

Capital Limited
("Capital", the "Group" or the "Company")

Full Year Financial Results for the Year Ended 31 December 2024

Capital (LSE: CAPD), a leading mining services company, today provides its full year financial results for the year ended 31 December 2024.

	FY 2024	FY 2023	vs FY 2023
Revenue	348.0	318.4	9.3%
EBITDA (adjusted for IFRS 16 leases and exceptional items) ^{1,2,3}	80.0	91.8	(12.9%)
Operating Profit	39.3	60.3	(34.9%)
Operating Profit (excluding exceptional items) ⁴	47.3	60.3	(21.5%)
Investment Gain / (Loss)	12.1	3.0	304.7%
Net Profit After Tax (NPAT)	18.3	38.5	(52.5%)
NPAT (excluding exceptional items and investment gain/(loss)) ⁴	14.3	35.5	(59.7%)
<u>Earnings per share</u>			
Basic EPS (cents)	8.9	19.1	(53.5%)
Basic EPS (excluding exceptional items and investment gain/(loss)) (cents)	6.8	17.5	(61.1%)
Final Dividend per Share (cents)	1.3	2.6	(50.0%)
Cash from Operations (adjusted for IFRS 16 leases) ²	77.1	84.3	(8.6%)
Capex ⁵	67.2	69.0	(2.6%)
Net Debt ¹	75.7	69.8	8.5%
Investments held at fair value	30.3	47.2	(35.8%)
<u>Margins</u>			
EBITDA Margin (adjusted for IFRS 16 leases and exceptional items) ^{1,2,3}	23.0%	28.8%	
Operating Profit Margin	11.3%	18.9%	
Operating Profit Margin (excluding exceptional items) ⁴	13.6%	18.9%	
NPAT Margin (excluding exceptional items and investment gain/(loss))	4.1%	11.2%	

All amounts are in US dollar millions unless otherwise stated

(1) EBITDA and Net Debt are non-IFRS financial measures and should not be used in isolation or as a substitute for Capital Limited financial results presented in accordance with IFRS. Alternative performance measures are detailed on pages 21 - 22 of this results announcement.

(2) Adjustment for the cash cost of the IFRS 16 leases, which amounts to 13.1 million in 2024 and 8.2 million in 2023.

(3) Exceptional items include ERP implementation costs of 2.7 million (2023: nil) and provisions against VAT receivables of 2.5 million (2023: nil).

(4) Exceptional items include ERP implementation costs of 2.7 million (2023: nil), provisions against VAT receivables of 2.5 million (2023: nil) and impairments relating to MSALABS of 2.8 million (2023: nil).

(5) Capital expenditure (Capex) consists of cash purchases of PPE, prepayments for PPE and assets purchased through OEM-financing.

FY 2024 Financial Overview

- FY 2024 revenue of 348.0 million, up 9.3% on FY 2023 (318.4 million);
- FY 2024 EBITDA (adjusted for IFRS16 leases and exceptional items) of 80.0 million, down 12.9% on FY 2023 (91.8 million);
- FY 2024 EBITDA margin (adjusted for IFRS16 leases and exceptional items) down to 23.0% (FY 2023: 28.8%);
- Value of the Group's strategic investment portfolio as of 31 December 2024 decreased to 30.3 million (FY 2023: 47.2 million) including net cash disposal of 28.9 million;
- Operating Profit of 39.3 million for FY 2024, down 34.9% on FY 2023 (60.3 million). Excluding the impact of

exceptional items, adjusted operating profit is 47.3 million, down 21.5% on FY 2023 (60.3 million);

- The Company has taken the decision to book non-cash provisions and impairments in 2024 primarily relating to historical VAT receivables and various laboratory assets in Mali.
- Net Profit After Tax (NPAT) of 18.3 million for FY 2024, down 52.5% on FY 2023 (38.5 million). Excluding the exceptional items and impact of investment gains, adjusted NPAT is 14.3 million for FY 2024, down 59.7% on FY 2023 (35.5 million);
- Basic Earnings Per Share (EPS) of 8.9 cents for FY 2024, down 53.5% on FY 2023 (19.1 cents). Excluding the impact of exceptional items and investment gains, adjusted EPS is 6.8 cents, down 61.1% on FY 2023 (17.5 cents);
- Cash from Operations (adjusted for IFRS 16 leases) of 77.1 million for FY 2024, a decrease of 8.6% on FY 2023 (84.3 million);
- Total Capex of 67.2 million for FY 2024, a decrease of 2.6% on FY 2023 (69.0 million). Total capex consisted of cash capex of 34.5 million (2023: 47.9 million), prepayments of 4.0 million (2023: 5.3 million) and financed capex of 28.7 million (2023: 15.8 million);
- Net Debt of 75.7 million, an increase of 8.5% on FY 2023 (69.8 million); and
 - Net debt excludes the investment holdings of 30.3 million.
- Declared a final dividend of 1.3 cents per share, to be paid on 15 May 2025 which, together with the interim dividend of 1.3 cents per share brings the total dividends declared for 2024 to 2.6 cents per share (2023: 3.9 cents per share).

Operational and Strategic Highlights

- Safety performance maintains its exceptional standing on a global scale with the 2024 Total Recordable Injury Frequency Rate ("TRIFR") of 0.78 per 1,000,000 hours worked, broadly in line with FY 2023 (0.75).
- **Capital Drilling - Continued strength of our core business:**
 - **Recent contract awards (previously announced):**
 - An 18-month diamond drilling services contract at the Mingomba Copper Project in Zambia owned by KoBold Metals;
 - A 2-year diamond drilling services contract at Perseus Mining's Yaouré Gold Mine in Côte d'Ivoire;
 - A 6-month reverse circulation drilling services contract with Aton Mining at its various exploration properties in Egypt; and
 - A 6-month diamond drilling services contract with Lotus Gold at its project site in Egypt.
 - Fleet utilisation for FY 2024 was 73%, compared to 73% in FY 2023;
 - Average monthly revenue per operating rig ("ARPOR") was 204,000 in FY 2024, up 9.7% on FY 2023 (186,000); and
 - Rig count increased from 127 to 130 through FY 2024, net of depletion.

	FY 2024	FY 2023	vs FY 2023
Closing fleet size	130	127	2.6%
Average Fleet	126	125	0.8%
Fleet utilisation (%)	73%	73%	(0.8%)
Average utilised rigs	92	92	0.0%
ARPOR ¹ ()	204,000	186,000	9.7%
Surveying revenue (m)	5.4	3.7	45%
Total Drilling and associated revenue ² (m)	239.1	215.2	11.1%

(1) Average revenue per month per operating rig

(2) Associated revenue refers to revenue generated from complementary services tied to our drilling operations.

- **Capital Mining - New contract award at Reko Diq**
 - **Major new contract award at Reko Diq:**
 - As previously announced, the Company has a letter of intent from Barrick, the operators of Reko Diq, to start a 5-year contract commencing in FY2025 at the 500,000 tonnes per annum gold plant to be built at Reko Diq.

significantly expand our service offering at their 50% owned major copper-gold project in Pakistan beyond the reverse circulation and diamond drilling geotechnical services we have provided since early 2023;

- These additional works will utilise the majority of the Group's combined mining fleets and covers two components:
 - Early works civils focused on the construction phase of the project prior to first production. The first items of equipment are anticipated to arrive on site in H1 2025; and
 - Tailings storage facility ("TSF") mining services, with phased arrival of further equipment on site planned through 2025 with a gradual ramp up in operations from Q4 2025 onwards and currently envisaged to be at run rate utilisation in H2 2026.
- **Other mining contracts came to an end in FY 2024:**
 - Sukari Gold Mine (Egypt) waste mining contract came to its natural end in September 2024; and
 - At Belinga (Gabon), the customer gave notice to conclude our mining contract early in Q4 2024, as they altered their development strategy at the project.
- **MSALABS - Ramping up Nevada Gold Mines contract**
 - **Nevada Gold Mines contract:**
 - The first stage of our state-of-the-art laboratory at Nevada Gold Mines, equipped with Chrysos PhotonAssay™ technology, started receiving samples in Q4 2020 after a slower-than-expected start to the construction of the laboratory and subsequent ramp up; and
 - Detailed design of second-stage wet chemistry and multi-element assaying facility is underway and is expected to be commissioned in H1 2026.
 - **New laboratory in Fairbanks, Alaska:**
 - We have completed construction of a new laboratory in Alaska. While this is a commercial laboratory, we expect to reach strong utilisation rapidly underpinned by large scale contracts with both Northern Star and Kinross Gold.
 - **Continued rollout of Chrysos PhotonAssay™ units:**
 - MSALABS possesses the largest international network of Chrysos PhotonAssay™ technology;
 - MSALABS relationship with Chrysos Corporation remains strong with plans to deploy 21 units globally; and
 - MSALABS has forged a global partnership with Barrick and Chrysos to deliver PhotonAssay™ technology across Barrick mine sites.
- **Capital Investments - Significant returns realised**
 - Sale of entire shareholding in Predictive Discovery to Perseus Mining for a total cash consideration of ~ 31.2 million during H2 2024;
 - The total value of investments (listed and unlisted) was 30.3 million as at 31 December 2024 (47.2 million as at 31 December 2023) including net cash disposal of 28.9 million;
 - As at 31 December 2024, the investment portfolio has realised ~ 12 million more than total cumulative amounts invested.
 - The portfolio continues to be focused on a select few key holdings with our holdings in WIA Gold and Sanu Gold comprising over 80% of our investments.

Outlook

- Revenue guidance for FY 2025 of 300 - 320 million;
- Capital Drilling will focus on consolidating ramp ups in key growth area, particularly in Nevada, USA, and ensuring efficiency and productivity across the Group's drilling operations;
- Capital Mining will commence the Reko Diq early works civils contract during the year, pending final contract negotiations, with revenues weighted to H2 2025;
- MSALABS is consolidating its existing platform in key strategic locations. We aim to deliver our robust pipeline having strengthened our business development function. Additionally, we expect full run-rate revenues from the first stage of our Nevada Gold Mines laboratory and our Fairbanks laboratory.

- Capital expenditure is expected to be 45 - 55 million in FY 2025. This will fund the rebuilds and other ancillary spend relating to the new Reko Diq mining contract, typical sustaining and replacement capex across the drilling business to ensure ongoing productivity and the continued expansion of MSALABS; and
- Tendering activity remains robust across the Group with a number of high-quality opportunities progressing.

2024 Final Dividend Timetable

- Ex-Dividend Date: 17 April 2025
- Record Date: 22 April 2025
- Last Date for Currency Elections: 24 April 2025
- Payment Date: 15 May 2025

Dividend Currency Elections

The dividend will be paid on 15 May 2025, in US Dollars ("USD") with an option for shareholders to elect to receive the dividend in Pounds Sterling ("GBP"). Currency elections should be made no later than 24 April 2025 as per the instructions detailed on the Company website (www.capdrill.com). Payments in GBP will be based on the USD/GBP exchange rate on 22 April 2025) and the rate applied will be published on the website thereafter.

Commenting on the results, Jamie Boyton, Executive Chair, said:

"2024 has been a pivotal year of transition for Capital as we establish foundations and a clear roadmap to evolve into a larger, more resilient business - one equipped to deliver consistent margins through the cycle.

Nevertheless, this has not come without challenges with the ramp ups of some of our key growth areas, particularly in North America, behind expectations and negatively impacting our Group financials. In response, we have implemented a range of structural changes within our management team to better position our business to execute on the significant growth opportunities availed to the Group. As a result, we expect margins to bottom in H1 2025 and see a recovery thereafter. 2025 revenue is expected to be in the range of 300 - 320 million with revenues H2-weighted given the ramp up of new projects, predominantly in our mining business.

As we look forward, we see significant growth coming on stream across MSALABS, our mining division, and through continuing to leverage our strong drilling platform. Importantly, this growth comes with reduced capital spend, largely utilising equipment we already own, following a major investment cycle over the past 4 years. This is highlighted by our 2025 capex guidance of 45 - 55 million, a significant year-on-year reduction. This allows us concentrate on successfully finalising the current ramp ups and drive cash flow and a return on our investments.

Whilst we acknowledge challenges throughout the year, we remain positive about the outlook for the business and are excited by opportunity suite ahead of us. We have set a clear pathway to putting the current challenges behind us and driving positive momentum through 2025 and a resumption of growth into 2026 and beyond."

Capital Limited will be hosting a live webcast presentation at 9:00am GMT on Thursday 27th March 2025, where questions can be submitted through the platform.

The webcast presentation link:

[Issuer Services](#) | [London Stock Exchange](#) | [Capital Limited FY 2024 Results](#)

Participants may join the webcast approximately five minutes before the commencement time. A copy of the Company's presentation will be available on www.capdrill.com

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For further information, please visit Capital's website www.capdrill.com or contact:

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About Capital Limited

Capital Limited is a leading mining services company that provides a complete range of drilling, mining, maintenance and geochemical laboratory solutions to customers within the global minerals industry. The Company's services include exploration, delineation and production drilling; load and haul services; maintenance; and geochemical analysis. The Group's corporate headquarters are in the United Kingdom and it has established operations in Canada, Côte d'Ivoire, Democratic Republic of Congo, Egypt, Gabon, Ghana, Guinea, Kenya, Mali, Mauritania, Pakistan, Saudi Arabia, Tanzania, United States of America and Zambia.

CAPITAL LIMITED

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2024

	Notes	Audited 2024 US '000	Audited 2023 US '000
Revenue	3	348,000	318,424
Cost of sales	4	(203,233)	(171,524)
Gross profit		144,767	146,900
Administration expenses	5	(56,945)	(46,852)
Depreciation, amortisation, and impairments	6	(48,562)	(39,766)
Operating profit		39,260	60,282
Interest income		38	65
Finance costs		(16,741)	(13,002)
Fair value gain on financial assets		12,097	2,989
Share of loss of associate		(387)	-
Profit before taxation		34,267	50,334
Taxation	7	(15,949)	(11,804)
Profit and total comprehensive income for the period		18,318	38,530
Profit attributable to:			
Owners of the parent		17,315	36,737
Non-controlling interest		1,003	1,793
		18,318	38,530
Earnings per share:			
Basic (cents per share)	8	8.87	19.09
Diluted (cents per share)	8	8.85	18.82

CAPITAL LIMITED

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	Notes	Audited 2024 US '000	Audited 2023 US '000
ASSETS			
Non-current assets			
Property, plant and equipment	10	240,969	208,657
Right-of-use assets	11	32,062	29,684
Goodwill		1,296	1,296
Intangible assets		794	572
Other receivables	13	10,790	9,789
Investment in associate		6,300	-
Total non-current assets		292,211	249,998
Current assets			
Inventories		61,912	61,922
Trade receivables	12	60,226	49,567
Other receivables	13	26,044	24,055
Investments at fair value		30,304	47,154
Current tax receivable		505	686
Cash and cash equivalents		40,526	34,366

Cash and cash equivalents		18,228	34,888
Total current assets		219,517	217,750
Total assets		511,728	467,748
EQUITY AND LIABILITIES			
Equity			
Share capital	14	20	19
Share premium	14	64,719	62,390
Equity-settled employee benefits reserve		3,972	5,763
Other reserve		190	190
Retained income		202,674	195,515
Equity attributable to owners of the parent		271,575	263,877
Non-controlling interest		11,813	9,270
Total equity		283,388	273,147
Non-current liabilities			
Loans and borrowings	14	86,925	75,521
Lease liabilities		22,226	21,109
Trade and other payables		7,511	2,057
Deferred tax		3,195	34
Total non-current liabilities		119,857	98,721
Current liabilities			
Trade and other payables		57,821	50,685
Provisions		203	487
Current tax payable		10,640	9,315
Loans and borrowings	14	28,259	27,052
Lease liabilities		11,560	8,341
Total current liabilities		108,483	95,880
Total equity and liabilities		511,728	467,748

CAPITAL LIMITED
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December 2024

	Notes	2024 US '000	2023 US '000
Cash flow from operating activities			
Cash generated from operations	15	90,133	92,532
Interest income received		38	65
Finance costs paid		(12,097)	(9,441)
Interest paid on lease liabilities	11	(3,067)	(2,081)
Tax paid		(11,282)	(11,905)
Net cash from operating activities		63,725	69,170
Cash flow from investing activities			
Purchase of property, plant and equipment	10	(34,469)	(47,876)
Proceeds from sale of property, plant and equipment		300	69
Purchase of intangible assets and cloud computing arrangements		(2,352)	(1,777)
Purchase of investments at fair value		(8,480)	(9,258)
Purchase of investment in associate		(6,688)	-
Proceeds on sale of investments at fair value		37,278	4,668
Cash paid in advance for property, plant and equipment		(3,970)	(5,318)
Advance payments on leases		(1,825)	(1,205)
Net cash from investing activities		(20,206)	(60,697)
Cash flow from financing activities			
Proceeds from loans and borrowings	14	30,000	38,000
Repayment of loans and borrowings	14	(47,262)	(26,732)
Repayment of principle on leases liabilities	11	(10,008)	(6,152)
Arrangement fees paid for new financing		(392)	-
Dividends paid	9	(7,686)	(7,637)
Proceeds from issuance of equity to non-controlling interests		719	1,193
Purchase of shares from non-controlling interest		(1,603)	(1,404)
Net cash from financing activities		(36,232)	(2,732)
Net increase in cash and cash equivalents		7,287	5,741
Cash and cash equivalents at the beginning of the period		34,366	28,380
Effect of exchange rate movement on cash balances		(1,127)	245
Cash and cash equivalents at the end of the period		40,526	34,366

Advance payments on leases has been reclassified from financing activities to investing activities in current and prior period. The impact of this change was not material to the financial statements.

CAPITAL LIMITED
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the year ended 31 December 2024

1. General information

Preparation of the condensed consolidated interim financial statements

Capital Limited (the "Company") is incorporated in Bermuda. The Company and its subsidiaries (the "Group") provide drilling, mining (load and haul), crushing, mineral assaying and surveying services. The Group also has a portfolio of investments in listed and unlisted exploration and mining companies.

2. Basis of presentation

The condensed consolidated financial statements are prepared on the going concern basis under the historical cost convention, except for certain financial instruments which are measured at fair value. The directors are responsible for the preparation of the results announcement.

The condensed consolidated financial statements included in this results announcement has been prepared in accordance with the measurement and recognition criteria of International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). Whilst the financial information included in this results announcement has been prepared in accordance with IFRS, this announcement does not itself contain sufficient information to comply with the disclosure requirements of IFRS. The Group's 2024 Annual Consolidated Financial Statements have been prepared in accordance with IFRS. The results announcement does not constitute a dissemination of the annual financial reports. A separate dissemination announcement in accordance with Disclosure and Transparency Rules (DTR) 6.3 will be made when the Annual Report and audited consolidated Financial Statements are available on the Company's website. The accounting policies are in terms of IFRS and consistent with those of the prior year.

The financial information for the years ended 31 December 2024 and 2023 does not constitute the annual financial statements. The annual consolidated financial statements for the year ended 31 December 2024 and 2023 were completed and received an unmodified audit report from the Company's Auditors.

Going concern

As at 31 December 2024, the Group had a robust balance sheet with a modest debt gearing with equity of US 284.3 million and loans and borrowings of US 116.3 million. Cash as at 31 December 2024 was US 40.5 million, with net debt of US 75.7 million. Investments at fair value at the end of December 2024 amounted to US 30.3 million which provides additional flexibility as these investments could be converted into cash.

This robustness is underpinned by stable cash flows generated by a diversified service offering and diversified contract portfolio. Revenues continued to perform strongly in 2024 with increased revenue of 9% compared to 2023. Commercially, the Nevada Gold Mines contract should reach its full capacity during the year and we expect MSALABS to continue its strong revenue growth experienced in 2024. Furthermore, the Group continues to leverage its strong relationships across the mining sector with contract extensions at Perseus' Sissingué Gold Mine in Côte d'Ivoire and new contract awards at their Yaouré Gold Mine in Côte d'Ivoire and the Nyanzaga Gold Project in Tanzania. Looking forward, the Group is currently mobilising the majority of our mining equipment fleet to Barrick's world-class Reko Diq copper-gold project in Pakistan, which will involve both early works civils and longer-term tailings storage facility mining services.

In determining the going concern status of the business, the Board has reviewed the Group's forecasts for the 18 months to June 2026, including both forecast liquidity and covenant measurements. In the assessment, management took into consideration the principal risks of the business that are most relevant to the going concern assessment and reverse stressed the forecast model to identify the magnitude of sensitivity required to cause a breach in covenants or risk the going concern of the business, alongside the Group's capacity to mitigate. The most relevant sensitivity was considered to be a decrease in EBITDA through loss of contracts, with no redeployment of equipment or other mitigating actions. EBITDA would need to fall by 19% during the period of assessment for going concern to breach the covenant test (interest cover) at June 2025. However, if mitigating actions (in this case the sale of investments) were undertaken, then EBITDA would need to fall by 34% during the period of assessment for going concern to breach the covenant test (interest cover) at June 2025.

Given the Group's exposure to high-quality mine site operations and strong relationships with blue-chip customers, we consider a decrease of such magnitude to be remote. Based on its assessment of the forecasts, principal risks and uncertainties and mitigating actions considered available to the Group in the event of downside scenarios, the Board confirms that it is satisfied the Group will be able to continue to operate and meet its liabilities as they fall due over the going concern period to June 2026. Accordingly, the Board has concluded that the going concern basis of preparation of the Financial Statements is appropriate and that there are no material uncertainties that would cast doubt on that basis of preparation.

CAPITAL LIMITED
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2024

3. Revenue

	2024	2023
	US '000	US '000
Revenue from the rendering of services comprises:		
Drilling and associated revenue	233,678	211,552
Revenue from Mining	65,242	64,721
Laboratory services revenue	43,647	38,405
Revenue from Surveying	5,433	3,746
	348,000	318,424

4. Cost of Sales

2024	2023
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	US '000	US '000
Employee costs	89,074	70,865
Consumables	25,145	24,554
Repairs and maintenance	28,819	23,250
Fuel	3,647	5,531
Camp operational cost	6,054	6,116
Other cost of sales	7,877	9,715
Landed cost - Inventory	11,622	11,757
Equipment hire	4,235	2,245
Travel and accommodation	5,707	5,704
Safety gear and equipment	3,883	3,517
Mobilisation and amortisation	7,783	1,434
Chrysos variable costs	2,154	1,754
Insurance - Equipment	2,048	1,294
Others	5,185	3,788
	203,233	171,524

5. Administration Expenses

	2024	2023
	US '000	US '000
Employee costs	22,381	19,809
Professional fees	5,594	3,813
Insurance	2,216	1,986
Rental cost	1,921	1,605
Share based payment expenses	539	3,540
Bad debts written off	258	218
Expected credit loss provision	(160)	1,717
Travel and accommodation	3,788	3,211
Bank charges	1,606	1,382
Foreign exchange loss / (gain)	2,107	(151)
Software costs	2,039	1,933
ERP implementation costs	2,661	-
Other tax	1,439	557
Provision for VAT recoverable	2,545	-
Other expenses	8,011	7,232
	56,945	46,852

CAPITAL LIMITED

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024

6. Profit from Operations

	2024	2023
	US '000	US '000

The following items have been recognised as expenses in determining profit from operations:

Depreciation, amortisation and impairments

Depreciation and amortisation:

Land and buildings	231	-
Right of use assets	12,025	7,510
Computer software	9	7
Drilling rigs	10,573	10,521
Associated drilling equipment	6,082	4,900
Vehicles and trucks	4,716	4,493
Camp and associated equipment	3,925	2,594
Mining equipment	7,041	9,302
Total depreciation	44,602	39,327

Impairment:

Right-of-use assets	1,766	-
Drilling rigs	226	-
Heavy Mining equipment	907	-
Vehicles and trucks	-	389
Camp and associated equipment	1,061	50
Total impairment	3,960	439

Total depreciation, amortisation and impairments	48,562	39,766
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Operating lease expense

Short term equipment rental	6,046	3,786
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Employee costs

Salaries, wages, bonuses and other benefits	111,456	90,673
Share based compensation expense	539	3,540
Total employee costs	111,995	94,213

Other

Loss on disposal of property, plant and equipment	594	946
Legal and professional fees	5,594	3,813
Stock write-off	686	691
Provision for inventory obsolescence	385	574
Allowance for credit losses	(160)	1,716
Bad debts written off	258	218
Other taxes	1,439	558

Provision for VAI recoverable	2,545	-
Increase in provisions for other taxes	44	136

7. Taxation

Capital Limited is incorporated in Bermuda and tax resident in the United Kingdom and the Group operates in multiple countries jurisdictions with complex legal and tax regulatory environments. Taxation is calculated in accordance with local legislation and the prevailing tax rates.

CAPITAL LIMITED

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024

7. Taxation (continued)

The Group has taken income tax positions that management believes are supportable and are intended to withstand challenge by tax authorities. Some of these positions are inherently uncertain and include those relating to transfer pricing matters and the interpretation of income tax laws. The Group periodically reassesses its tax positions. Changes to the financial statement recognition, measurement, and disclosure of tax positions is based on management's best judgement given any changes in the facts, circumstances, information available and applicable tax laws. Considering all available information and the history of resolving income tax uncertainties, the Group believes that the ultimate resolution of such matters will not likely have a material effect on the Group's financial position, statements of operations or cash flows.

8. Earnings per share

	2024	2023
<u>Basic Earnings per share:</u>		
The profit and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:		
Profit for the year used in the calculation of basic earnings per share (US '000)	17,315	36,737
Weighted average number of ordinary shares for the purposes of basic earnings per share	195,112,329	192,451,358
Basic earnings per share (cents)	8.87	19.09
<u>Diluted earnings per share:</u>	2024	2023
The profit used in the calculations of all diluted earnings per share measures are the same as those used in the equivalent basic earnings per share measures, as outlined above. ()	17,315	36,737
Weighted average number of ordinary shares used in the calculation of basic earnings per share	195,112,329	192,451,358
- Dilutive share options #	465,154	2,801,729
Weighted average number of ordinary shares used in the calculation of diluted earnings per share	195,577,483	195,253,087
Diluted earnings per share (cents)	8.85	18.82

CAPITAL LIMITED

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024

9. Dividends

During the 12 months ended 31 December 2024, a dividend of 2.6 cents (2023: 2.6 cents) per ordinary share, totalling to US\$5.1 million (2023: US\$5.0 million) was declared as the final dividend for 2023. This dividend was paid to the shareholders on 15 May 2024 (2023: 9 May 2023), followed by a further dividend of 1.3 cents (2023: 1.3 cents) per share which was declared as interim dividend for 2024 totalling US\$2.6 million (2023: US\$2.5 million).

million) and paid on 3 October 2024 (2023: 3 October 2023). The total dividend paid is US7.7 million (2023: US 7.6 million).

In respect of the year ended 31 December 2024, the Directors propose that a final dividend of 1.3 cents (2023: 2.6 cents) per share be paid to shareholders on 15 May 2025 (2023: 15 May 2024). This final dividend has not been included as a liability in these Consolidated Financial Statements. The proposed final dividend is payable to all shareholders on the Register of Members on 22 April 2025 (2023: 19 April 2024). The total estimated final dividend to be paid is ~US 2.6 million (2023: US 5.0 million). The payment of this final dividend will not have any tax consequences for the Group.

CAPITAL LIMITED

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024

10. Property, plant and equipment

Cost

	Drilling rigs	Heavy mining equipment	Associated Drilling & mining equipment	Vehicles and trucks	Camp and associated equipment	Land & Buildings
	US '000	US '000	US '000	US '000	US '000	US '000
At 1 January 2023	139,370	71,444	31,399	37,786	18,169	-
Additions	27,061	10,416	11,884	10,491	9,404	-
Disposal	(18,189)	-	(1,906)	(1,259)	(531)	-
At 31 December 2023	148,242	81,860	41,377	47,018	27,043	-
Additions	35,785	4,350	1,672	9,895	9,906	6,348
Disposal	(4,034)	-	(4,328)	(2,029)	(1,865)	-
At 31 December 2024	179,993	86,210	38,721	54,884	35,084	6,348

Accumulated Depreciation

At 1 January 2023	79,788	16,776	6,743	15,696	8,088	-
Depreciation	10,521	9,302	4,900	4,493	2,595	-
Impairment	-	-	-	389	50	-
Disposal	(17,412)	-	(1,783)	(1,157)	(517)	-
At 31 December 2023	72,897	26,078	9,860	19,421	10,216	-
Depreciation	10,573	7,041	6,082	4,716	3,925	231
Disposal	(3,754)	-	(4,100)	(1,653)	(1,855)	-
Impairment	226	907	-	-	1,061	-
At 31 December 2024	79,942	34,026	11,842	22,484	13,346	231

Carrying amount at:

31 December 2023	75,345	55,782	31,517	27,598	16,828	-
31 December 2024	100,051	52,184	26,879	32,400	21,738	6,117

CAPITAL LIMITED

Notes to the Condensed Consolidated Interim Financial Statements (continued)

For the year ended 31 December 2024

10. Property, plant and equipment (continued)

The Group's property plant and equipment includes assets not yet commissioned totalling US 45.0 million (2023: US 41.8 million). The assets will be depreciated once commissioned and available for use.

Not reflected in the Cash Flow are US 28.7 million (2023: US 15.8 million) asset finance facilities obtained from Epiroc, Caterpillar, Sandvik, Byington Family Trust and Northrim Bank.

11. Leases (Group as lessee)

Details pertaining to leasing arrangements, where the Group is lessee are presented below:

	Land & Buildings	Machinery	Total
	US '000	US '000	US '000
Right of use assets			
At 1 January 2023	3,565	13,087	16,652

At 1 January 2023	3,503	13,007	10,032
Additions	2,830	17,712	20,542
Depreciation	(1,290)	(6,220)	(7,510)
At 31 December 2023	5,105	24,579	29,684
Additions	778	15,391	16,169
Depreciation	(1,618)	(10,407)	(12,025)
Impairment	-	(1,766)	(1,766)
At 31 December 2024	4,265	27,797	32,062

Lease liabilities

At 1 January 2023	3,396	12,871	16,267
Additions	2,830	16,506	19,336
Interest expense	331	1,750	2,081
Lease payments	(1,373)	(6,861)	(8,234)
At 31 December 2023	5,184	24,266	29,450
Additions	777	13,567	14,344
Interest expense	422	2,645	3,067
Lease payments	(1,822)	(11,253)	(13,075)
At 31 December 2024	4,561	29,225	33,786

The weighted average incremental borrowing rate applied to lease liabilities during the period was 10% (2023: 10%).

CAPITAL LIMITED

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024

	2024	2023
	US '000	US '000
12. Trade receivables		
Trade receivables	64,762	54,264
Less: allowance for credit losses	(4,536)	(4,697)
Total trade receivables	60,226	49,567

Trade receivables have credit periods of between 30 to 45 days. The ageing of trade receivables is detailed below:

Current	43,627	26,139
Past due 1 - 30 days	6,293	6,583
Past due 31 - 60 days	5,746	12,913
Past due 61 - 90 days	1,330	1,876
Past due over 90 days	7,766	6,753
	64,762	54,264

The expected loss rates have been based on current and forward-looking information on micro and macroeconomic factors affecting the Group's customers. The Group has identified the metals and mining sector's credit loss probability rates as the key macroeconomic factor in countries where the Group operates.

The lifetime expected loss provision for trade receivables is as follows:

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
31 December 2024	US '000	US '000	US '000	US '000	US '000
Expected loss rate	0.21%	0.32%	0.08%	49.44%	7.12%
Gross carrying amount	43,627	6,293	5,746	9,096	64,762
Loss provision	124	20	8	4,384	4,536

Movements in the impairment allowance for trade receivables are as follows:

	2024	2023
	US '000	US '000
Opening provision for impairment of trade receivables	4,697	2,981
Increase during the year	97	1,934
Receivables written off during the year as uncollectible	(258)	(218)
At 31 December	4,536	4,697

CAPITAL LIMITED

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024

	2024	2023
	US '000	US '000
13. Other receivables		
Prepayments	10,474	7,529

Prepayments	2,550	2,550
Capitalised contract costs	7,082	3,783
VAT recoverable	6,410	7,561
Amounts due from non-controlling interest	5,685	5,536
Accounts receivable - Sundry	2,948	4,025
Prepayment for fixed assets	3,970	5,318
Others	264	92
	36,834	33,844
Current	26,044	24,055
Non-current	10,790	9,789
	36,834	33,844

14. Loans and borrowings

Loans and borrowings consist of:

(a) US 75 million revolving credit facility ("RCF") provided by Standard Bank (Mauritius) Limited and Nedbank Limited

The Company entered into a revolving credit facility agreement on 28 March 2023 as borrower together with Standard Bank (Mauritius) Limited and Nedbank Limited (acting through its Nedbank Corporate and Investment banking division) as lenders and arrangers, with Nedbank acting as agent and security agent to borrow a revolving credit facility for an aggregate amount of US 50 million with the Company being able to exercise an accordion option to request an increase of the facility under the terms and conditions of the Facility Agreement. The full accordion of US 25m was exercised and completed 26 April 2024. The total available amount of the facility is currently US 75m. The interest rate on the RCF is the prevailing three-month Secured Overnight Financing Rate (SOFR, payable in arrears) plus a margin of 5.5%, and an annual commitment fee of 1.925% per annum is charged on any undrawn balances. The amount utilised on the RCF was US 60 million as at 31 December 2024 (2023: US 45 million).

Under the terms of the RCF, the group is required to comply with certain financial covenants relating to:

- Interest coverage
- Gross debt to EBITDA ratio
- Debt to equity ratio
- Tangible net worth

CAPITAL LIMITED

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024

14. Loans and borrowings (continued)

In addition, CAPD (Mauritius) Limited is also required to comply with the Total Tangible Net Worth covenant.

Security for the revolving credit facility comprise various pledges over the shares and claims of the Group's entities in Tanzania together with a debenture over the rigs in Tanzania and the assignment of material contracts and their collection accounts in each of Egypt, Tanzania and Mali.

As at the reporting date and during the period under review, the Group has complied with all covenants attached to the loan facilities.

(b) US 40.5 million term loan provided by Macquarie Bank Limited (London Branch)

On 15 September 2022, the Group refinanced the senior secured, asset backed term loan facility with Macquarie Bank Limited. The term of the loan is three years repayable in quarterly instalments with an interest rate on the facility of the prevailing three-month SOFR plus a margin of 6.5% per annum (payable quarterly in arrears). The loan is secured over certain assets owned by the Group and currently located in Egypt together with guarantees provided by Capital Limited, Capital Drilling Egypt LLC. The Group drew an additional US 8.0 million in 2023. As at 31 December 2024, the amount outstanding on the term loan was US 13.1 million (2023: US 32 million).

During the year under review, the Group has complied with all covenants (same as RCF) attached to the term loan.

(c) Epiroc Financial Solutions AB credit agreements

The Group has a number of credit agreements with Epiroc, drawn down against the purchase of rigs. The term of the agreements is four years repayable in 46 monthly instalments. The rate of interest on most of the agreements is three-month SOFR plus a margin of 4.8%, with a fixed rate of interest of the remaining agreements of 8.5% and 9.5%. As at 31 December 2024, the total drawn under these credit agreements was US 24 million (2023: US 16.5 million). No covenants are attached to this facility.

(d) US 8.5 million term loan facility with Sandvik Financial Services AB (PUBL)

The Group has term loan facility agreement with Sandvik Financial Services AB (PUBL). The facility is for the purchase of equipment from Sandvik AB, available in not more than four tranches. Interest is payable quarterly in arrears at 5.45% per annum on the drawn amount. As at 31 December 2024 the balance outstanding was US 2.5 million (2023: US 4.2 million) and the facility is no longer available to be drawn.

Additionally, the Group entered into a further US 10 million facility agreement on 23 October 2023. The rate of interest on this agreement is fixed at 8.15%. As at 31 December 2024, the balance outstanding was US 6.3 million (2023: Undrawn). No covenants are attached to these facilities.

(e) US 5.0 million facility with Caterpillar Financial Services

The Group entered into a US 5 million facility agreement with Caterpillar Financial Services Corporation on 25 July 2023. The rate of interest on this agreement is three-month SOFR plus a margin of 5.25%. The term of the agreement is 2 years repayable in 8 quarterly instalments. All repayments can be subsequently redrawn. As at 31 December 2024, the balance outstanding was US 3.2 million (2023: US 5.0 million).

During the year under review, the Group has complied with all covenants (same as RCF) attached to the facility.

(f) US 3.7m Mortgage with Byington Family Trust

The Group entered into a US 3.7m mortgage with Byington Family Trust on 8 January 2024. The property in Elko serves as collateral for the mortgage. The rate of interest is fixed at 7.50% until maturity on 31 December 2034. As at 31 December 2024, the balance outstanding was US 3.6 million. No covenants are attached to this facility.

CAPITAL LIMITED
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2024

14. Loans and borrowings (continued)

(g) US 1.6m Business Loan Facility Agreement with Northrim Bank

The Group entered into a US 1.6m Loan Facility Agreement with Northrim Bank on 27 August 2024. The property in Fairbanks, Alaska serves as collateral for this loan. The rate of interest is three-month SOFR plus a margin of 3%. As at 31 December 2024, the balance outstanding was US 0.7 million

During the period under review, the Group has complied with all covenants (same as RCF) attached to the facility.

	2024	2023
	US '000	US '000
Bank loans	76,388	78,385
Supplier credit facilities	36,288	25,813
Vendor financed mortgage	3,599	-
	116,275	104,198
Less: Unamortised debt arrangement costs	(1,091)	(1,625)
Total loans and borrowings	115,184	102,573
Current	28,259	27,052
Non-current	86,925	75,521
Total loans and borrowings	115,184	102,573

15. Cash generated from operations

	2024	2023
	US '000	US '000
Profit before taxation	34,267	50,334
Adjusted for:		
- Depreciation, amortisation and impairments	34,771	32,256
- ERP costs expensed	676	-
- Share of loss in associate	387	-
- Loss on disposals	594	946
- Depreciation of right-of-use assets	13,791	7,510
- Share-based payment	539	3,540
- Fair value loss/(gain) on financial assets	(12,097)	(2,914)
- Interest income	(38)	(65)
- Finance costs	16,741	13,002
- Other non-cash items	339	34
- Unrealised foreign exchange (gain) / loss on foreign cash held	1,623	(246)
- (Decrease)/Increase in expected credit loss provision	(160)	1,716
- Bad debts written off	258	218
Operating profit before working capital changes	91,691	106,331
Adjustments for working capital changes:		
- Increase in inventories	(375)	(3,227)
- Increase in trade and other receivables	(13,671)	(15,568)
- Increase in trade and other payables	12,771	7,146
- Decrease in provisions	(283)	(2,150)
	90,133	92,532

CAPITAL LIMITED
APPENDIX: GLOSSARY AND ALTERNATIVE PERFORMANCE MEASURES (UNAUDITED)

The Group presents various Alternative Performance Measures (APMs) as management believes that these are useful for users of the financial statements in helping to provide a balanced view of, and relevant information on, the Group's financial performance in the year.

The following terms and alternative performance measures are used in the half year results release for the year ended 31 December 2024.

ARPOR

Operating profit (pre-exceptional items)

Average revenue per operating rig

Earnings before interest, taxes, fair value gain/loss on financial assets and exceptional items

EBITDA

Earnings before interest, taxes, depreciation, amortization, fair value gain/loss on financial assets and exceptional items.

EBITDA (adjusted for IFRS 16 leases)

EBITDA net of cash cost of the IFRS 16 leases

NPAT

Net Profit After Tax

NPAT (excluding exceptional items and investment gains/(loss))	Net profit after tax before fair value gain/loss on investments and exceptionals
EPS (excluding exceptional items and investment gains/(loss))	Net profit after tax before fair value gain/loss and exceptionals over weighted average number of ordinary shares
NET CASH (DEBT)	Cash and cash equivalents less short term and long-term debt

Reconciliation of alternative performance measures to the financial statements:

	2024	2023
	US '000	US '000
ARPOR can be reconciled from the financial statements as per the below:		
Revenue per financial statements (US)	348,000	318,424
Non-drilling revenue (US)	(123,671)	(114,249)
Revenue used in the calculation of ARPOR (US)	224,329	204,175
Monthly Average active operating Rigs	92	92
Monthly Average operating Rigs	126	125
ARPOR (rounded to nearest US 10,000)	204	186

EBITDA can be reconciled from the financial statements as per the below:

	US '000	US '000
Profit for the year	18,318	38,530
Depreciation	48,562	39,765
Taxation	15,949	11,804
Interest income	(38)	(65)
Finance charges	16,741	13,002
Share of loss in associates	387	-
Fair value adjustments on financial assets	(12,097)	(2,989)
EBITDA	87,822	100,047

CAPITAL LIMITED

APPENDIX: GLOSSARY AND ALTERNATIVE PERFORMANCE MEASURES (UNAUDITED)

	2024	2023
	US '000	US '000
Operating profit (EBIT)	39,260	60,282
Depreciation, amortisation and impairments	48,562	39,765
EBITDA	87,822	100,047

Adjusted EBITDA can be reconciled from the financial statements as per the below:

Operating profit (EBIT)	39,260	60,282
Depreciation, amortisation and impairments	48,562	39,765
Cash cost of IFRS 16 leases	(13,075)	(8,234)
Exceptional items (ERP costs and provision for VAT receivables)	5,206	-
Adjusted EBITDA	79,953	91,813

Adjusted EBITDA Margin	23.0%	28.8%
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Operating Profit (excluding exceptional items) can be reconciled from the financial statements as per the below:

Operating Profit	39,260	60,282
Exceptional items (ERP costs, provision for VAT receivables and impairment of laboratory assets)	8,032	-
Operating Profit (excluding exceptional items)	47,292	60,282

Operating Profit margin (excluding exceptional items)	13.6%	18.9%
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Adjusted cash from operations can be reconciled from the financial statements as per the below:

Cash generated from operations	90,133	92,532
Cash cost of IFRS 16 leases	(13,075)	(8,234)
Adjusted Cash from Operations	77,058	84,298

Net cash (debt) can be reconciled from the financial statements as per the below:

Cash and cash equivalents	40,526	34,366
Long-term borrowings ¹	(87,268)	(76,273)
Current portion of long-term borrowings ¹	(29,007)	(27,925)
Net (debt)/ cash	(75,749)	(69,832)

¹ Excludes the unamortised debt arrangement costs



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