peak demand before the end of this decade. Onshore drilling in the Middle East is now projected to increase by 10% in 2024 to an average of 296 active land rigs, drilling about 2,500 new wells, while offshore activity is forecast to increase by 12%, averaging 46 active rigs drilling almost 340 new wells. In addition, there is increasing focus on carbon capture, utilization and storage projects, with one NOC recently doubling its CO2 capture target, for example

APAC: Based on the outlook for oil prices, drilling activity in the Asia Pacific region is now forecast to average 191 active rigs in 2024, up by 6%, accounting for almost 2,800 new wells. India, Indonesia and Australia are projected to collectively account for around 75% of overall rig activity in the region in 2024. Onshore drilling in the region is forecast to increase by 5% to average 143 active land rigs drilling about 1,750 new wells, while offshore activity is projected to rise by 7% to an average of 48 active rigs, accounting for a total of almost 1,050 new wells. LNG development projects are driving the activity growth in Australia and Indonesia as operators look to meet the increased global demand driven by energy security concerns and the energy transition.

Company Outlook

For 2024, we expect improving profitability to drive improved cash flow generation as we capitalize on tailwinds in our industry. Based on our strong performance in 2023 and a positive activity outlook, we currently anticipate generating revenues of between $1,600 million to $1,700 million in 2024. Adjusted EBITDA in 2024 is expected to be between $325 million and $375 million, and Adjusted EBITDA margin is expected to be between 20% and 22%. Full-year guidance assumes our proposed acquisition of Coretrax will be completed at the beginning of the third quarter. Consistent with historical patterns, revenue and profitability in the first quarter of 2024 are expected to be negatively impacted by the winter season in the Northern Hemisphere and the budget cycles of our national oil company customers. First quarter revenue is expected to be within a range of $365 million and $375 million. First quarter Adjusted EBITDA is expected to be within a range of $63 million and $73 million and Adjusted EBITDA margin is expected to be approximately 18%.

Our total capital expenditures are estimated to range between $130.0 million and $140.0 million for 2024. The actual amount of capital expenditures for the purchase and manufacture of equipment may fluctuate based on market conditions. 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. The number of employees is expected to increase during the year as a result of acquisition activity and business need. The Company has capacity within its Amended and Restated Credit Facility to meet its financing needs.

Subsequent Events

No subsequent events have occurred since the balance sheet date other than the announcement of the planned acquisition of Coretrax as mentioned in Note 3 “Business combinations and dispositions” to the consolidated financial statements.

Mastenmakersweg 1 1786 PB
Den Helder, the Netherlands
May 22, 2024

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/ Alan Schrager
Alan Schrager
Director

/s/ Lisa L. Troe
Lisa L. Troe
Director

/s/ Brian Truelove
Brian Truelove
Director

/s/ Frances M. Vallejo
Frances M. Vallejo
Director

/s/ Eileen G. Whelley
Eileen G. Whelley
Director

Expro Group Holdings N.V.

Consolidated statement of comprehensive income

Year ended December 31, 2023

	Note	Year ended December 31, 2023	Year ended December 31, 2022
		$'000	**$'000**
Revenue	4	**1,512,764**	**1,279,418**
Cost of Revenue		(1,405,998)	(1,187,369)
Gross profit		**106,766**	**92,049**
General and administrative expense		(64,808)	(58,494)
Other expenses	10	(24,550)	(21,113)
Interest and finance income	8 (a)	2,880	4,101
Interest and finance expenses	8 (b)	(13,421)	(11,563)
Equity in income of joint ventures		12,853	15,731
Income before tax		**19,720**	**20,711**
Income tax expense	9	(43,818)	(42,388)
Total loss after tax for the year		**(24,098)**	**(21,677)**
Other comprehensive Income:			
Actuarial (loss) gain on defined benefit plans	20	(3,378)	10,708
		(3,378)	10,708
Total comprehensive loss for the year		**(27,476)**	**(10,969)**
Loss per share			
Basic and diluted	28	(0.22)	(0.20)

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

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
dated 25 April 2024

Consolidated statement of changes in equity

Year ended December 31, 2023

	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 loss 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**

	Share capital $'000	Additional paid in capital $'000	Treasury stock $'000	Accumulated losses $'000	Total $'000
At January 1, 2023	**7,911**	**1,850,663**	**(40,870)**	**(529,056)**	**1,288,648**
Loss for the year	-	-	-	(24,098)	**(24,098)**
Other comprehensive loss for the year	-	-	-	(3,378)	**(3,378)**
Stock-based compensation expense	-	19,497	-	-	**19,497**
Common shares issued upon vesting of share-based awards	46	1,866	-	-	**1,912**
Acquisition of common stock	-	-	(20,024)	-	**(20,024)**
Common stock withheld	-	-	(3,803)	-	**(3,803)**
PRT Acquisition	105	40,805	-	-	**40,910**
At December 31, 2023	**8,062**	**1,912,831**	**(64,697)**	**(556,532)**	**1,299,664**

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

Expro Group Holdings N.V.

Statement of financial position

At 31 December 2023

	Note	December 31, 2023 $'000	December 31, 2022 $'000 (Note 3)
Non-current assets			
Property, plant and equipment	11	492,542	451,503
Investment in joint ventures	12	66,402	66,038
Intangible assets	13	253,735	238,503
Goodwill	14	247,687	220,980
Right-of-use assets	21	77,582	77,310
Trade and other receivables	16	22,071	17,944
		1,160,019	**1,072,278**
Current assets			
Inventories	15	143,325	153,718
Trade and other receivables	16	530,428	464,219
Tax receivables		27,581	26,938
Assets held for sale		-	2,179
Restricted cash		1,425	3,672
Cash and cash equivalents		151,741	214,788
		854,500	**865,514**
Total assets		**2,014,519**	**1,937,792**
Equity			
Share capital	22	8,062	7,911
Additional paid-up capital		1,912,831	1,850,663
Treasury stock		(64,697)	(40,870)
Accumulated losses		(556,532)	(529,056)
Total equity		**1,299,664**	**1,288,648**

Expro Group Holdings N.V.

Statement of financial position (continued)

At 31 December 2023

	Note	December 31, 2023 $'000	December 31, 2022 $'000
Non-current liabilities			
Long-term borrowings	25	20,000	-
Lease liabilities	21	71,386	74,620
Deferred tax liabilities, net	9	20,550	28,623
Provisions	19	19,254	20,166
Post-retirement benefits	20	10,445	11,004
Non-current tax liabilities	9	59,544	58,036
Trade and other payables	18	24,942	18,964
		226,121	**211,413**
Current liabilities			
Trade and other payables	18	404,940	355,394
Current tax liabilities		44,974	37,151
Lease liabilities	21	19,498	20,104
Provisions	19	19,322	25,082
		488,734	**437,731**
Total equity and liabilities		**2,014,519**	**1,937,792**

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, 2023

	Note	December 31, 2023 $'000	December 31, 2022 $'000
Income before tax		**19,720**	**20,711**
Adjustments for:			
Depreciation of property, plant and equipment	11	139,112	100,981
Depreciation of right-of- use-assets	21	22,654	23,184
Amortization of intangibles	13	37,081	36,140
Interest and finance expenses, net	8	10,541	7,462
Elimination of unrealized profit on sales to joint ventures		4,159	-
Equity in income of joint ventures		(12,853)	(15,731)
Unrealized foreign exchange		5,658	6,116
Stock-based compensation expense		19,497	17,686
Changes in fair value of investments		-	1,199
Others		561	779
Operating cash flows before movements in working capital		**246,130**	**198,527**
Changes in inventories		10,576	(26,037)
Changes in trade and other receivables		(54,557)	(93,337)
Changes in trade and other payables		25,527	72,968
Changes in provisions and pension		(13,475)	(10,648)
Cash generated by operations		**214,201**	**141,473**
Income taxes paid		(44,268)	(33,171)
Net cash generated by operating activities		**169,933**	**108,302**

Expro Group Holdings N.V.

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

Year ended December 31, 2023

	Note	December 31, 2023 $'000	December 31, 2022 $'000
Investing activities			
Interest received during the year		2,880	949
Dividends received during the year		8,330	7,282
Purchase of investments		-	(4)
Proceeds from sale / maturity of investments		572	11,390
Capital expenditures		(126,614)	(85,085)
Acquisition of technology		-	(7,925)
Proceeds from disposal of assets		2,013	7,279
Payment for acquired businesses, net of cash acquired		(28,707)	-
Net cash used in investing activities		**(141,526)**	**(66,114)**
Financing activities			
Payment of lease liabilities		(36,736)	(31,265)
Cash pledged for collateral deposits		(217)	(70)
Repayment of financed insurance premium		(9,317)	(7,245)
Proceeds from long-term borrowings		50,000	-
Repayment of long-term borrowings		(65,096)	-
Acquisition of common stock		(20,024)	(12,996)
Payment of withholding taxes on stock-based compensation plans		(2,560)	(4,167)
Payment of revolving credit facility commitment fees and other interest expenses		(3,719)	(3,094)
Net cash used in financing activities		**(87,669)**	**(58,837)**
Net change in cash and cash equivalents and restricted cash		(59,262)	(16,649)
Effect of exchange rate changes on cash and cash equivalents and restricted cash		(6,032)	(4,738)
Cash and cash equivalents and restricted cash at beginning of the year		218,460	239,847
Cash and cash equivalents and restricted cash at end of the year		**153,166**	**218,460**

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

Notes to the consolidated financial statements

Year Ended December 31, 2023

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, 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") 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 Expro Group Holdings N.V. 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.

On October 25, 2023, the Company's Board of Directors (the "Board") approved an extension to the stock repurchase program first approved on June 16, 2022. Pursuant to the extended stock repurchase program, the Company is authorized to acquire up to $100.0 million of its outstanding common stock from October 25, 2023 through November 24, 2024 (the "Stock Repurchase Program"). 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 will continue to be 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. During the year ended December 31, 2023, under the Stock Repurchase Program we repurchased approximately 1.2 million shares of our common stock at an average price of $16.70 for a total cost of approximately $20.0 million, including shares repurchased prior to the extension of the Stock Repurchase Program. 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 the preceding program.

The financial statements for the year ended December 31, 2023 were authorized for issue in accordance with a resolution of the directors on May 22, 2024.

2. Basis of preparation and accounting policies

2.1 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, 2023 and 2022.

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 118.

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.

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, 2023. 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.

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.

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.

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 material accounting policy information

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.

2. Basis of preparation and accounting policies (continued)

2.4 Summary of material accounting policy information (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.

2. Basis of preparation and accounting policies (continued)

2.4 Summary of material accounting policy information (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.

2. Basis of preparation and accounting policies (continued)

2.4 Summary of material accounting policy information (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.

Financial instruments
Financial assets and financial liabilities are recognized in the Company’s statement of financial position when the Company becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss (“FVTPL”), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

2. Basis of preparation and accounting policies (continued)

2.4 Summary of material accounting policy information (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.

2. Basis of preparation and accounting policies (continued)

2.4 Summary of material accounting policy information (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.

2. Basis of preparation and accounting policies (continued)

2.4 Summary of material accounting policy information (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.

2. Basis of preparation and accounting policies (continued)

2.4 Summary of material accounting policy information (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.

2. Basis of preparation and accounting policies (continued)

2.4 Summary of material accounting policy information (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.

2. Basis of preparation and accounting policies (continued)

2.4 Summary of material accounting policy information (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.

2. Basis of preparation and accounting policies (continued)

2.4 Summary of material accounting policy information (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.

2. Basis of preparation and accounting policies (continued)

2.4 Summary of material accounting policy information (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.

2.5 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 2023.

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 2023, 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 IFRS	Summary
IFRS 17 *Insurance Contracts* (including the June 2020 and December 2021 Amendments to IFRS17)	The Company has adopted IFRS 17 and the related amendments for the first time in the current year. IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts. IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach. The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees. The Company does not have any contracts that meet the definition of an insurance contract under IFRS 17.
Amendments to IAS 1 *Presentation of Financial Statements* and IFRS Practice Statement 2 *Making Materiality Judgements* – Disclosure of Accounting Policies	The Company has adopted the amendments to IAS 1 for the first time in the current year. The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. The IASB has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.
Amendments to IAS 12 *Income Taxes* – Deferred Tax related to Assets and Liabilities arising from a Single Transaction	The Company has adopted the amendments to IAS 12 for the first time in the current year. 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. Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting profit nor taxable profit.

2. Basis of preparation and accounting policies (continued)

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

	Following the amendments to IAS 12, an entity is required to recognize the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12.
Amendments to IAS 12 *Income Taxes* – International Tax Reform – Pillar Two Model Rules	The Company has adopted the amendments to IAS 12 for the first time in the current year. The IASB amends the scope of IAS 12 to clarify that the Standard applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the OECD, including tax law that implements qualified domestic minimum top-up taxes described in those rules. The amendments introduce a temporary exception to the accounting requirements for deferred taxes in IAS 12, so that an entity would neither recognize nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes. Following the amendments, the group is required to disclose that it has applied the exception and to disclose separately its current tax expense (income) related to Pillar Two income taxes.
Amendments to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* – Definition of Accounting Estimates	The Company has adopted the amendments to IAS 8 for the first time in the current year. 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”. The definition of a change in accounting estimates was deleted.

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>
Amendments to IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures (2011)* 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.
Amendments to IAS 1 *Presentation of Financial Statements* – Classification of Liabilities as Current or Non-current 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.	1 January 2024

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)

New and revised IFRSs	**Effective for annual periods beginning on or after**
Amendments to IAS 1 *Presentation of Financial Statements* – Non-current Liabilities with Covenants The amendments specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date (and therefore must be considered in assessing the classification of the liability as current or non-current). Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting date (e.g. a covenant based on the entity's financial position at the reporting date that is assessed for compliance only after the reporting date).	1 January 2024
Amendments to IAS 7 *Statement of Cash Flows* and IFRS 7 *Financial Instruments: Disclosures*—Supplier Finance Arrangements The amendments add a disclosure objective to IAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, IFRS 7 was amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk.	1 January 2024
Amendment to IFRS 16 *Leases*—Lease Liability in a Sale and Leaseback The amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The amendments require the seller-lessee to determine 'lease payments' or 'revised lease payments' such that the seller-lessee does not recognize a gain or loss that relates to the right of use retained by the seller-lessee, after the commencement date.	1 January 2024

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

DeltaTek Oil Tools Limited
On February 8, 2023 ("DeltaTek Closing Date"), DeltaTek Oil Tools Limited, a limited liability company registered in the United Kingdom, and its subsidiary ("DeltaTek"), was acquired ("the DeltaTek 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 fair value of consideration for the DeltaTek Acquisition was $18.4 million, including final cash consideration paid of $9.9 million and contingent consideration which is estimated to be $8.5 million.

3. Business combinations and dispositions (continued)

The contingent consideration arrangement 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. The fair value of the contingent consideration arrangement of $8.5 million was estimated by applying the income approach and is reflected in "Trade and other payables" on the consolidated balance sheets. That measure is based on significant inputs that are not observable in the market, referred to as Level 3 inputs in accordance with IFRS 13 *Fair Value Measurement*. To the extent our estimates and assumptions changed during the measurement period and such changes were based on facts and circumstances that existed as of the DeltaTek Closing Date, an adjustment to the contingent consideration liability was recorded with an offsetting adjustment to goodwill. To the extent our estimates and assumptions change based on facts and circumstances subsequent to the DeltaTek Closing Date or after the measurement period, an adjustment to the contingent consideration liability would be recorded with an offsetting adjustment to earnings during the applicable period.

The DeltaTek Acquisition is accounted for as a business combination and Expro has been identified as the acquirer for accounting purposes. As a result, the Company has in accordance with IFRS 3 *Business Combination*, applied the acquisition method of accounting to account for DeltaTek'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 following table sets forth the allocation of the DeltaTek Acquisition consideration exchanged to the fair value of identifiable tangible and intangible assets acquired and liabilities assumed as of the DeltaTek 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):

	Amount
Cash and cash equivalents	$ 1,464
Trade and other receivables	750
Inventories	183
Property, plant and equipment	642
Goodwill	8,151
Intangible assets	11,065
Total assets	22,255
Trade and other payables	1,062
Deferred tax liabilities	2,766
Total Liabilities	3,828
Fair value of net assets acquired	$ 18,427

The valuation of the assets acquired and liabilities assumed, including other liabilities, in the DeltaTek Acquisition resulted in a goodwill of $8.2 million. The fair values of identifiable intangible assets were prepared using an income valuation approach, which requires a forecast of expected future cash flows either using 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 5 to 15 years life. We expect annual amortization to be approximately $1.0 million associated with these intangible assets. An associated deferred tax liability has been recorded in regards to these intangible assets. Refer to Note 13 "Intangible assets", net for additional information regarding the various acquired intangible assets.

3. Business combinations and dispositions (continued)

The goodwill consists largely of the synergies and economies of scale expected from the technology providing more efficient services and expected future developments resulting from the assembled workforce. The goodwill is not subject to amortization but will be evaluated at least annually for impairment or more frequently if impairment indicators are present. Goodwill recorded in the Acquisition is not expected to be deductible for tax purposes.

The Company has determined the estimated unaudited pro forma information to be insignificant for the years ended December 31, 2023 and 2022, assuming the DeltaTek Acquisition were to have been completed as of January 1, 2023 and 2022, respectively. This is not necessarily indicative of the results that would have occurred had the DeltaTek Acquisition been completed on either date indicated or of future operating results.

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.

PRT Offshore
On October 2, 2023 ("PRT Closing Date"), Professional Rental Tools, LLC ("PRT" or "PRT Offshore"), was acquired (the "PRT Acquisition") from PRT Partners, LLC by our wholly owned subsidiary, EPSH. The acquisition will enable Expro to expand its portfolio of cost-effective, technology-enabled services and solutions within the subsea well access sector in the North and Latin America region and accelerate the growth of PRT Offshore's surface equipment offering in the Europe and Sub-Saharan Africa and Asia Pacific regions. We estimated the fair value of consideration for the PRT Acquisition to be $91.0 million, including cash consideration of $21.7 million, net of cash received, equity consideration of $40.9 million, and contingent consideration of $13.2 million, subject to a true-up for customary working capital adjustments. As of December 31, 2023, the Company has accrued $1.5 million of the cash consideration related to standard holdback provisions, which is expected to be paid in 2024.

The contingent consideration arrangement requires the Company to pay the former owners of PRT additional consideration based on PRT Offshore's financial performance during the four quarters following closing. The fair value of the contingent consideration arrangement of $13.2 million was estimated by applying the income approach and is reflected in "Trade and other payables" on the consolidated balance sheets. That measure is based on significant inputs that are not observable in the market, referred to as Level 3 inputs in accordance with IFRS 13, *Fair Value Measurement*. To the extent our estimates and assumptions change during the measurement period and such changes are based on facts and circumstances that existed as of the PRT Closing Date, an adjustment to the contingent consideration liability would be recorded with an offsetting adjustment to goodwill. To the extent our estimates and assumptions change based on facts and circumstances subsequent to the PRT Closing Date or after the measurement period, an adjustment to the contingent consideration liability would be recorded with an offsetting adjustment to earnings during the applicable period.

The PRT Acquisition is accounted for as a business combination and Expro has been identified as the acquirer for accounting purposes. As a result, the Company has in accordance with IFRS 3, *Business Combination*, applied the acquisition method of accounting to account for PRT's assets acquired and liabilities assumed.

3. Business combinations and dispositions (continued)

The following table sets forth the preliminary allocation of the PRT Acquisition consideration exchanged to the fair value of identifiable tangible and intangible assets acquired and liabilities assumed as of the PRT 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):

		Amount
Cash and cash equivalents	$	15,086
Trade and other receivables		16,181
Property, plant and equipment		52,278
Goodwill		18,556
Intangible assets		33,940
Right-of-use assets		1,242
Total assets		137,283
Trade and other payables		8,644
Lease liabilities		505
Provision		1,788
Non-current lease liabilities		678
Long-term borrowings		34,701
Total Liabilities		46,316
Fair value of net assets acquired	$	90,967

Due to the recency of the PRT Acquisition, these amounts, including the estimated fair values, are based on preliminary calculations and subject to change as our fair value estimates and assumptions are finalized during the measurement period. The final fair value determination could result in material adjustments to the values presented in the preliminary purchase price allocation table above. The fair values of identifiable intangible assets were prepared using an income valuation approach, which requires a forecast of expected future cash flows either using 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 cost approach was used to determine the fair value of property, plant and equipment.

The intangible assets will be amortized on a straight-line basis over an estimated 5 to 15 years life. We expect annual amortization to be approximately $3.3 million associated with these intangible assets. An associated deferred tax liability has been recorded in regards to these intangible assets. Refer to Note 13 "Intangible assets", net for additional information regarding the various acquired intangible assets.

The goodwill consists largely of the synergies and economies of scale expected from the acquired customer relationships and contracts. The goodwill is not subject to amortization but will be evaluated at least annually for impairment or more frequently if impairment indicators are present.

The Company's operating results for the period October 3, 2023 through December 31, 2023 include $14.7 million of revenue and $4.6 million of net income attributable to PRT.

The Company has determined the estimated unaudited pro forma information to be immaterial for the years ended December 31, 2023 and 2022, assuming the PRT Acquisition were to have been completed as of January 1, 2023 and 2022, respectively. This is not necessarily indicative of the results that would have occurred had the PRT Acquisition been completed on either date indicated or of future operating results.

3. Business combinations and dispositions (continued)

Coretrax

On February 12, 2024, Expro announced that it had agreed to acquire Scotland-based Coretrax, a technology leader in performance drilling tools and wellbore cleanup, well integrity and production optimization solutions. The Headline Price (as defined in the agreement) is $210.0 million subject to customary purchase price adjustment. The consideration to be paid at closing includes at least $75.0 million in cash and up to 6.8 million newly issued shares of the Company's common stock. The cash component of the consideration to be paid may be increased at the Company's election, and the notional value of any equity consideration will be unitized based on our thirty trading day volume weighted average price prior to closing, which is expected to occur in the second quarter of 2024.

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, 2023 $'000	**December 31, 2022 $'000**
Well construction	533,556	500,438
Well management	979,208	778,980
	1,512,764	**1,279,418**

Contract balances:

	December 31, 2023 $'000	**December 31, 2022 $'000**
Trade receivables (Note 16)	222,591	289,235
Accrued revenue (Note 16)	203,689	139,690
Contract assets (Note 16)	52,607	-
Deferred revenue (Note 18)	27,206	51,192

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.

4. Revenue (continued)

The Company recognized revenue of $49.8 million and $15.5 million for the years ended December 31, 2023, and 2022 respectively, out of the deferred revenue balance as of the beginning of the applicable year. As of December 31, 2023, $26.0 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 $17.7 million.

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

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, 2023 $'000	**December 31, 2022 $'000**
NLA	511,800	499,813
ESSA	520,951	389,342
MENA	233,528	201,495
APAC	246,485	188,768
	1,512,764	**1,279,418**

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, 2023 $'000	**December 31, 2022 $'000**
NLA	131,084	131,560
ESSA	134,428	73,039
MENA	70,913	62,919
APAC	1,757	4,643
Total Segment EBITDA	**338,182**	**272,161**
Corporate costs	(99,638)	(84,282)
Equity in income of joint ventures	12,853	15,731
Depreciation and amortization expense	(176,193)	(137,121)
Other expenses	(24,550)	(21,113)
Stock-based compensation expense	(19,497)	(17,686)
Foreign exchange losses	(9,238)	(8,341)
Interest and finance (expense) income, net *	(2,199)	1,362
Income before income taxes	**19,720**	**20,711**

** 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, 2023 and 2022. The revenue generated in the Netherlands was immaterial for the years ended December 31, 2023 and 2022. Other than U.S. in 2023 and 2022, no individual country represented more than 10% of our revenue for the years ended December 31, 2023 and 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, 2023	December 31, 2022
	$'000	$'000
NLA	707,397	631,486
ESSA	516,147	440,664
MENA	345,466	288,032
APAC	181,302	229,961
Assets held centrally	264,207	347,649
Total segment assets	**2,014,519**	**1,937,792**

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, 2023	December 31, 2022
	$'000	$'000
NLA	52,429	30,521
ESSA	49,369	24,412
MENA	35,855	27,118
APAC	21,526	18,288
Assets held centrally	17,014	36,782
Total depreciation and amortization expenses	**176,193**	**137,121**

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

	December 31, 2023	December 31, 2022
	$'000	$'000
NLA	34,955	18,435
ESSA	25,232	17,574
MENA	38,673	27,354
APAC	18,056	13,457
Assets held centrally	9,698	8,265
Total capital expenditures	**126,614**	**85,085**

6. Staff costs

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

	December 31, 2023	December 31, 2022
	Number	**Number**
Average employees working in the Netherlands	78	86
Average employees working abroad (outside the Netherlands)	6,503	6,436
Average number of staff	**6,581**	**6,522**

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

	December 31, 2023	December 31, 2022
	$'000	**$'000**
Salaries and wages	441,396	434,052
Social security expenses	37,562	29,612
Employee benefit expenses	12,675	8,429
Stock based compensation expenses	19,574	17,686
Severance and other expenses	7,412	6,930
Other employee benefits	19,422	20,664
	538,041	**517,373**

7. Auditor remuneration

The following table presents the aggregate fees for the Company for services rendered for the years ended December 31, 2023 and December 31, 2022:

	Deloitte Netherlands	Deloitte United States of America and other affiliates December 31, 2023	Total
	$'000	**$'000**	**$'000**
Audit of financial statements	357	3,672	4,029
Other audit engagements	-	40	40
Tax fees	-	387	387
Other non-audit services	-	45	45
	357	**4,144**	**4,501**

	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**

8(a). Interest and finance income

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

	December 31, 2023 $'000	December 31, 2022 $'000
Interest and finance income:		
Interest income	2,880	949
Other finance income	-	3,152
Total Interest and finance income:	**2,880**	**4,101**

8(b). Interest and finance expenses

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

	December 31, 2023 $'000	December 31, 2022 $'000
Interest and finance expenses:		
Revolving credit facility commitment fees and other charges	(4,454)	(2,320)
Interest expense on lease liabilities	(8,486)	(8,824)
Interest on pension deficit	(481)	(419)
Total Interest and finance expense:	**(13,421)**	**(11,563)**

9. Tax

The below table provides a summary of the tax charge for the years ended December 31, 2023 and 2022.

	December 31, 2023 $'000	December 31, 2022 $'000
Corporation income tax:		
Current year	54,657	42,591
Current tax	54,657	42,591
Origination and reversal of timing difference	(10,839)	(203)
Deferred tax	(10,839)	(203)
Total Income tax expense	**43,818**	**42,388**

The tax charge in respect of the Netherlands during the year ended December 31, 2023 was $52K (December 31, 2022: $617K). 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.

9. Tax (continued)

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, 2022: 25.8%).

	December 31, 2023 $'000	December 31, 2022 $'000
Income (Loss) before tax and equity in income of joint ventures	**6,867**	**4,980**
Income (loss) before tax multiplied by the standard corporation tax rate of 25.8% (December 31, 2022: 25.8%)	1,772	1,285
Tax effect of expenses that are not deductible in determining taxable profit	36,917	48,888
Effect of overseas tax rates	(24,704)	(32,031)
Change in unrecognized deferred tax assets	26,745	29,416
Exempt dividends from joint ventures	-	(2,649)
Return to provision adjustments	(884)	(5,966)
Withholding taxes	3,479	3,029
Foreign exchange movements on tax balances	493	416
Total Income tax expense	**43,818**	**42,388**

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, 2022	**3,653**	**197**	**4,301**	**1,116**	**(38,093)**	**(28,826)**
(Credit)/Charge 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)**
Charge/(credit) to profit or loss	5,036	(25)	1,120	(1,734)	6,442	10,839
Charge/(credit) to Other Comprehensive Income	-	-	-	-	(2,766)	(2,766)
At December 31, 2023	**9,523**	**176**	**2,789**	**(1,447)**	**(31,591)**	**20,550**

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, 2023 $'000	December 31, 2022 $'000
Deferred tax liabilities	(52,922)	(44,064)
Deferred tax assets	32,372	15,441
	(20,550)	**(28,623)**

9. Tax (continued)

The below table provides a summary of the movements on the unrecognized deferred tax assets from January 1, 2022 to December 31, 2023.

	$'000
At 1 January 2022	818,075
Increase in unrecognized deferred tax assets	53,177
At 31 December 2022	**871,252**
Decrease in unrecognized deferred tax assets	(17,995)
At 31 December 2023	**853,257**

At the reporting date, the Group has unused tax losses of $2,989 million (2022: $2,991 million) available for offset against future profits. A deferred tax asset has been recognized in respect of $38 million (2022: $45 million) of such losses. No deferred tax asset has been recognized in respect of the remaining $2,951 million (2022: $2,934 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 $561 million of which $155 million will start to expire in 2036, and the balance do not expire. The company also has approximately $1,838 million and $156 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.

In 2021 the OECD announced an Inclusive Framework on Base Erosion and Profit Shifting including Pillar Two Model Rules defining the global minimum tax, which calls for the taxation of large multinational corporations at a minimum rate of 15%. Subsequently multiple sets of administrative guidance have been issued. Many tax jurisdictions have either recently enacted legislation to adopt certain components of the Pillar Two Model Rules beginning in 2024 (including the European Union Member States) with the adoption of additional components in later years or announced their plans to enact legislation in future years. We are continuing to evaluate the impacts of enacted legislation and pending legislation to enact Pillar Two Model Rules in the tax jurisdictions we operate in.

10. Other expenses

The following table presents total amount of impairment charges recognized during the year ended December 31, 2023 and 2022.

	December 31, 2023	December 31, 2022
	$'000	$'000
Merger and integration expenses	9,764	13,620
Severance and other expenses	14,388	7,825
Other expense (income), net	398	(332)
	24,550	**21,113**

Merger and integration expenses

During the year ended December 31, 2023 and 2022, the Company incurred $9.8 million and $13.6 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.

11. Property, plant and equipment

The below table provides a summary of the movements in property, plant and equipment from January 1, 2022 to December 31, 2023.

	Land	Land Improvement	Buildings and leasehold improvements	Plant and Machinery	Total
	$'000	$'000	$'000	$'000	$'000
Cost					
At January 1, 2022	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**
Additions	-	-	1,285	125,946	127,231
Disposals	-	-	-	(27,109)	(27,109)
Addition due to acquisition	-	278	630	52,012	52,920
At December 31, 2023	**21,580**	**3,332**	**90,840**	**952,157**	**1,067,909**

11. Property, plant and equipment (continued)

	Land	Land Improvement	Buildings and leasehold improvements	Plant and Machinery	Total
	$'000	$'000	$'000	$'000	$'000
Accumulated depreciation					
At January 1, 2022	-	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**
Depreciation charge for year	-	255	5,354	133,503	139,112
Disposals	-	-	-	(27,109)	(27,109)
At December 31, 2023	**-**	**568**	**21,754**	**553,045**	**575,367**
Carrying amount					
At December 31, 2022	21,580	2,741	72,525	354,657	451,503
At December 31, 2023	**21,580**	**2,764**	**69,086**	**399,112**	**492,542**

No impairment expense related to property, plant and equipment was recognized for the year ended December 31, 2023 and 2022, respectively.

There was no loss on disposal of property, plant and equipment for the year ended December 31, 2023 (December 31, 2022: $ 0.1 million).

Depreciation expense related to property, plant and equipment was $139.1 million and $101.0 million for the years ended December 31, 2023, and 2022, respectively. Out of which $138.8 million and $100.3 million for the year ended December 31, 2023, and 2022, respectively is included in "Cost of revenue" and $0.3 and $0.7 million for the year ended December 31, 2023 and 2022, respectively is included in "General and administrative expense" in the consolidated statements of comprehensive income.

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, 2023 and 2022 was as follows.

	At December 31, 2023 $'000	**At December 31, 2022 $'000**
COSL – Expro Testing Services (Tianjin) Co. Ltd ("CETS")	62,704	62,471
PV Drilling Expro International Company Limited ("PVD-Expro")	3,698	3,567
	66,402	**66,038**

Summary of the joint venture's financial position as of December 31, 2023 and 2022 was as follows.

	At December 31, 2023 $'000	**At December 31, 2022 $'000**
Non-current assets	45,752	32,818
Current assets, including cash and cash equivalents	161,522	148,068
Non-current liabilities	(3,026)	(1,381)
Current liabilities	(76,664)	(60,902)
Equity	**127,584**	**118,603**

Summary of the joint venture's statement of operations for the year ended December 31, 2023 and 2022 was as follows.

	At December 31, 2023 $'000	**At December 31, 2022 $'000**
Revenue	171,908	129,021
Cost of sales	(136,809)	(89,362)
Gross profit	35,099	39,659
Administrative expenses	(10,592)	(8,049)
Interest income	3,124	1,902
Profit before tax	27,631	33,512
Income tax expense	(4,598)	(3,646)
Profit for the year	23,033	29,866

13. Intangible assets

The following table summarizes the Company's intangible assets as at December 31, 2023 and 2022.

	Customer relationship and contracts $'000	Trademarks $'000	Technology $'000	Software $'000	Total $'000
Cost					
At January 1, 2022	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**
Additions	-	-	3,620	3,688	7,308
Addition due to acquisition	34,624	1,877	8,504	-	45,005
At December 31, 2023	**256,824**	**58,977**	**220,498**	**15,243**	**551,542**
Amortization and impairment					
At January 1, 2022	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**
Charge for the year	21,076	3,146	10,181	2,678	37,081
At December 31, 2023	**139,297**	**38,291**	**107,869**	**12,350**	**297,807**
Carrying amount					
At December 31, 2022	**103,979**	**21,955**	**110,686**	**1,883**	**238,503**
At December 31, 2023	**117,527**	**20,686**	**112,629**	**2,893**	**253,735**

Amortization for the year ended December 31, 2023 of $37.1 million (December 31, 2022: $36.1 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, 2023 and 2022.

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.

14. Goodwill (continued)

The allocation of goodwill by operating segment was as follows:

	December 31, 2023	December 31, 2022
	$'000	$'000
NLA	139,512	118,511
ESSA	83,319	80,058
MENA	5,441	4,218
APAC	19,415	18,193
Total	**247,687**	**220,980**

The following table provides the gross carrying amount and cumulative impairment expense of goodwill for each operating segment as of December 31, 2023 and 2022:

	2023				2022		
	Cost	Addition due to acquisition	Accumulated impairment	Net Book Value	Cost	Accumulated impairment	Net Book Value
NLA	155,852	21,001	(37,341)	139,512	155,852	(37,341)	118,511
ESSA	94,536	3,261	(14,478)	83,319	94,536	(14,478)	80,058
MENA	130,601	1,223	(126,383)	5,441	130,601	(126,383)	4,218
APAC	58,306	1,222	(40,113)	19,415	58,306	(40,113)	18,193
Total	**439,295**	**26,707**	**(218,315)**	**247,687**	**439,295**	**(218,315)**	**220,980**

During 2023, the Company recognized goodwill totaling $26.7 million from the DeltaTek Acquisition and PRT Acquisition. 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, 2023 and 2022, 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, 2023 and 2022.

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 16.2% over the 5 year period beginning 2023 with the perpetual growth rate estimated to be 2%. The discount rate was estimated to be 14.6% 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.

15. Inventories

Inventories consisted of the following as of December 31, 2023 and 2022.

	December 31, 2023	December 31, 2022
	$'000	$'000
Finished goods	25,854	26,810
Raw material, equipment spares and consumables	99,011	102,395
Work in progress	18,460	24,513
	143,325	**153,718**

The cost of sold equipment, inventories, materials and consumables was $139.74 million during the year ended December 31, 2023 (December 31, 2022: $76.49 million).

The cost of inventories recognized as an expense includes $3.7 million in respect of write-downs of inventory to net realizable value (December 31, 2022: $2.4 million).

16. Trade and other receivables

The below table provides an analysis of trade and other receivables as of December 31, 2023 and 2022.

	December 31, 2023	December 31, 2022
	$'000	$'000
Trade receivables	239,847	300,923
Accrued revenue	203,689	139,690
Contract assets	52,607	-
Provision for expected credit losses	(17,256)	(11,688)
	478,887	**428,925**
Prepayments	28,725	18,084
Value added tax receivables	20,622	20,727
Deposits	10,798	8,914
Other	13,467	5,513
	552,499	**482,163**
Represented by		
Current assets	530,428	464,219
Non-current assets	22,071	17,944
	552,499	**482,163**

16. Trade and other receivables (continued)

The provision for expected credit losses of $17.3 million (December 31, 2022: $11.7 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, 2022 to December 31, 2023.

	$’000
At January 1, 2022	**8,400**
Additions / charges to expenses	4,096
Deductions	(808)
At December 31, 2022	**11,688**
Additions / charges to expenses	6,139
Deductions	(571)
At December 31, 2023	**17,256**

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

	December 31, 2023	**December 31, 2022**
	$’000	**$’000**
Not due at the balance sheet date	134,967	133,089
Past due at the balance sheet date	104,880	167,834
	239,847	**300,923**

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

	December 31, 2023	**December 31, 2022**
	$’000	**$’000**
Fewer than 90 days past due	44,828	97,710
Greater than 90 days past due	60,052	70,124
	104,880	**167,834**

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 and its affiliates (Mr. Erich Mosing served as a director until May 24, 2023). During the years ended December 31, 2023, and 2022, we provided goods and services to related parties totaling $13.0 million and $5.4 million and $6.8 million, respectively. During the years ended December 31, 2023 and 2022, we received services from related parties totaling $1.1 million and $1.0 million respectively.

Additionally, we entered into various operating lease agreements to lease facilities with affiliated companies. Rent expense associated with our related party leases was $0.5 million and $0.6 million for the years ended December 31, 2023 and 2022, respectively.

Further, during the years ended December 31, 2023 and 2022, we received dividends from CETS totaling $8.3 million, and $7.3 million, respectively.

As of December 31, 2023 and 2022, amounts receivable from related parties were $2.7 million and $2.4 million, respectively, and amounts payable to related parties were $1.2 million and $0.8 million as of December 31, 2023 and 2022, respectively.

As of December 31, 2023, $0.6 million of our operating lease right-of-use assets and $0.6 million of our lease liabilities were associated with related party leases. 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.

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 realized (or were deemed to be realized 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.

18. Trade and other payables

The below table provides an analysis of trade and other payables as of December 31, 2023, and 2022.

	December 31, 2023	**December 31, 2022**
	$'000'	**$'000'**
Trade payables	146,759	100,951
Payroll, vacation, and other employee benefits	43,924	46,935
Accruals for goods received not invoiced	22,921	32,102
Deferred revenue	27,206	51,192
Other tax and social security	34,004	28,557
Contingent consideration liabilities	24,705	3,227
Accrued liabilities	112,521	92,716
Other payables	17,842	18,678
	429,882	**374,358**
Represented by		
Current liabilities	404,940	355,394
Non-current liabilities	24,942	18,964
	429,882	**374,358**

19. Provisions

The below table provides a summary of the movements in balance of provisions from January 1, 2022 to December 31, 2023.

	Restructuring	Others	Total
	$'000'	$'000'	$'000'
At January 1, 2022	**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**
Additions – acquired in the acquisition	-	1,788	1,788
Increase	1,921	1,201	3,122
Payments or amount utilized	(2,026)	(9,631)	(11,657)
Foreign exchange difference	32	43	75
At December 31, 2023	**3,555**	**35,021**	**38,576**
Represented by			
Current liabilities	1,228	18,094	19,322
Non-current liabilities	2,327	16,927	19,254
At December 31, 2023	**3,555**	**35,021**	**38,576**

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.

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 $12.7 million and $8.4 million for the years ended December 31, 2023, and 2022 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,	
	2023	**2022**
Discount rate	4.5%	4.7%
Expected return on plan assets	5.8%	5.6%
Expected rate of salary increases	0.1%	0.1%

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')	
	2023	**2022**
Current service cost	(350)	(357)
Interest expense on net liability	(481)	(419)
Amounts included in profit or loss	**(831)**	**(776)**
Actuarial (loss) gain	(3,381)	10,708
Other comprehensive (loss) income	**(3,381)**	**10,708**
Total comprehensive (loss) income	**(4,212)**	**9,932**

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')	
	2023	**2022**
Actuarial gain (loss) on assets	3,471	(71,064)
Actuarial (loss) gain on liabilities	(6,852)	81,772
Actuarial (loss) gain on defined benefit schemes	**(3,381)**	**10,708**

The actuarial gain on the benefit obligation for the year ended December 31, 2023 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 2022 and 2023.

The amount of employer contributions expected to be paid to our defined benefit plans during the years to December 31, 2033 is set out below:

Years ending December 31:	$'000
2024	5,598
2025	5,741
2026	5,970
2027	6,262
2028	6,471
Thereafter to December 31, 2033	18,006

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')	
	2023	**2022**
Present value of defined benefit obligations	(148,167)	(134,844)
Fair value of plan assets	137,725	123,840
Deficit recognized under non-current liabilities	**(10,442)**	**(11,004)**

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

	December 31, ($'000')	
	2023	**2022**
Opening balance	(134,844)	(241,808)
Current service cost	(350)	(357)
Interest cost	(6,305)	(3,969)
Actuarial (loss) gain	(6,852)	81,772
Exchange differences	(7,111)	23,823
Benefits paid	7,295	5,695
Ending balance	**(148,167)**	**(134,844)**

Movements in fair value of plan assets were as follows:

	December 31, ($'000')	
	2023	**2022**
Opening balance	123,840	212,688
Expected return on plan assets	5,825	3,550
Actuarial gain (loss)	3,471	(71,064)
Exchange differences	6,344	(20,798)
Contributions from the sponsoring companies	5,540	5,159
Benefits paid	(7,295)	(5,695)
Ending balance	**137,725**	**123,840**

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.

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, 2023		December 31, 2022	
	Expected rate of return %	Fair value of asset	Expected rate of return %	Fair value of asset
Mutual funds				
DGFs	7.7	64,023	7.5	55,633
LDI funds	4.2	47,283	4.0	45,170
Bond funds	4.4	24,835	4.5	21,899
Equities	3.7	185	1.8	188
Other assets	4.0	1,399	2.2	950
Total		137,725		123,840

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

	December 31, 2023			
	Level 1	Level 2	Level 3	Total
Mutual funds				
DGFs	$ 64,023	-	-	64,023
LDI funds	47,283	-	-	47,283
Bond funds	24,835	-	-	24,835
Equities	185	-	-	185
Other assets	785	277	337	1,399
Total	$ 137,111	277	337	137,725

	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

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,	
	2023	2022
Opening balance	$ 383	$ 360
Actual return on plan assets	10	6
Exchange differences	(88)	(6)
Contributions from the sponsoring companies	32	23
Ending balance	$ 337	$ 383

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, 2023			
Right-of-use assets	71,157	6,425	77,582
Depreciation expense	19,745	2,909	22,654
December 31, 2022			
Right-of-use assets	71,920	5,299	77,219
Depreciation expense	19,113	4,071	23,184

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, 2023 and 2022.

The following tables illustrate the financial impact of our leases as of and for the years ended December 31, 2023 and 2022, along with other supplemental information about our existing leases (in thousands, except years and percentages):

	Year ended December 31 ($'000')	
	2023	**2022**
Components of lease expenses:		
Lease expense:		
Depreciation of right-of-use-assets	22,654	23,184
Interest incurred on lease liabilities	8,486	8,824
Short term lease expense	121,615	84,045
Total lease expense	152,755	116,053

	Year ended December 31,	
	2023	**2022**
Weighted average remaining lease term:	7.2	7.3

As of December 31, 2023, maturity of our lease liabilities are as follows:

	Minimum lease payment
Years ending December 31,	
2024	27,577
2025	19,780
2026	14,985
2027	13,227
2028	11,585
Due after 5 years	43,976
	131,130
Less: future finance charges	(40,246)
Total	90,884
Short-term portion	19,498
Long-term portion	71,386
Total	90,884

22. Share capital

The below table shows the amount of share capital outstanding at December 31, 2023 and 2022.

	Authorized Number	Issued Number	Outstanding Number	Outstanding and fully paid value	Outstanding and fully paid value
At December 31, 2023				**€'000**	**$'000**
Ordinary shares of €0.06	200,000,000	113,389,911	110,029,694	7,304	8,062

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

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.

The Company recognized stock-based compensation expense related to the MIP stock options of $0.2 million and $0.1 million during the years ended December 31, 2023 and 2022, respectively. As of December 31, 2023, all options have fully vested and there is no remaining unrecognized stock compensation expense relating to MIP stock options.

As of December 31, 2023 and 2022, there were 2.9 million and 6.7 million MIP stock options issued and outstanding with a weighted average exercise price of $17.17 and $17.19, respectively. There were no stock options granted during 2023 or 2022 and there are no plans to grant stock options in 2024. During the year ended December 31, 2023 there were 3.5 million options expired unvested at a weighted average exercise price of $17.21, 0.3 million options exercised at a weighted average exercise price of $17.25 and no options forfeited. As of December 31, 2023, there were 2.9 million exercisable MIP stock options with a weighted average exercise price of $17.17 per option.

The intrinsic value of a stock option is the amount by which the current market value of the underlying stock exceeds the exercise price of the option. The total intrinsic value of options exercised was $1.8 million during 2023. The total intrinsic value of options exercised was not material during 2022. As of December 31, 2023, the weighted average remaining term for the MIP stock options was 4.1 years.

23. Stock-based compensation (continued)

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

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, 2023, approximately 10.1 million shares remained available for issuance.

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 $14.0 million and $13.9 million for the years ended December 31, 2023 and 2022, respectively. The total fair value of LTIP RSUs vested during the years ended December 31, 2023 and 2022 was $11.1 million and $13.0 million, respectively. As of December 31, 2023, unrecognized stock compensation expense relating to LTIP RSUs totaled approximately $12.4 million, which will be expensed over a weighted average period of 1.3 years.

23. Stock-based compensation (continued)

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 at January 1, 2022	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
Granted	940,176	19.07
Vested	(640,145)	17.37
Forfeited	(67,415)	18.07
Non-vested at December 31, 2023	1,716,814	$ 18.39

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 certain achievement periods included in the performance period as defined for each specific agreement. For certain PRSUs, TSR for the Company and the peer group shall be calculated using a 30-day averaging period for the 30 calendar days prior to the start of the applicable performance period and the last 30 calendar days of the applicable performance period to mitigate the effect of stock price volatility. 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.

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 2023, we granted 260,762 PRSUs ("Target Level") which have a performance period of the three-year period from January 1, 2023 to December 31, 2025 and a single three-year achievement period for the same time period. In 2022, no shares were granted under the PRSU program.

23. Stock-based compensation (continued)

The weighted average assumptions for the PRSUs granted in 2023 are as follows:

	2023
Total expected term (in years)	2.85
Expected volatility	65.7
Risk-free interest rate	4.56%
Correlation range	48.7% to 76.2%

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 $4.9 million and $3.3 million for the years ended December 31, 2023 and 2022, respectively. The total fair value of PRSUs vested during the years ended December 31, 2023 and 2022, was $0.5 million and $9.9 million. As of December 31, 2023, unrecognized stock compensation expense relating to PRSUs totaled approximately $8.2 million, which will be expensed over a weighted average period of 1.4 years.

Non-vested PRSUs outstanding as of December 31, 2023, and the changes since the Close Date, were as follows:

	Number of Shares	Weighted Average Grant Date Fair Value
Non-vested at January 1, 2022	691,631	$ 27.75
Granted	(305,119)	32.50
Non-vested at December 31, 2022	386.512	24.00
Granted	260,762	33.03
Vested	(18,222)	26.63
Forfeited	(14,471)	20.55
Non-vested at December 31, 2023	614,581	$ 27.83

Employee Stock Purchase Plan

As of July 1, 2023, the Expro Group Holdings N.V. 2023 Employee Stock Purchase Program (“ESPP”) replaced the Expro Group Holdings N.V. Employee Stock Purchase Program. Under the 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 5,000,000 shares of our common stock for issuance under the ESPP; all shares were available for issuance as of December 31, 2023. For the years ended December 31, 2023 and 2022, we recognized $0.4 and $0.5 million of compensation expense related to stock purchased under the ESPP, respectively.

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 $36.7 million and $45.5 million as of December 31, 2023 and 2022, respectively. The Company also entered into purchase commitments related to inventory on an as-needed basis. As of December 31, 2023 and 2022, inventory purchase commitments were $23.7 million and $25.8 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, 2023 and December 31, 2022. 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 the Company's foreign subsidiaries in West Africa including possible violations of the U.S. Foreign Corrupt Practices Act, 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. On the basis of discussions with the SEC up to the end of the first quarter of 2023, we believed that a final resolution of this matter was likely to include a civil penalty in the amount of approximately $8.0 million and, accordingly, we had recorded a loss contingency in that amount within "Other current liabilities" on our condensed consolidated balance sheet, with the offset taken as an increase to goodwill as a measurement period adjustment associated with the Merger.

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 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. The Company paid $8.0 million to the SEC in respect of disgorgement, prejudgment interest and civil penalty during the second quarter of 2023.

Other than discussed above, we had no other material legal accruals for loss contingencies, individually or in the aggregate, as of December 31, 2023 and December 31, 2022.

24. Commitments and contingencies (continued)

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 6, 2023, we amended and restated the previous facility agreement pursuant to an amendment and restatement agreement (the "Amended and Restated Facility Agreement") with DNB Bank ASA, London Branch, as agent, in order to extend the maturity of the New Facility agreement. The maturity date of the Amended and Restated Facility Agreement is October 6, 2026. The Amended and Restated Facility Agreement increased the total commitments to $250.0 million, of which $166.7 million was available for drawdowns as loans and $83.3 million was available for letters of credit. The Company has the ability to increase the commitments to $350.0 million.

Borrowings under the Amended and Restated Facility Agreement bear interest at a rate per annum of Term SOFR (as defined in the Amended and Restated Facility Agreement), subject to a 0.00% floor, plus an applicable margin of 3.75% (which is subject to a margin ratchet which reduces the margin in 4 step downs according to the Total Net Leverage Ratio (as defined in the Amended and Restated Facility Agreement)) for cash borrowings or 2.50% for letters of credit (which are similarly subject to a margin ratchet which reduces the margin in 4 step downs according to the Total Net Leverage Ratio). A 0.40% per annum fronting fee applies to letters of credit, and an additional 0.25% or 0.50% per annum utilization fee is payable on cash borrowings to the extent one-third or two-thirds, respectively, or more of Facility A (as defined in the Amended and Restated Facility Agreement) commitments are drawn. The unused portion of the Amended and Restated Facility Agreement is subject to a commitment fee of 35% per annum of the applicable margin.

The Amended and Restated Facility Agreement retains various undertakings and affirmative and negative covenants (with certain agreed amendments) 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 Amended and Restated Facility Agreement amends certain of the financial covenants such that the Company is required to maintain (i) a minimum interest cover ratio of 4.0 to 1.0 based on the ratio of EBITDA to net finance charges and (ii) a maximum total net leverage ratio of 2.50 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. We are in compliance with all our debt covenants as of December 31, 2023.

As of December 31, 2023, we had $20.0 million of borrowings outstanding under the Amended and Restated Facility Agreement. The effective interest rate on our outstanding borrowings was 8.1%. Our facility was undrawn on a cash basis (i.e., no loans were outstanding) as of December 31, 2022. We utilized $50.4 million and $53.8 million as of December 31, 2023 and December 31, 2022, 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, 2023 $'000	Carrying value December 31, 2022 $'000	Fair value December 31, 2023 $'000	Fair value December 31, 2022 $'000
Financial assets				
Trade and other receivables	246,856	303,662	246,856	303,662
Cash and cash equivalents, including restricted cash	153,166	218,460	153,166	218,460
Total financial assets	**400,022**	**522,122**	**400,022**	**522,122**
Financial liabilities				
Trade and other payables	368,672	294,609	368,672	294,609
Total financial liabilities	**368,672**		**368,672**	

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

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.

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, 2023		**At December 31, 2022**	
	Net financial assets/ (liabilities)	**Effect**	**Net financial assets/ (liabilities)**	**Effect**
	$'000	**$'000**	**$'000**	**$'000**
Change in XAF basis points by 5.00%	20,860	1,043	13,715	686
Change in MZN basis points by 5.00%	16,561	828	20,963	1,048
Change in BRL basis points by 5.00%	12,801	640	9,473	474
Change in THB basis points by 5.00%	10,279	514	10,680	534
Change in IDR basis points by 5.00%	5,469	273	9,631	482
Change in ARS basis points by 5.00%	4,064	203	4,673	234
Change in COP basis points by 5.00%	3,968	198	2,128	106
Change in TZS basis points by 5.00%	2,062	103	(102)	5
Change in DZD basis points by 5.00%	(4,109)	(205)	(9,275)	(464)
Change in NGN basis points by 5.00%	(5,410)	(270)	(6,464)	(323)
Change in AUD basis points by 5.00%	(6,040)	(302)	(10,621)	(531)
Change in SGD basis points by 5.00%	(8,708)	(435)	1,035	52
Change in CAD basis points by 5.00%	(9,141)	(457)	4,996	250
Change in NOK basis points by 5.00%	(11,896)	(595)	(12,306)	(615)
Change in TTD basis points by 5.00%	(17,745)	(887)	12,457	623
Change in GBP basis points by 5.00%	(59,718)	(2,986)	(31,510)	(1,576)

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.

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 15% and 12%, respectively, of net trade receivable balance at December 31, 2023. 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, 2023 and December 31, 2022 based on contractual undiscounted payments.

	Within 1 year $'000	1 year to 5 years $'000	Greater than 5 years $'000	Total $'000
Financial liabilities				
Trade and other payables	343,730	24,942	-	368,672
Lease liabilities	27,577	59,577	43,976	131,130
As at December 31, 2023	**371,307**	**84,519**	**43,976**	**499,802**
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**

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.

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, 2023 and 2022 respectively, are as follows (in thousands, except shares outstanding and per share amounts):

	At December 31, 2023	**At December 31, 2022**
	$'000	**$'000**
Net loss	(24,098)	(21,677)
Basic and diluted weighted average number of shares outstanding	109,161,453	109,072,761
Total basic and diluted loss per share	(0.22)	(0.20)

Approximately 0.9 million and 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 years ended December 31, 2023 and 2022, respectively.

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, 2023	**Financing Cash flow**	**Interest and finance expense, net**	**Other movements**	**Foreign exchange**	**December 31, 2023**
Lease liabilities	94,724	(36,736)	8,486	23,810	600	90,884
Treasury stock	(40,870)	(22,584)	-	(1,243)	-	(64,697)
Financed insurance premium	-	(9,317)	-	9,317	-	-
Revolving credit facility	-	(3,719)	3,719	-	-	-
Collateral deposits	-	(217)	-	217	-	-
Proceeds from long-term borrowings	-	50,000	-	-	-	50,000
Repayment of long-term borrowings	-	(65,096)	-	35,096		(30,000)
Total	**53,854**	**(87,669)**	**12,205**	**67,197**	**600**	**46,187**

30. Subsequent events

There were no events except the announcement of the planned acquisition of Coretrax mentioned in Note 3 "Business combination and dispositions", occurred 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 2023
(in thousands USD)

	Notes	For the Year Ended December 31, 2023	For the Year Ended December 31, 2022
Share of results of subsidiaries, after tax	2	$ (17,723)	$ (11,267)
Loss from operations, after tax		(6,375)	(10,410)
Net results		$ (24,098)	$ (21,677)

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
dated 25 April 2024

Expro Group Holdings N.V. company balance sheet as of December 31, 2023
(before proposed appropriation of net result)
(in thousands USD)

	Notes	December 31, 2023		December 31, 2022	
Non-current assets					
Financial assets	2	1,299,722		1,513,714	
			$ 1,299,722		$ 1,513,714
Current assets					
Amounts owed by group	3	74,341		79,130	
Other current assets		1,390		4,290	
Cash and cash equivalents	4	139		284	
			75,870		83,704
			$ 1,375,592		$ 1,597,418
Shareholders' equity and					
Shareholders' equity					
Share capital	5	8,062		7,911	
Share premium	5	1,720,953		1,678,282	
Other reserves	5	(408,455)		(379,070)	
Unappropriated results	5	(24,098)		(21,677)	
			$ 1,296,462		$ 1,285,446
Current liabilities					
Loans from group entities	6	19,450		245,001	
Amounts due to group	7	56,847		56,304	
Accrued expenses and other		2,833		10,667	
			79,130		311,972
			$ 1,375,592		$ 1,597,418

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

1. General

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.

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.

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2. Financial Assets

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

	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
	7,820
Balances at December 31, 2022	
Book value	$ 1,513,714

	Interests in Group Entities [1]
Balances at January 1, 2023	
Book value	$ 1,513,714
Movements in book value	
Net loss from subsidiaries	(17,723)
Other comprehensive income from subsidiaries	(3,378)
Dividend received during the year from Frank's International Partners B.V.	(234,101)
Additions during the year	41,210
	(213,992)
Balances at December 31, 2023	
Book value	$ 1,299,722

(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%)
Expro LP B.V.	Amsterdam, the Netherlands	100% (100%)
Blackhawk Group Holdings, LLC	Delaware, United States	100% (100%)

As part of restructuring the organization structure, during the year, the Company received dividend of $234.1 million from OERL in the form of notes receivable from OERL.

Additionally, the Company made a capital contribution of $40.9 million in New Eagle Holdings limited for purchase of PRT and $0.3 million to OERL during the year ended December 31, 2023.

3. Amounts owed by group entities

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

	December 31, 2023	December 31, 2022
Blackhawk Specialty Tools, LLC	$ 9,573	$ 9,573
Expro Americas LLC	14,138	15,308
Expro Holdings US Inc.	2,902	2,902
Expro North Sea Limited	24,048	15,586
Expro US Holdings LLC	—	6,206
Expro Overseas Inc	5,819	5,723
Frank's International, LLC	16,040	22,557
Other	1,821	1,275
	$ 74,341	$ 79,130

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 $0.1 million and $0.3 as on December 31, 2023 and 2022, 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	Unappropriated Results	Total
Balances at January 1, 2022	$ 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**
Movements					
Equity-based compensation	-	-	19,497	-	**19,497**
Acquisition of common stock	-	-	(20,024)	-	**(20,024)**
Treasury shares purchased	-	-	(3,803)	-	**(3,803)**
Granted share-based award plans	46	1,866	-	-	**1,912**
Transfer to other reserves	-	-	(21,677)	21,677	**-**
Defined benefits plan	-	-	(3,378)	-	**(3,378)**
Result after taxation	-	-	-	(24,098)	**(24,098)**
PRT Acquisition	105	40,805	-	-	**40,910**
Balances at December 31, 2023	**$ 8,062**	**$ 1,720,953**	**$ (408,455)**	**$ (24,098)**	**$ 1,296,462**

5.1 Share Capital

The authorized share capital of the Company at December 31, 2023 amounts to $13.2 million and consists of 200,000,000 Common Stock shares with a nominal value of EUR 0.06 each (1 EUR = $1.10). The movement in the number of outstanding shares in 2023 is as follows (in thousands):

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	108,744
Issuance of common shares under equity-based incentive plans	641
Issuance of common stock from PRT Acquisition	1,844
Acquisition of common stock	(1,199)
Balance at December 31, 2023	110,030

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 2023.

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 2024 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, 2023, common shares held in treasury totaled 3,360,217 with a cost of $64.7 million. On October 25, 2023, the Board approved an extension to the stock repurchase program first approved on June 16, 2022. Pursuant to the extended stock repurchase program, we are authorized to acquire up to $100.0 million of our outstanding common stock from October 25, 2023 through November 24, 2024 (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 will continue to be 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. During the year ended December 31, 2023, under the Stock Repurchase Program we repurchased 1.2 million shares of our common stock at an average price of $16.70 for a total cost of approximately $20.0 million, including shares repurchased prior to the extension of the Stock Repurchase Program. 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 the preceding program.

5.4 Appropriation of Result

Appropriation of profit of 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.

Proposal for profit appropriation 2023

Management proposes, with consent of the Board, to the General Meeting to appropriate the loss after tax for 2023 of $22.7 million to other reserves.

5.5 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, ($'000')
	2023
Shareholders' equity according to the consolidated statement of financial position	**$ 1,299,664**
Difference arising from the Merger transaction	3,202
Shareholders' equity according to the separate statement of financial position	**1,296,462**

6. Loans from group entities

During the year, the Company entered into an intercompany loan agreement for $8.6 million with Exploration and Production Services (Holdings) Ltd. The principal payment is due on demand with no stated interest rate. At December 31, 2023, the total outstanding loan amount was $19.5 million.

7. Amounts due to group entities

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

	December 31,	
	2023	**2022**
Exploration and Production Services (Holdings) Ltd	10,614	—
Expro LP B.V.	11,100	11,100
Expro US Holdings LLC	11,517	23,000
Frank's International Partners B.V.	—	280
Frank's International (BVI) Limited	1,374	861
Oilfield Equipment Rentals (West Africa) S.A.	1,040	—
Oilfield Equipment Rentals B.V.	20,521	20,969
Other	681	94
	$ 56,847	$ 56,304

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

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8. 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.

9. Related Parties

The remuneration of the directors is included in Note 12 to the Company Financial Statements.

10. Number of Employees

The Company had no employees for the years ended December 31, 2023 and 2022.

11. 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						
Chairman of the Board, Former Supervisory Director, Former President and Chief Executive Officer	2023	$ 175,000	$ 157,533	$ —	$ —	$ 332,533
	2022	175,000	174,532	—	—	349,532
Michael Jardon						
Chief Executive Officer, Director	2023	1,000,000	3,180,129	937,500	25,200	5,142,829
	2022	1,000,000	2,129,313	1,117,500	430,819	4,677,632
Eitan Arbeter						
Director	2023	82,500	157,533	—	—	240,033
	2022	82,500	174,532	—	—	257,032
Robert W. Drummond						
Director, Former Supervisory Director	2023	87,366	157,533	—	—	244,899
	2022	95,000	174,532	—	—	269,532
Lisa L. Troe						
Director	2023	105,000	157,533	—	—	262,533
	2022	105,000	174,532	—	—	279,532
Brian Truelove						
Director	2023	97,500	157,533	—	—	255,033
	2022	97,500	174,532	—	—	272,032
Frances M. Vallejo						
Director	2023	52,860	75,057	—	—	127,917
	2022	—	—	—	—	—
Eileen G. Whelley						
Director	2023	96,877	157,533	—	—	254,410
	2022	96,877	174,532	—	—	271,409
Quinn Fanning						
Chief Financial Officer	2023	450,000	1,269,503	337,500	25,200	2,082,203
	2022	450,000	1,166,603	402,300	71,975	2,090,878
Alistair Geddes						
Chief Operating Officer	2023	527,265	996,880	395,449	312,630	2,232,224
	2022	520,726	794,263	465,529	114,491	1,895,009
Steven Russell						
Chief Technology Officer, Former Managing Director, Former Senior Vice President, Operations	2023	425,000	1,073,043	318,750	13,200	1,829,993
	2022	425,000	833,490	379,950	6,100	1,644,540

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John McAlister						
General Counsel and Secretary	2023	$ 386,130	$ 689,546	$ 289,597	$ 89,629	$ 1,454,902
	2022	385,585	502,418	344,713	89,450	1,322,166
Erich L. Mosing						
Former Director	2023	29,384	82,476	—	—	111,860
	2022	45,103	88,732	—	—	133,835
Alan Schrager						
Former Director	2023	75,000	157,533	—	—	232,533
	2022	75,000	174,532	—	—	249,532
D. Keith Mosing						
Former Director	2023	—	—	—	—	—
	2022	29,589	85,800	—	—	115,389

(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 2023 and 2022.

(2) The amounts in this column for Messrs. Jardon, Geddes, Fanning, McAlister, and Russell reflect their salaries as employees of the Company. For the other current and former Directors, the amounts reflected were director fees earned for the 2023 and 2022 periods. Amounts for Directors consist of fees paid for service on the 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, 2023 and 2022.

(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. Jardon, Fanning and Russell, this column includes Employer 401K match. For Mr. Geddes, this column also includes amounts paid pursuant to the Service Contract entered into with Mr. Geddes effective March 31, 2023 in connection with his relocation to Dubai which encompasses a one-time relocation allowance, monthly allowances paid directly to Mr. Geddes for goods and services and cost of living, as well as a monthly hardship payment, which are in line with the Company's expatriate policy applicable to all similarly situated employees.

12. List of direct and indirect subsidiaries of Expro Group Holdings N.V. at December 31, 2023:

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%
Delta Tek Oiltools Ltd UK	United Kingdom	100%
Delta Tek Oil Tools Inc	USA	100%
Delta Tek Oil Tools Ltd - Norway branch	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 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%
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 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	Delaware, USA	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%
Frank's International LLC	Texas, USA	100%
Frank's International LP	Delaware, USA	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 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 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%
Petrotech AS	Norway	100%
Pilot Drilling Control Limited	United Kingdom	100%

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Premium Connection Nigeria Limited	Nigeria	100%
Professional Rental Tools, LLC (PRT)	USA	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 22, 2024
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/ Alan Schrager
Alan Schrager
Director

/s/ Lisa L. Troe
Lisa L. Troe
Director

/s/ Brian Truelove
Brian Truelove
Director

/s/ Frances M. Vallejo
Frances M. Vallejo
Director

/s/ Eileen G. Whelley
Eileen G. Whelley
Director

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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

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Deloitte Accountants B.V.
Gustav Mahlerlaan 2970
1081 LA Amsterdam
P.O.Box 58110
1040 HC Amsterdam
Netherlands

Tel: +31 (0)88 288 2888
www.deloitte.nl

INDEPENDENT AUDITOR'S REPORT

To the shareholders and the Board of Directors of Expro Group Holdings N.V.

Report on the audit of the financial statements for the year ended 31 December 2023 included in The Annual Report

Our opinion

We have audited the financial statements for the year ended 31 December 2023 of Expro Group Holdings N.V., based in Den Helder, The Netherlands. The financial statements comprise the consolidated financial statements and the company financial statements.

In our opinion:

- The accompanying consolidated financial statements give a true and fair view of the financial position of Expro Group Holdings N.V. as at 31 December 2023, and of its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.

- The accompanying company financial statements give a true and fair view of the financial position of Expro Group Holdings N.V. as at 31 December 2023, and of its result for year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The consolidated financial statements comprise:

1. The consolidated statement of financial position as at 31 December 2023.

2. The following statements for 2023: the consolidated income statement, the consolidated statements of comprehensive income, changes in equity and cash flows.

3. The notes comprising material policy information and other explanatory information.

The company financial statements comprise:

1. The company balance sheet as at 31 December 2023.

2. The company profit and loss account for 2023.

3. The notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

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We are independent of Expro Group Holdings N.V. in accordance with the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics for Professional Accountants).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information in support of our opinion

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The following information in support of our opinion was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Materiality

Based on our professional judgement we determined the materiality for the financial statements as a whole at USD 12,000,000. The materiality is based on 0.8% of revenue. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with the Audit Committee that misstatements in excess of USD 600,000, which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Scope of the group audit

Expro Group Holdings N.V. is at the head of a group of entities. The financial information of this group is included in the consolidated financial statements of Expro Group Holdings N.V.

Our group audit mainly focused on supervising the work performed by the component auditors in the United States, who in turn supervised the component auditors of the significant group entities in the United Kingdom and the United Arab Emirates. In establishing the overall group audit strategy and plan, we determined the type of work that needed to be performed at the components by the group engagement team and by component auditors from other Deloitte network firms. Where the work was performed by component auditors, we determined the level of involvement we needed to have in the audit work at those components so as to be able to conclude whether sufficient appropriate audit evidence had been obtained as a basis for our opinion on the group financial statements as a whole. For each component we determined whether we require an audit of their complete financial information or whether other procedures would be sufficient.

We have:

- Performed audit procedures ourselves at significant entities within the group, including the holding entity.
- Used the work of component auditors when auditing the significant group entities.
- Performed review procedures on insignificant components and at other group entities.

By performing the procedures mentioned above at group entities, together with additional procedures at group level, we have been able to obtain sufficient and appropriate audit evidence about the group's financial information to provide an opinion on the consolidated financial statements.

Audit approach fraud risks

An auditor conducting an audit in accordance with Dutch Standards on Auditing is responsible for obtaining reasonable assurance that the Financial Statements taken as a whole are free from material misstatement, whether caused by fraud or error. Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements of the financial statements may not be detected. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

We have exercised professional judgement and have maintained professional scepticism throughout our audit in identifying and assessing the risks of material misstatement of the financial statements due to fraud, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

We performed the following procedures:

- We made inquiries of management, those charged with governance and others within Expro Group Holdings N.V. regarding the risk of material misstatements in the financial statements due to fraud, their process for identifying and responding to the risk of fraud, the internal communication regarding their views on business practices and ethical behaviour and whether they have knowledge of any actual, suspected or alleged fraud affecting the Company.

- We obtained an understanding of how those charged with governance exercise oversight of management’s processes for identifying and responding to the risks of fraud in the Company and the internal control that management has established to mitigate these risks.

- We evaluated whether unusual or unexpected relationships have been identified in performing analytical procedures, including those related to revenue accounts, that may indicate risks of material misstatement due to fraud.

- We held discussions amongst team members and component auditors to identify fraud risk factors and considered whether other information obtained from our risk assessment procedures indicated risks of material misstatement due to fraud. Fraud risk factors identified include among others:
  - management override of controls;
  - fraud, bribery and corruption;
  - compliance with respect to (trade) regulations/sanctions;
  - compliance with respect to environmental requirements and operating licensing requirements;
  - compliance with procurement policies.

- We involved forensic specialists, focused on our fraud and non-compliance risk assessment, reviewed and evaluated the design and implementation of the internal controls surrounding the whistleblower platform and assessed the impact of any identified cases on our risk assessment process and resulting audit procedures.

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- We determined overall responses to address the assessed risks of material misstatement due to fraud at the financial statement level or at the assertion level by:
  - assigning and supervising personnel with the adequate knowledge, skills and ability;
  - evaluating whether the selection and application of accounting policies by the Group, particularly those related to subjective measurements and complex transactions, may be indicative of fraudulent financial reporting;
  - incorporated an element of unpredictability in the selection of the nature, timing and extent of our audit procedures. Among others, these include a periodical reassessment of the group audit scope, planning and periodic meetings or video calls with auditors of reporting entities and expanding the group audit scope where appropriate. Reference is made to the section "Scope of the group audit";
  - tested the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements, including the adjustments passed to ensure compliance with EU-IFRS;
  - evaluated whether the judgments and decisions made by management in making the accounting estimates included in the financial statements indicate a possible bias that may represent a risk of material misstatement due to fraud. Management insights, estimates and assumptions that might have a major impact on the financial statements are disclosed in note 2.3 of the financial statements. Impairment testing of goodwill is a significant area to our audit as the determination whether these assets are not carried at more than their recoverable amounts is subject to significant management judgment. Reference is made to the section "Our key audit matters";
  - performed a retrospective review of management judgments and assumptions related to significant accounting estimates such as future cash flows used in the impairment testing in prior year financial statements;
  - for significant transactions such as the measurement period adjustments to goodwill related to the merger transaction within one year from the acquisition date, we evaluated the business rationale of the transactions and the related management judgement and assumptions.

Based on our procedures performed we have no matters to report.

Audit approach compliance with laws and regulations

We are responsible for obtaining reasonable assurance that the financial statements, taken as a whole, are free from material misstatement, whether due to fraud or error taking into account the applicable legal and regulatory framework. However, we are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the auditing standards. In the context of laws and regulations, the potential effects of inherent limitations on the auditor's ability to detect material misstatements are greater for such reasons as the following:

- There are many laws and regulations, relating principally to the operating aspects of an entity, that typically do not affect the financial statements and are not captured by the entity's information systems relevant to financial reporting.

- Non-compliance may involve conduct designed to conceal it, such as collusion, forgery, deliberate failure to record transactions, management override of controls or intentional misrepresentations being made to the auditor.

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- Whether an act constitutes non-compliance is ultimately a matter to be determined by a court or other appropriate adjudicative body.

Ordinarily, the less directly non-compliance is linked to the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to identify the non-compliance.

We performed the following procedures:

- As part of obtaining an understanding of Expro Group Holdings N.V. and its environment we obtained a general understanding of the legal and regulatory framework applicable to Expro Group Holdings N.V. and the industry in which it operates.

- We obtained sufficient appropriate audit evidence regarding provisions of those laws and regulations generally recognized to have a direct effect on the determination of material amounts and disclosures in the financial statements such as (corporate) tax and pension laws and financial reporting regulations, the requirements under EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code.

- Our procedures are more limited with respect to other laws and regulations that do not have a direct effect on the determination of the amounts and disclosures in the financial statements. These laws and regulations compliance may be fundamental to (i) the operating aspects of the business, (ii) Expro Group Holdings' N.V. ability to continue its business, or (iii) avoid material penalties (e.g., compliance with the terms of operating licenses and permits or compliance with environmental regulations) and therefore non-compliance with such laws and regulations may have a material effect on the financial statements. In addition, we considered major laws and regulations applicable to listed companies. Our responsibility is limited to undertaking specified audit procedures to help identify non-compliance with those laws and regulations that may have a material effect on the financial statements.

- Our procedures are limited to (i) inquiry of management, the Audit Committee and others within Expro Group Holdings N.V. as to whether the Company is in compliance with such laws and regulations and (ii) inspecting correspondence, if any, with the relevant licensing or regulatory authorities to help identify non-compliance with those laws and regulations that may have a material effect on the financial statements.

- We remained alert to the indications of (suspected) non-compliance throughout the audit.

- We obtained written representations that all known instances of (suspected) fraud or non-compliance with laws and regulations have been disclosed to us.

- As disclosed in note 24 of the financial statements, the company conducted an internal investigation of the operations of certain of Frank's foreign subsidiaries in West Africa including possible violations of the U.S. Foreign Corrupt Practices Act ("FCPA"), its policies and other applicable laws. In June 2016, the company voluntarily disclosed the existence of its 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. The company resolved the matter and paid USD 8,0 million to the SEC in respect of disgorgement, prejudgment interest and civil penalty during the second quarter of 2023.

Based on our procedures performed we have no matters to report.

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Audit approach going concern

Our responsibilities, as well as the responsibilities of the Board of Directors, related to going concern under the prevailing standards, are outlined in the "Description of responsibilities regarding the financial statements" section below. Management has assessed the going concern assumption, as part of the preparation of the consolidated financial statements, and as disclosed in note 2.1, management believes that no events or conditions, give rise to doubt about the ability of the company to continue in operation at least 12 months from the end of the reporting period.

In fulfilling our responsibilities, we performed procedures including evaluating management's assessment of the company's ability to continue as a going concern and considering the impact of financial, operational, and other conditions. Based on these procedures, we did not identify any reportable findings related to the entity's ability to continue as a going concern.

Our key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the Audit Committee. The key audit matters are not a comprehensive reflection of all matters discussed.

Key audit matter - Goodwill Impairment Testing: ESSA, NLA, and APAC Reporting Units — Refer to Notes 2, 3, and 14 of the financial statements.

Description
Under IFRS, particularly IAS 36 "Impairment of Assets," the Company is required to test goodwill for impairment on an annual basis or more frequently if there are indications that goodwill might be impaired. This involves assessing whether the carrying amount of a cash-generating unit (CGU), which in this case aligns with the reporting units ESSA, NLA, and APAC, exceeds its recoverable amount. The recoverable amount is the higher of fair value less costs to sell and value in use. The Company has prepared its value in use calculations using a discounted cash flow model and corroborated its findings using the market approach. These impairment tests require significant judgment, especially in determining the assumptions to be used for future cash flows, growth rates, profitability margins, and the selection of appropriate discount rates. As of 31 December 2023, the recorded goodwill amounted to USD 247.7 million, with USD 83.3 million, USD 139.5 million, and USD 19.4 million allocated to the ESSA, NLA, and APAC reporting units, respectively. The recoverable amounts of these reporting units were assessed to be higher than their carrying values; therefore, no impairment charge was recognized. Goodwill impairment testing is considered a key audit matter due to the significant estimates and judgments made by management in determining the fair value of reporting units and the high level of auditor's judgment required in evaluating the appropriateness of the assumptions and methodologies used in the impairment tests.

Audit Response
Our audit approach involved a combination of testing the effectiveness of internal controls and substantive procedures, which included the following:

- We tested the design and operating effectiveness of internal controls over the Company's process for goodwill impairment testing, including the controls over the determination of fair value for the ESSA, NLA, and APAC reporting units. This included an assessment of management's process for developing the forecasts and selection of the discount rates.

- We engaged fair value specialists to assist in evaluating the appropriateness of the discounted cash flow model and the market approach used by management. This included assessing the terminal growth rates, discount rates, and the selection of comparable market multiples and peer companies.

- We challenged management's assumptions and methodologies for short-term and long-term forecasts by comparing them against historical performance and industry trends. We also evaluated the consistency of these forecasts with internal communications and external market information.

- We considered the sensitivity of the impairment test to changes in key assumptions and the effect of any such changes on the recoverable amount of the reporting units.

Observations
Based on our audit procedures, we found that the assumptions and projections used by management to determine the fair value of the ESSA, NLA, and APAC reporting units were reasonable and supported by the available evidence. The forecasted cash flows were consistent with past performance and external economic indicators, and the discount rates were aligned with market benchmarks. We concluded that the goodwill impairment testing process complied with the requirements of IAS 36 and that the resulting carrying values were fairly stated.

Business Combinations — Valuation of Assets Acquired and Liabilities Assumed in the Acquisition of PRT Offshore — Refer to Notes 2 and 3 to the financial statements

Description
In accordance with IFRS 3 "Business Combinations," the Company has accounted for the acquisition of PRT Offshore by recognizing the acquired assets and liabilities at their fair value as of the acquisition date. The fair value allocation process is critical in a business combination as it determines the value of both tangible and intangible assets acquired and liabilities assumed. This is a complex process involving significant judgment, particularly when estimating the value of Property, Plant, and Equipment (PP&E) and Intangible Assets, which represented the largest asset classes acquired in the PRT Offshore acquisition.

The fair value of Personal Property (which included rental equipment, leasehold improvements, cranes, pumps and compressors, warehouse equipment, furniture & fixtures, office equipment, and light duty vehicles) was estimated using the cost approach, while Intangible Assets (which included trade names, patented technology, customer relationships, and assembled workforce) were valued using the income approach. Key assumptions in these valuations included future cash flow projections, discount rates, and the remaining useful lives of the assets.

Valuation of these assets and liabilities is identified as a key audit matter because of the significant estimates and judgments involved in determining their fair values and the need for specialized knowledge and expertise to evaluate management's approach and assumptions used in the valuation models.

Audit Response
Our audit response to address the valuation of Personal Property and Intangible Assets arising from the PRT Acquisition included a combination of testing internal controls and performing substantive procedures, as follows:

- We tested the design and operational effectiveness of internal controls over the purchase price allocation process, focusing on management's assumptions used in the valuation models for Personal Property and Intangible Assets.

- We engaged our valuation specialists to challenge the methodologies applied by management in the cost and income approaches. For Personal Property, this included assessing the replacement cost new and adjusting for physical deterioration and functional and economic obsolescence. For Intangible Assets, this involved evaluating the appropriateness of future cash flow forecasts, the relief-from-royalty method or the multi-period excess earnings method, discount rates, and the determination of the useful lives of the assets.

- We verified the consistency of the cash flow forecasts used in the income approach with other financial projections and strategic plans used by the Company, considering any evidence obtained in other areas of the audit.

- We conducted an analysis to determine if post-acquisition events or changes in circumstances indicated a different valuation of the assets and liabilities as of the acquisition date.

Observations
Based on our audit procedures, we found that the valuation techniques and assumptions used by management for the measurement of the fair values of Personal Property and Intangible Assets were reasonable and in line with market participant assumptions. The methodologies applied were consistent with the requirements of IFRS 3, and the inputs used, including future cash flows, discount rates, and asset lives, were supported by available evidence and industry data. As a result, we concluded that the fair values recognized for assets acquired and liabilities assumed in the PRT Offshore acquisition were fairly stated in accordance with IFRS accounting standards.

Report on the other information included in the annual report

The annual report contains other information, in addition to the financial statements and our auditor's report thereon.

The other information consists of:

- Management Board Report.

- Other Information as required by Part 9 of Book 2 of the Dutch Civil Code.

Based on the following procedures performed, we conclude that the other information:

- Is consistent with the financial statements and does not contain material misstatements.

- Contains all the information regarding the management report and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

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Management is responsible for the preparation of the other information, including the Management Board's Report in accordance with Part 9 of Book 2 of the Dutch Civil Code, and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

Engagement

We were engaged by the Board of Directors as auditor of Expro Group Holdings N.V. on 1 October 2021, as of the audit for the year 2021 and have operated as statutory auditor ever since that financial year.

Description of responsibilities regarding the financial statements

Responsibilities of the Board of Directors for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations or has no realistic alternative but to do so.

Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The audit committee is responsible for overseeing the company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures.

- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identified during our audit.

We provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee, we determine the key audit matters: those matters that were of most significance in the audit of the financial statements. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Amsterdam, 25 April 2024

Deloitte Accountants B.V.

Signed on the original: J.F. van Doornum