



3t

3t Interim Financial Report

Q1 2025

— Training
Technology
Transformation

3tglobal.com

Letter from the CEO

- Financial performance in the first quarter to 31 March 2025 was broadly in line with our expectations and prior year apart from 3t MENA Training where 39% fewer offshore rigs are deployed in Saudi Arabia vs. Q1 24. A slightly earlier Ramadan also impacted year on year comparatives. But 3t MENA has performed more strongly in April as we bring 3t's existing relationships to the facilities and expand delivery capability.
- Training activity in the UK remained more challenged but was offset by a reduction in costs and continuing penetration into adjacent markets
- Cash generation was improved in Q125 although working capital is yet to be optimised. This remains a key area of focus for the business in FY25.
- Capital expenditure includes the costs of migrating customers onto our 3tx customer platform. Four customers have moved to date. We are also invested, as planned to rebrand our acquired businesses and upgrade some of the Middle East facilities. An element of this will continue in Q2 & Q3.
- Exceptional items include the costs to integrate the FY24 acquisitions into the 3t network
- We have restructured 3t Technologies (3t Digital and 3t Drilling Systems) under consolidated leadership to align our offer more closely to customer needs.
- 3t in April 25 secured a flagship multi-million US dollar contract with the International Association of Drilling Contractors (IADC) to develop a continuous learning program, KREW, for their 750+ member companies that will deliver project revenue over 2025 and 2026, followed by a recurring revenue stream thereafter
- The 2024 acquired businesses are re-branded as GTSC, part of 3t, and 3t Training Services USA. The FY24 acquisitions are bedding into the 3t umbrella positively as we expect to deliver demonstrable progress in line with the investment thesis articulated at the point of completion
- Our latest estimate for FY25 is to deliver IFRS EBITDA in the region of £22m to £25m excluding any further acquisitions

"3t remains strongly placed to build on a strong track as we leverage into international markets"

Kevin Franklin
Group CEO

CFO Report

Financial Performance

Following the listing of the 3t Global Bidco plc bonds on the Euronext Oslo Bors on 16 May 2025, financial performance is now reported under IFRS, with comparatives restated. The consolidated income statement and consolidated balance sheet are shown on pages 4 and 5 of these unaudited financial statements. Revenue was £19.6m for the quarter ending 31 March 2025 and £16.0m for Q1 2024. Adjusted EBITDA was £4.7m and £3.9m for the same periods.. A reconciliation between operating profit per these financial statements and adjusted EBITDA is set out on page 4.

The major difference between the reporting under UKGAAP and IFRS is the accounting for leases where they are capitalised under IFRS. The full year impact is a credit to EBITDA of £3.0m.

Working Capital

Working capital at 31 March 2025 remains high. We normalised trade creditors in 2024, and trade debtors are starting to come down as our order to cash project is helping us to deliver improved debtor days.

Borrowings

Borrowings comprise the four year \$100m Nordic Bond and \$3m of deferred consideration for the All Stop! acquisition, payable in equal instalments over three years. A weaker USD has reduced the GBP amount of the Nordic Bond at 31 March 2025 compared to end December at Q4. A £10m Super Senior Revolving Credit Agreement with Barclays Bank PLC was put in place in March 2025, there was no drawdown at the end of Q1.

Cashflow and Debt

The consolidated cash flow statement is shown on page 7 of the unaudited financial statements. An analysis of net debt for the quarter ending 31 March 2025 is set out below, with leverage at 4.09. The covenant test is <4.75x.

In millions of pounds	March 31, 2025
Closing cash	5.39
All Stop! deferred consideration	(2.38)
Norwegian bond	(77.20)
Net debt	(74.19)

LTM Proforma EBITDA	18.14
Leverage	4.09X

Martin Boden
Group CFO

Consolidated Income Statement (IFRS)

£m	Q1 2025	Q1 2024	FY 2024
Turnover	19.59	16.02	67.38
Cost of sales	(9.38)	(7.98)	(32.05)
Gross profit	10.21	8.04	35.33
Administrative expenses	(8.06)	(8.06)	(34.75)
EBITDA (before non-recurring items, unrealised foreign exchange gains and share of profit in joint venture)	4.69	3.87	18.31
Share of profit in joint venture	(0.11)	(0.18)	(0.38)
Depreciation	(1.30)	(1.27)	(3.75)
Amortisation	(0.48)	(0.59)	(3.93)
Non-recurring items	(0.52)	(1.91)	(8.72)
Unrealised foreign exchange (losses)/gains	(0.14)	0.06	(0.74)
Other operating income	0.00	0.00	0.22
Operating Loss	2.15	(0.02)	0.80
Share of profit in joint venture	0.11	0.18	0.38
Interest payable and similar charges	(4.65)	(3.41)	(17.69)
Interest receivable and similar income	0.00	0.00	0.37
Loss before taxation	(2.40)	(3.25)	(16.14)
Taxation credit	0.00	(0.00)	0.38
Loss for the period	(2.40)	(3.25)	(15.75)
Loss attributable to:			
Shareholders of the parent company	(2.40)	(3.25)	(15.75)

Consolidated Other Comprehensive Income

£m	Q1 2025	Q1 2024	FY 2024
Loss for the period	(2.40)	(3.25)	(15.75)
Other comprehensive income			-
Currency translation differences	1.55	0.00	0.19
Total comprehensive loss for the period	(0.85)	(3.25)	(15.56)
Total comprehensive loss attributable	(0.85)	(3.25)	(15.56)

Consolidated Balance Sheet (IFRS)

£m	Q1 2025	Q1 2024	FY 2024
Intangible assets	97.61	73.47	95.97
Tangible assets	29.05	32.43	31.21
Investments	0.94	0.63	0.83
Total fixed assets	127.59	106.52	128.01
Stocks	1.55	1.94	1.65
Debtors	29.25	22.30	30.69
Cash at bank	5.39	3.26	4.49
Total current assets	36.20	27.50	36.84
Total assets	163.79	134.03	164.85

£m	Q1 2025	Q1 2024	FY 2024
Creditors: amounts falling due after more than one year	119.37	160.82	115.59
\$100m Norwegian Bond	77.20	0.00	79.87
Provisions for liabilities	3.89	2.01	3.89
Total non-current liabilities	200.46	162.83	199.35
Loan notes – Deferred acquisition consideration	0.84	0.00	0.79
Trade creditors	9.68	6.56	9.89
Payments received on account	0.00	1.01	0.12
Corporation tax	0.00	(0.85)	0.26
Social security and other taxes	0.87	1.11	1.75
Other creditors	2.36	1.03	2.90
Accruals	5.66	5.94	4.68
Deferred income	4.18	2.84	4.05
Total current liabilities	23.59	17.63	24.44
Total liabilities	224.05	180.47	223.80
Called up share capital	0.52	0.53	0.53
Share based payment reserve	0.00	0.00	0.00
Profit and loss account	(60.79)	(46.96)	(59.47)
Shareholder's deficit	(60.26)	(46.44)	(58.95)
Total equity and liabilities	163.79	134.03	164.85

Consolidated Statement of Changes in Equity (IFRS)

£m	Called up share capital	Profit and loss account	Total equity
Balance at 1 January 2024	0.53	(61.86)	(61.33)
Foreign exchange movement on consolidation	0.00	0.19	0.19
Total comprehensive loss	0.00	(12.31)	(12.31)
Balance at 31 December 2024	0.53	(73.97)	(73.44)
Balance at 1 January 2025	0.53	(73.97)	(73.44)
Foreign currency translation reserve	0.00	(0.48)	(0.48)
Adjustments for IFRS conversion	0.00	14.52	14.52
Total comprehensive loss	0.00	(0.85)	(0.85)
Balance at 31 March 2025	0.53	(60.79)	(60.26)

£m	Q1 2025	FY 2024
Loss for the period	(2.40)	(15.75)
Depreciation	0.79	3.75
Amortisation	0.98	3.93
Interest receivable and similar income	0.00	(0.37)
Interest payable and similar expense	4.65	17.69
Other income in respect of R&D	0.00	(0.22)
Taxation	0.00	(0.38)
Share of profit of equity accounted investments	(0.11)	(0.38)
Increase in provisions	(0.00)	0.01
Foreign Exchange/Share based payment charge	0.14	0.00
Loss on disposal of fixed assets	0.00	0.00
Change in net working capital	(0.07)	(2.97)
Cash flow from operating activities	3.98	5.29
Purchase of tangible fixed assets	(0.91)	(1.25)
Purchase of intangible fixed assets	(1.14)	(2.57)
Cash paid to acquire subsidiaries	(0.61)	(27.53)
Interest received	0.00	0.37
Cash flow from investing activities	(2.66)	(30.98)
Free Cashflow	1.32	(25.69)
\$100m Norwegian Bond	0.00	77.82
Interest paid	(0.42)	(6.51)
Repayment of bank loan	0.00	(42.98)
Debt issue costs	0.00	(2.39)
Receipts from parent undertaking	0.00	2.56
Cash flow from financing activities	(0.42)	28.49
Net cash flow for the period	0.90	2.80
Cash and cash equivalents at the beginning of the period	4.49	1.81
Effect of exchange rate fluctuations on cash held	0.00	(0.12)
Net cash flow for the period	0.90	2.80
Cash and cash equivalents at the end of the period	5.39	4.49

Consolidated Cash Flow Statement

Cash generated from operations was £4.0m for the three months to March 2025 with working capital balances remaining unchanged since year end.

We are working to collect more receivables to increase cash balance available to the business. The acquired businesses have a good cash collection record although we are working to improve this too.

The purchase of tangible and intangible fixed assets at £2.1m includes £0.5m for the renovation of our training facilities in the MENA region, £0.3m investment in our UK training facilities and the ongoing development and integration of our internally developed 3tx platform.

The cash paid to acquire subsidiaries in the first quarter represents the payment of professional fees incurred on the acquisitions in the prior year.

Cash at the end of March 25 at £5.4m is an increase of £0.9m from the £4.5m at 31 December 2024.

Note 1 - Accounting Policies

The interim consolidated financial statements for the three months ended 31 March 2025 have been prepared in accordance with IFRS (International Financial Reporting Standards).

The interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the group's annual consolidated financial statements for the year ended 31 December 2024.

The accounting policies, judgements and estimates are consistent with those applied in the consolidated financial statements for 2024.

The presentation currency of these interim financial statements is sterling (£) rounded to the nearest million.

Note 2 - Critical Accounting Estimates & Judgements

Preparation of the consolidated financial statements requires management to make significant judgements and estimates. There has been no change in accounting policies since the 2024-year end. Many financial statement items cannot be reliably measured but must be based on estimations as to the value of assets and liabilities and often depends on future events that are somewhat uncertain.

The judgements, estimates and assumptions made are based on historical experience and other factors that management considers to be reliable, but which by their very nature are associated with uncertainty and unpredictability. These assumptions may prove incomplete or incorrect, and unexpected events or circumstances may arise. The most critical judgements, estimates and assumptions for the individual items are described below.

Accounting estimates and management judgements:

- Amortisation and depreciation
- Revenue recognition
- Warranty costs
- Bad debt provision
- Stock provision
- Business combination
- Dilapidation provisions
- Development costs
- Impairment of group's tangible and intangible assets
- Provisions
- Financial leases

Please refer to note 2 in the Group financial statements for 2024 for further information on critical accounting estimates and judgements.

Note 3 – Revenue

£m	Q1 2025	Q1 2024	FY 2024
3T Training	15.83	13.76	55.95
3T Technologies	3.75	2.44	11.43
Total	19.59	16.20	67.38

£m	Q1 2025	Q1 2024	FY 2024
United Kingdom	13.87	14.48	53.62
MENA	3.32	0.15	3.95
USA	0.77	0.21	2.29
Other	1.62	1.36	7.53
Total	19.59	16.20	67.38

Note 4 – Net Interest-bearing Debt

£m	Q1 2025	FY2024
Norwegian Bond debt	77.20	79.87
RCF	-	-
Bank debt	-	-
Total interest-bearing debt	77.20	79.87
Cash and cash equivalents	5.39	4.49
Net interest-bearing debt	71.81	75.38

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