

PRIORITY DRILLING LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

PRIORITY DRILLING LIMITED

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PRIORITY DRILLING LIMITED

COMPANY INFORMATION

Directors	Michael McCarthy Jnr Eoghan McCarthy
Company Secretary	Michael McCarthy Jnr
Company Number	25440
Registered Office	162 Clontarf Road Dublin 3
Business Address	Killimor Ballinasloe Co. Galway
Auditors	Forvis Mazars Chartered Accountants and Statutory Audit Firm 98 Henry Street Limerick
Bankers	Allied Irish Bank Portumna Co. Galway Bank of Ireland Portumna Co. Galway
Solicitors	Tom O'Regan & Co Solicitors 33 Lower Salthill Galway Holmes O'Malley Sexton Bishopsgate Henry Street Limerick Smyth Solicitors Alexandra House Ballsbridge Park Ballsbridge Dublin 4

PRIORITY DRILLING LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2025**

The directors present their annual report and the audited financial statements for the year ended 31 March 2025.

Principal activities and review of the business

The principal activity of the company is the provision of drilling services.

The company reported turnover of €5,165,006 (2024: €5,626,657) and an profit after tax of €2,274,069 (2024: €2,023,642) in the statement of comprehensive income for the year ended 31 March 2024. The company's net asset position at year end was €17,518,148 (2024: €15,244,079) with cash at bank and in hand of €585,102 (2024: €550,885). The directors are confident that current trading levels can be maintained as the company has a sufficient pipeline of work on hand. There has been no significant change in these activities during the financial year ended 31 March 2025.

Results and dividends

The profit for the year, after taxation, amounted to €2,274,069 (2024 - €2,023,642).

At the end of the financial year, the company has assets of €20,300,728 (2024 - €17,613,809) and liabilities of €2,782,580 (2024 - €2,369,730). The net assets of the company have increased by €2,274,069.

The directors did not pay a final dividend (2024: €Nil).

Directors and secretary

The directors who served during the year were:

Michael McCarthy Jnr
Eoghan McCarthy

The secretary who served throughout the financial year was Michael McCarthy Jnr.

The directors' and the secretary's interests in the shares of the company are as follows:

Name	Class of Shares	Number of shares held at 31/03/25	Number of shares held at 01/04/24
Michael McCarthy Jnr	'A' Ordinary Shares	<u>3,475</u>	<u>3,475</u>

Eoghan McCarthy had no direct beneficial interest in the shares of the company at the beginning or end of the financial year.

Holdings in Ultimate Parent Company

Name	Company	Class of Shares	Number of shares held at 31/03/25	Number of shares held at 01/04/24
Michael McCarthy Jnr	Priority Construction Group Limited	Ordinary Shares	<u>1</u>	<u>1</u>

Eoghan McCarthy had no direct beneficial interest in the shares of the ultimate parent company at the beginning or end of the financial year.

PRIORITY DRILLING LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

Principal risks and uncertainties

The company is subject to a number of key risks which are actively managed by the directors through the implementation of risk mitigation strategies. The main risks to the company are an unforeseen economic downturn, and planning and regulatory restrictions that impact the drilling and construction industry. The directors continue to monitor developments in the general economy and the drilling and construction sector and will continue to respond appropriately.

Foreign exchange risk:

The company operates mainly in the Republic of Ireland and has relatively low levels of transactional foreign exchange exposure in the normal course of business. Therefore, the company currently does not seek to manage related foreign exchange risks.

Liquidity and cashflow risk:

The company has low levels of finance as it has sufficient cashflows from its operations to fund its operations and any planned expansion.

Interest rate risk:

The company has interest bearing assets, in the form of cash deposits and has no interest bearing liabilities. Therefore, there is very little impact of interest rate volatility on the company's profitability.

Commercial risk:

The company's sales are exposed to changes in general economic conditions. The company has considered the risks prevalent and is confident it has the resources and experience to respond to changes in economic conditions.

Environmental matters:

The company recognises and takes full cognisance of the environmental importance of all its work activities and commits itself to implement whatever best practice dictates to best preserve the environment, ecological habitat and surroundings. The company will adapt an Environmental Management plan that will allow the company to consistently control its significant impact on the environment, reduce the risk of pollution incidents, ensure compliance with environmental legislation and continually improve its business operations.

Health and safety:

The health and safety of not only our employees but also others impacted by our activities is of paramount importance to the company. The company recognises that the disciplines of quality, health and safety, and environmental management are an integral part of its management function. The organisation views these disciplines as a primary responsibility and to be the key to good business in adopting appropriate quality standards.

Accounting records

The measures taken by the directors to ensure compliance with the requirements of Sections 281 to 285 of the Companies Act 2014 with regard to the keeping of accounting records, are the employment of appropriately qualified accounting personnel and the maintenance of computerised accounting systems. The company's accounting records are maintained at the company's registered office at 162 Clontarf Road, Dublin 3.

Future developments

The company plans to continue its present activities and current trading levels. Employees are kept as fully informed as practicable about developments within the business. It currently has sufficient plant & equipment to cater for demand in the market.

Post balance sheet events

There has been no significant events affecting the company since the financial year end.

Auditors

The auditors, Forvis Mazars, continue in office in accordance with section 383(2) of the Companies Act 2014.

PRIORITY DRILLING LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025**

Statement on relevant audit information

In accordance with section 330 of the Companies Act 2014, so far as each of the persons who are directors at the time this report is approved are aware, there is no relevant audit information of which the statutory auditors are unaware. The directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and they have established that the statutory auditors are aware of that information.

Compliance statement

The directors are responsible for securing the company's compliance with its relevant obligations (compliance with both company and tax law) and with respect to each of the following three items, we confirm that it has been done. We confirm:

- the existence of a compliance policy statement;
- appropriate arrangements or structures put in place to secure material compliance with the company's relevant obligations;
- a review of such arrangements and structures has taken place during the year.

This report was approved by the board and signed on its behalf.

Michael McCarthy Jnr
Director

Date: 25 February 2026

Eoghan McCarthy
Director

Date: 25 February 2026

PRIORITY DRILLING LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 MARCH 2025

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with Irish law and regulations.

Irish company law requires the directors to prepare the financial statements for each financial year. Under the law, the directors have elected to prepare the financial statements in accordance with the Companies Act 2014 and Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Company as at the financial year end date, of the profit or loss for that financial year and otherwise comply with the Companies Act 2014.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for ensuring that the Company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the Company, enable at any time the assets, liabilities, financial position and profit or loss of the Company to be determined with reasonable accuracy, enable them to ensure that the financial statements and Directors' Report comply with the Companies Act 2014 and enable the financial statements to be audited. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in Republic of Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of Information to Auditor

Each persons who is a director at the date of approval of this report confirms that:

- there is no relevant audit information (information needed by the company's auditor in connection with preparing the auditor's report) of which the company's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

Michael McCarthy Jnr
Director

Date: 25 February 2026

Eoghan McCarthy
Director

Date: 25 February 2026

Independent auditor's report to the members of Priority Drilling Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Priority Drilling Limited ('the Company'), for the year ended 31 March 2025, which comprise Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows, and notes to the Company financial statements, including the summary of significant accounting policies set out in note 2. The financial reporting framework that has been applied in their preparation is Irish law and Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* issued in the United Kingdom by the Financial Reporting Council (FRS 102).

In our opinion, the accompanying financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Company as at 31 March 2025, and of its profit for the year then ended;
- have been properly prepared in accordance with FRS 102; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard for Auditors (Ireland) issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Independent auditor's report to the members of Priority Drilling Limited (continued)

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2014

In our opinion, based on the work undertaken in the course of the audit, we report that:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements;
- the directors' report has been prepared in accordance with applicable legal requirements;
- the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited; and
- the financial statements are in agreement with the accounting records.

We have obtained all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

Matters on which we are required to report by exception

Based on the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report.

The Companies Act 2014 requires us to report to you if, in our opinion, the requirements of any of Sections 305 to 312 of the Act, which relate to disclosures of directors' remuneration and transactions are not complied with by the Company. We have nothing to report in this regard.

Respective responsibilities***Responsibilities of directors for the financial statements***

As explained more fully in the directors' responsibilities statement set out on page 5, the directors are responsible for the preparation of the financial statements in accordance with the applicable financial reporting framework that give a true and fair view, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Independent auditor's report to the members of Priority Drilling Limited (continued)***Auditor's responsibilities for the audit of the financial statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Irish Auditing and Accounting Supervisory Authority's website at: http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf. This description forms part of our auditor's report.

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the Company's members, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

**Patrick Magner**

for and on behalf of

Forvis Mazars

Chartered Accountants and Statutory Audit Firm

98 Henry Street

Limerick

Date: 25 February 2026

PRIORITY DRILLING LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2025**

	Note	2025 €	2024 €
Turnover	4	5,165,006	5,626,657
Cost of sales		(5,213,086)	(4,574,176)
Gross (loss)/profit		(48,080)	1,052,481
Administrative expenses		(1,066,053)	(945,169)
Other operating income	5	3,708,514	1,685,760
Operating profit	6	2,594,381	1,793,072
Interest payable and similar charges		500	(68)
Profit before taxation		2,594,881	1,793,004
Tax on profit	8	(320,812)	230,638
Profit for the financial year		2,274,069	2,023,642
Total comprehensive income for the financial year		2,274,069	2,023,642

All the activities of the company are from continuing operations.

The company has no other recognised items of income and expense other than the results of the financial year as set out above.

The notes on pages 13 to 28 form part of these financial statements.

PRIORITY DRILLING LIMITED

**STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2025**

	Note	2025 €	2024 €
Fixed assets			
Property, plant and equipment	9	2,762,991	2,857,595
Financial assets	10	280,127	280,127
		3,043,118	3,137,722
Current assets			
Inventories	11	2,095,743	2,764,797
Debtors	12	14,576,765	11,160,405
Cash at bank and in hand	13	585,102	550,885
		17,257,610	14,476,087
Creditors: amounts falling due within one year	14	(2,782,580)	(2,369,730)
Net current assets		14,475,030	12,106,357
Total assets less current liabilities		17,518,148	15,244,079
Net assets		17,518,148	15,244,079
Capital and reserves			
Called up share capital presented as equity	16	304	304
Retained earnings		17,517,844	15,243,775
Shareholders' funds		17,518,148	15,244,079

The financial statements were approved and authorised for issue by the board

Michael McCarthy Jnr
Director

Date: 25 February 2026

Eoghan McCarthy
Director

Date: 25 February 2026

The notes on pages 13 to 28 form part of these financial statements.

PRIORITY DRILLING LIMITED

**STATEMENT OF CHANGES IN EQUITY
AS AT 31 MARCH 2025**

	Called up share capital	Profit and loss account	Total equity
	€	€	€
At 1 April 2023	304	13,220,133	13,220,437
Profit for the financial year	-	2,023,642	2,023,642
At 31 March 2024	304	15,243,775	15,244,079
Profit for the financial year	-	2,274,069	2,274,069
At 31 March 2025	304	17,517,844	17,518,148

The notes on pages 13 to 28 form part of these financial statements.

PRIORITY DRILLING LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2025**

	2025 €	2024 €
Cash flows from operating activities		
Profit for the financial year	2,274,069	2,023,642
Adjustments for:		
Depreciation of tangible assets	671,788	754,592
Profit on disposal of tangible assets	(706,320)	(1,214,969)
Interest paid	-	68
Interest received	(500)	-
Taxation charge	320,812	(230,638)
Decrease in stocks	669,054	255,186
(Increase) in debtors	(697,258)	(730,335)
(Increase) in amounts owed by groups	(2,764,532)	(1,298,586)
Increase/(decrease) in creditors	531,816	(1,924,935)
(Decrease) in amounts owed to groups	(262,953)	(2,012,738)
Corporation tax (paid)	(131,395)	(184,700)
Net cash generated from operating activities	(95,419)	(4,563,413)
Cash flows from investing activities		
Purchase of tangible fixed assets	(577,185)	(194,447)
Sale of tangible fixed assets	706,321	2,605,034
Interest received	500	-
Interest paid	-	(68)
Net cash from investing activities	129,636	2,410,519
Net increase/(decrease) in cash and cash equivalents	34,217	(2,152,894)
Cash and cash equivalents at beginning of year	550,885	2,703,779
Cash and cash equivalents at the end of year	585,102	550,885
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	585,102	550,885
	585,102	550,885

PRIORITY DRILLING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

1. General information

Priority Drilling Limited is a company limited by shares incorporated in the Republic of Ireland. The registered office of the company is 162 Clontarf Road, Dublin 3. The nature of the company's operations and its principal activities are set out in the Directors' Report. The financial statements have been presented in Euro (€) which is also the functional currency of the company and rounded to the nearest Euro (€).

2. Summary of Significant Accounting Policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and Irish statute comprising of the Companies Act 2014.

The financial statements have been prepared on the going concern basis and in accordance with the historical cost convention except for certain properties and financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets. The financial reporting framework that has been applied in their preparation is the Companies Act 2014 and FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" issued by the Financial Reporting Council.

The company qualifies as a medium company as defined by section 280G of the Companies Act 2014 in respect of the financial year.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

2.2 Revenue

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.3 Financial instruments

The Company has elected to apply the provisions of Section 11 "Basic Financial Instruments" of FRS 102 to all of its financial instruments.

The Company has elected to apply the recognition and measurement provisions of IFRS 9 Financial Instruments (as adopted by the UK Endorsement Board) with the disclosure requirements of Sections 11 and 12 and the other presentation requirements of FRS 102.

Financial instruments are recognised in the Company's Statement of Financial Position when the Company

PRIORITY DRILLING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

2. Summary of Significant Accounting Policies (continued)

2.3 Financial instruments (continued)

becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other debtors, cash and bank balances, are initially measured at their transaction price (adjusted for transaction costs except in the initial measurement of financial assets that are subsequently measured at fair value through profit and loss) and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other debtors due with the operating cycle fall into this category of financial instruments.

Other financial assets

Other financial assets, which includes investments in equity instruments which are not classified as subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the recognised transaction price. Such assets are subsequently measured at fair value with the changes in fair value being recognised in the profit or loss. Where other financial assets are not publicly traded, hence their fair value cannot be measured reliably, they are measured at cost less impairment.

Impairment of financial assets

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

Financial assets are impaired when events, subsequent to their initial recognition, indicate the estimated future cash flows derived from the financial asset(s) have been adversely impacted. The impairment loss will be the difference between the current carrying amount and the present value of the future cash flows at the asset(s) original effective interest rate.

If there is a favourable change in relation to the events surrounding the impairment loss then the impairment can be reviewed for possible reversal. The reversal will not cause the current carrying amount to exceed the original carrying amount had the impairment not been recognised. The impairment reversal is recognised in the profit or loss.

Basic financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after the deduction of all its liabilities.

Basic financial liabilities, which include trade and other creditors, bank loans and other loans are initially measured at their transaction price (adjusting for transaction costs except in the initial measurement of financial liabilities that are subsequently measured at fair value through profit and loss). When this constitutes a financing transaction, whereby the debt instrument is measured at the present value of the future payments discounted at a market rate of interest, discounting is omitted where the effect of discounting is immaterial.

PRIORITY DRILLING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

2. Summary of Significant Accounting Policies (continued)

2.3 Financial instruments (continued)

Debt instruments are subsequently carried at their amortised cost using the effective interest rate method.

Trade creditors are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if the payment is due within one year. If not, they represent non-current liabilities. Trade creditors are initially recognised at their transaction price and subsequently are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

Other financial instruments

Derivatives, including forward exchange contracts, futures contracts and interest rate swaps, are not classified as basic financial instruments. These are initially recognised at fair value on the date the derivative contract is entered into, with costs being charged to the profit or loss. They are subsequently measured at fair value with changes in the profit or loss.

Debt instruments that do not meet the conditions as set out in FRS 102 paragraph 11.9 are subsequently measured at fair value through the profit or loss. This recognition and measurement would also apply to financial instruments where the performance is evaluated on a fair value basis as with a documented risk management or investment strategy.

Derecognition of financial instruments

Derecognition of financial assets

Financial assets are derecognised when their contractual right to future cash flow expire, or are settled, or when the Company transfers the asset and substantially all the risks and rewards of ownership to another party. If significant risks and rewards of ownership are retained after the transfer to another party, then the Company will continue to recognise the value of the portion of the risks and rewards retained.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Company's contractual obligations expire or are discharged or cancelled.

2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

PRIORITY DRILLING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

2. Summary of Significant Accounting Policies (continued)

2.4 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Land and buildings freehold	-	2%	Straight line (Land not depreciated)
Plant and machinery	-	20%	Straight line
Motor vehicles	-	20%	Straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.5 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each reporting date. Gains and losses on remeasurement are recognised in the Statement of Comprehensive Income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each reporting date. Gains and losses on remeasurement are recognised in profit or loss for the period.

2.6 Inventories

Inventories are valued at the lower of cost and net realisable value. Cost comprises expenditure incurred in the normal course of business in bringing inventories to their present location and condition. Full provision is made for obsolete and slow moving items. Net realisable value comprises actual or estimated selling price (net of trade discounts) less all further costs to completion or to be incurred in marketing and selling.

2.7 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

PRIORITY DRILLING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

2. Summary of Significant Accounting Policies (continued)

2.9 Provisions for liabilities

Provisions are recognised when an event has taken place that gives rise to a legal or constructive obligation, a transfer of economic benefits is probable and a reliable estimate can be made.

Provisions are measured as the best estimate of the amount required to settle the obligation, taking into account the related risks and uncertainties.

Increases in provisions are generally charged as an expense to profit or loss.

2.10 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.11 Employee benefits

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund.

2.12 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.13 Dividends

Dividends are recognised in the accounting year when they are paid.

PRIORITY DRILLING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

2. Summary of Significant Accounting Policies (continued)

2.14 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is Euros.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

2.15 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

2.16 Ordinary share capital

The ordinary share capital of the company is presented as equity.

PRIORITY DRILLING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

3. Significant accounting judgements and key sources of estimation uncertainty

The preparation of these financial statements require the directors to make judgements, estimates and assumptions that affect the application of policies and the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

(a) Depreciation of property, plant and equipment

The annual depreciation charge depends primarily on the estimated lives of each type of asset and estimates of residual value. The directors regularly review these asset lives and change them as necessary to reflect current thinking of remaining lives in light of prospective economic utilisation and physical condition of the assets concerned. Changes in assets lives can have a significant effect on depreciation and amortisation charges for the period. Detail of the useful economic lives is included in the accounting policies.

(b) Providing for doubtful debts

The company makes an estimate of the recoverable value of trade and other debtors. The company uses estimates based on historical experience in determining the level of debts, which the company believes, will not be collected. These estimates include such factors as the current credit rating of the debtor, the ageing profile of debtors and historical experience. Any significant reduction in the level of customers that default on payments or other significant improvements that resulted in a reduction in the level of bad debt provision would have a positive impact on the operating results. The level of provision required is reviewed on an on-going basis.

(c) Inventory Provision

The company is involved in the drilling and construction industry and are engaged in long term contracts at the year end. As a result, it is necessary to consider the recoverability of the cost of inventory and the associated provisioning required. When calculating the inventory provision, management considers the stage of completion, the estimated realisable value and the estimated costs to completion. The level of provision required is reviewed on an on-going basis.

(d) Deferred Tax

Deferred tax assets are recognised for all unabsorbed tax losses and unutilised capital allowances to the extent that it is probable that taxable profit will be available against which the losses and capital allowances can be utilised. Significant judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

4. Turnover

The whole of the company's revenue is attributable to its market in the Republic of Ireland and is derived from the principal activity of the provision of drilling and construction services.

5. Other operating income

	2025 €	2024 €
Net rents receivable	66,962	82,906
Management charges	3,641,552	1,602,854
	<u>3,708,514</u>	<u>1,685,760</u>

PRIORITY DRILLING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

6. Profit on ordinary activities before taxation

The operating profit is stated after charging:

	2025	2024
	€	€
Depreciation of tangible fixed assets	671,788	754,592
Profit on disposal of property, plant and equipment	(706,320)	(1,214,969)
Exchange differences	4,452	78,029
Defined contribution pension cost	380,200	125,787
	=====	=====

7. Employees

Staff costs, including directors' remuneration, were as follows:

	2025	2024
	€	€
Wages and salaries	2,365,150	2,528,754
Social welfare costs	636,550	470,537
Pension costs	380,200	125,787
Redundancy payments	3,624	171,348
	=====	=====
	3,385,524	3,296,426

The average monthly number of employees, including the directors, during the year was as follows:

	2025	2024
	No.	No.
Directors	2	2
Administration	7	5
Drilling crew	72	70
	=====	=====
	81	77

PRIORITY DRILLING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

8. Taxation

	2025 €	2024 €
Corporation tax		
Current tax on profits for the year	275,382	131,395
Adjustments in respect of previous periods	-	(154,215)
	<u>275,382</u>	<u>(22,820)</u>
Total current tax	<u>275,382</u>	<u>(22,820)</u>
Deferred tax		
Origination and reversal of timing differences	45,430	(207,818)
Total deferred tax	<u>45,430</u>	<u>(207,818)</u>
Taxation on profit/(loss) on ordinary activities	<u>320,812</u>	<u>(230,638)</u>

PRIORITY DRILLING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

8. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2024 - the same as) the standard rate of corporation tax in Ireland of 12.50% (2024 - 12.50%) as set out below:

	2025	2024
	€	€
Profit on ordinary activities before tax	2,527,919	1,709,967
Profit taxable at 25%	66,962	83,037
	<hr/>	<hr/>
Profit before tax	2,594,881	1,793,004
	<hr/> <hr/>	<hr/> <hr/>
Profit on ordinary activities multiplied by standard rate of corporation tax in Ireland of 12.50% (2024 - 12.50%)	315,990	213,746
Profit before tax multiplied by 25%	16,741	20,759
	<hr/>	<hr/>
	332,731	234,505
	<hr/> <hr/>	<hr/> <hr/>
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	66,065	98,311
Capital allowances for year in excess of depreciation	(84,350)	(15,812)
Adjustments to tax charge in respect of prior periods	-	(154,215)
Deferred tax	45,430	(207,818)
Provisions	(39,185)	(39,560)
Book profit on chargeable assets	-	(151,871)
Other differences leading to an increase in the tax charge	121	5,822
	<hr/>	<hr/>
Total tax charge for the year	320,812	(230,638)
	<hr/> <hr/>	<hr/> <hr/>

Research and development

The company submitted claims in respect of research and development tax credits. These claims remain under review by the relevant tax authorities, and the outcome is uncertain as at the reporting date. No asset or liability has been recognised in relation to these claims, as the amount and timing of any potential settlement cannot be reliably measured at this stage.

PRIORITY DRILLING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

9. Tangible fixed assets

	Land and buildings freehold €	Plant and machinery €	Motor vehicles €	Investment properties €	Total €
Cost or valuation					
At 1 April 2024	157,628	7,430,280	2,727,825	1,300,000	11,615,733
Additions	43,690	387,713	145,782	-	577,185
Disposals	-	(1,187,116)	(189,906)	-	(1,377,022)
At 31 March 2025	<u>201,318</u>	<u>6,630,877</u>	<u>2,683,701</u>	<u>1,300,000</u>	<u>10,815,896</u>
Depreciation					
At 1 April 2024	32,516	6,763,580	1,962,042	-	8,758,138
Charge for the year on owned assets	-	349,308	322,480	-	671,788
Disposals	-	(1,187,115)	(189,906)	-	(1,377,021)
At 31 March 2025	<u>32,516</u>	<u>5,925,773</u>	<u>2,094,616</u>	<u>-</u>	<u>8,052,905</u>
Net book value					
At 31 March 2025	<u>168,802</u>	<u>705,104</u>	<u>589,085</u>	<u>1,300,000</u>	<u>2,762,991</u>
At 31 March 2024	<u>125,112</u>	<u>666,700</u>	<u>765,783</u>	<u>1,300,000</u>	<u>2,857,595</u>

10. Financial fixed assets

	Investments in subsidiary companies €	Total €
Investments Cost		
At 1 April 2024	280,127	280,127
At 31 March 2025	<u>280,127</u>	<u>280,127</u>

PRIORITY DRILLING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

10. Financial fixed assets (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Global Diamond Products Limited	Ireland	Ordinary shares	100%
Priority Property Limited	Ireland	Ordinary shares	100%

The aggregate of the share capital and reserves as at 31 March 2025 and the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves €	Profit/(Loss) €
Global Diamond Products Limited	280,400	-
Priority Property Limited	100	-

11. Inventories

	2025 €	2024 €
Work in progress	68,869	84,173
Finished goods and goods for resale	2,026,874	2,680,624
	<u>2,095,743</u>	<u>2,764,797</u>

There are no material differences between the replacement cost of stock and the amounts in the statement of financial position.

PRIORITY DRILLING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

12. Debtors

	2025 €	2024 €
Trade debtors	3,201,282	2,346,032
Amounts owed by group undertakings	10,654,258	7,889,726
Other debtors	546,431	379,759
Prepayments	40,648	121,190
Corporation tax	-	244,122
Deferred taxation	134,146	179,576
	14,576,765	11,160,405

Trade debtors after providing for impairment of €319,291 (2024: €428,135).

Amounts owed by group undertakings are unsecured, interest free and payable on demand.

13. Cash and cash equivalents

	2025 €	2024 €
Cash at bank and in hand	585,102	550,885
	585,102	550,885

PRIORITY DRILLING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

14. Creditors: Amounts falling due within one year

	2025	2024
	€	€
Trade creditors	501,574	314,494
Amounts owed to group undertakings	654,995	917,948
Corporation tax	330,922	-
Taxation and social insurance	366,985	220,210
Other creditors	130,226	128,397
Accruals	797,878	788,681
	2,782,580	2,369,730
	2,782,580	2,369,730

Trade creditors include amounts owing to suppliers, who purport to include reservation of title clauses in their conditions of sales. It is not practicable to quantify this amount, or how much of it is included in inventories.

Amounts owed to group undertakings are unsecured, interest free and payable on demand.

	2025	2024
	€	€
Other taxation and social insurance		
PAYE/PRSI control	269,378	220,210
VAT control	97,607	-
	366,985	220,210
	366,985	220,210

15. Pension costs - defined contribution

The company operates a defined contribution pension scheme in respect of the directors and employees. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and amounted to €380,200 (2024 - €125,787).

PRIORITY DRILLING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

16. Share capital

	2025 €	2024 €
Authorised		
100,000 (2025 - 100,000) Ordinary Shares of € 2.00 each	200,000	200,000
10,000 (2025 - 10,000) Ordinary Shares 'A' of €0.01 each	100	100
10,000 (2025 - 10,000) Ordinary Shares 'B' of €0.01 each	100	100
	200,200	200,200
	200,200	200,200
Allotted, called up and fully paid		
100 (2025 - 100) Ordinary Shares of € 2.00 each	200	200
10,000 (2025 - 10,000) Ordinary Shares 'A' of €0.01 each	100	100
400 (2025 - 400) Ordinary Shares 'B' of €0.01 each	4	4
	304	304
	304	304

The rights attaching to the shares are as follows:

The holders of Ordinary shares are entitled to vote at the Annual General Meeting. The holders of 'A' Ordinary Shares and 'B' Ordinary shares have no right to receive notice of, attend or vote at general meetings of the company. The holders of the 'A' Ordinary shares shall have the right on the winding up of the company to €0.01 for each of the 'A' shares held. The holders of the Ordinary shares and the 'B' Ordinary shares are entitled to dividends.

17. Financial instruments

	2025 €	2024 €
Financial assets		
Cash and cash equivalents	585,102	550,885
Financial assets measured at amortised cost	14,401,971	10,615,517
	14,987,073	11,166,402
	14,987,073	11,166,402
Financial liabilities		
Financial liabilities measured at amortised cost	(2,084,673)	(2,149,520)
	(2,084,673)	(2,149,520)

18. Comparative note

Some prior year comparative amounts have been restated on a basis consistent with the current financial year. Such reclassifications do not affect previously reported net profit or reserves.

PRIORITY DRILLING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

19. Capital commitments

The company had capital commitments amounting to €nil (2024 - €1,683,470) relating to a drill rig at year ended 31 March 2025.

20. Directors' remuneration

	2025 €	2024 €
Directors' emoluments	146,071	100,242
	<u>146,071</u>	<u>100,242</u>

21. Related party transactions

The company has availed of the exemption under FRS 102 in relation to the disclosure of transactions with group undertakings.

22. Parent and ultimate parent company

The company regards Priority Drilling BV as its parent company.

Priority Construction Group Limited is the ultimate parent company of Priority Drilling Limited due to the fact that it owns 69.5% of Antillean Mining and Drilling Industries Fund N.V which owns 100% of Priority Drilling BV which in turn owns 99% of Priority Drilling Limited. Priority Construction Group Limited is a company incorporated in Ireland with a registered number of 382676.

The address of Priority Construction Group Limited is 162 Clontarf Road, Dublin 3.

The parent of the largest group in which the results are consolidated is Priority Construction Group Limited. Priority Construction Group Limited is registered in Ireland.

23. Post balance sheet events

There have been no significant events affecting the company since the financial year end.

24. Approval of financial statements

The board of directors approved these financial statements for issue on 25 February 2026.