AASB S2 SUSTAINABILITY REPORT FY25

A-BL Super Topco 1 Pty Ltd



The directors present their annual sustainability report on A-BL Super Topco 1 Pty Ltd., commonly known as Boart Longyear Drilling Services (referred to hereafter as “Boart Longyear Drilling Services” or “Boart Longyear”), and the entities it controlled for the year ended 31 December 2025. For the avoidance of doubt, this report excludes A-BL Super Topco 2 Pty Ltd., commonly known as Boart Longyear Drilling Products, and the entities controlled by it.

This sustainability report has been prepared in accordance with AASB S2 Climate-related Disclosures ('the Standard') issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001 (Cth) ('the Act'). This sustainability report complies with all the requirements of the Standard and the Act.

This sustainability report, together with the accompanying financial statements, forms part of the general-purpose financial report for the year ended 31 December 2025 for A-BL Super Topco 1 Pty Ltd, and should be read in conjunction with the accompanying financial statements.

As this is the first annual reporting period applying the disclosure requirements of AASB S2, this sustainability report does not include comparative information, or scope 3 greenhouse gas (GHG) emissions disclosures, as permitted by transition relief.

Where relevant, the data and assumptions used in preparing the climate-related financial disclosures are consistent to the extent possible with the corresponding data and assumptions used in preparing the related financial statements. Financial amounts are presented in United States Dollars (USD), which is the functional and presentation currency of Boart Longyear Drilling Services.

The preparation of climate-related financial disclosures requires the use of estimates, which may be subject to a high level of measurement uncertainty and require management to exercise its judgement. In preparing these disclosures, Boart Longyear has also applied significant judgements and assumptions, including, but not limited to the usage and interpretation of climate related data, methodologies and modelling employed in relation to estimating and calculating emissions, and usage of data from third party sources. These disclosures are also subject to factors such as the nature of climate outcomes, including time horizons over which those could emerge and evolving regulatory developments.

This sustainability report contains forward looking statements, management judgements and estimates which reflect Boart Longyear's views and assumptions with respect to future events as at the date of this report. Forward-looking statements are based on information available at the reporting date. Actual outcomes may differ from those expressed or implied in this report.

The key judgements, assumptions and sources of estimation uncertainty applied in preparing these disclosures are described throughout this report.

Directors' Declaration

In accordance with a resolution of the directors of A-BL Super Topco 1 Pty Ltd, I state that:

In the opinion of the directors:

The entity has taken reasonable steps to ensure that the substantive provisions of the Sustainability Report are in accordance with the Corporations Act 2001, including complying with:

(i) Australian Sustainability Reporting Standards issued by the Australian Accounting Standards Board (being AASB S2 Climate-related Disclosures) as required by s296C of the Corporations Act 2001; and

(ii) other mandatory disclosures required by s296D of the Corporations Act 2001.

On behalf of the board,

Director

Denis Despres

Boart Longyear
2455 S 3600 W
West Valley City, UT 84119 USA

10 August 2026

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OVERSIGHT AND MANAGEMENT ROLES

Governance

During FY25, the Board of Directors overseeing Boart Longyear Drilling Services had oversight of environmental, social, and governance (ESG) matters, including climate-related matters, as they related to the Drilling Services division. Oversight of climate-related matters was exercised through management reporting and risk review processes applicable to the Drilling Services division during the reporting period.



The Sustainability (ESG) Committee Charter provides for quarterly ESG updates to be presented to the Executive Committee and the Board. However, during FY25, these updates did not explicitly address climate-related risks and opportunities as a discrete topic. Climate-related information reached the Board to the extent it arose within broader ESG, risk and operational reporting.

Management responsibility for sustainability-related activities relevant to the Drilling Services division, including environmental matters relevant to climate, was exercised through the ESG program described in the Sustainability (ESG) Committee Charter. The Global ESG Manager acted as the primary point of coordination for the ESG program and supported the development, implementation and reporting of ESG-related activities.

The ESG Global Steering Committee, as described in the Sustainability (ESG) Committee Charter, included the Chief Operating Officer (COO), Chief Legal Officer (CLO), Vice President of Supply Chain/Manufacturing, Director of Environmental Health, Safety and Training (EHS&T), and representatives from Corporate Audit & Risk, Legal-Governance, each business division and the Global ESG Manager. The Executive Sponsors of the ESG program were the COO of each business division and the CLO. The COO or their designee served as chairperson of the committee. Each participant was included for their relevant functional expertise and the applicability of climate and broader ESG considerations to their role. During FY25, no formal assessment of the skills and competencies required to oversee climate-related risks and opportunities was undertaken.

Governance (Continued)

The ESG program operated through a three-tier committee structure: the ESG Global Steering Committee (meeting generally once per quarter), ESG Working Groups by business division (meeting no less than monthly), and regional or country ESG Champions responsible for local implementation. These committees did not maintain controls or procedures specifically designed for the oversight of climate-related risks and opportunities; climate-related matters were addressed to the extent they arose within existing EHS, operational and enterprise risk management functions.

During FY25, climate-related risks and opportunities were not formally incorporated in the Sustainability (ESG) Committee Charter or explicitly identified as a distinct risk category within Boart Longyear Drilling Services' Enterprise Risk Register ('ERR'). As a result, climate-related risks and opportunities were not separately considered by the Board in its oversight of the entity's strategy, in decisions on major transactions, or in enterprise risk assessments and governance discussions as a discrete category during the reporting period. No formal process existed for evaluating trade-offs associated with climate-related risks and opportunities in the context of strategic, transactional, or risk management decision-making. Certain enterprise risks were subsequently identified by management, after the reporting date, as being influenced by a changing climate.

Boart Longyear Drilling Services did not have any climate-related targets in place during FY25 and did not set any during the reporting period. Accordingly, no governance process for overseeing climate-related target-setting or monitoring progress against such targets was in place during the reporting period. EHS key performance indicators (KPIs) and EBITDA targets were included in executive bonuses; however, no performance metrics related specifically to climate-related matters were included in remuneration policies or executive remuneration in FY25. As no climate-related targets were in place during FY25 (as disclosed under Climate-related targets on p.34), no governance process for climate-related target oversight was required during the reporting period.

STRATEGY

Climate-related risks and opportunities

The following climate-related risks and opportunities are reasonably expected to affect Boart Longyear's cashflows, access to finance or cost of capital over the short, medium or long term:

Physical Risk

Weather affects delays in operations or deliveries on site affecting relationships with clients and impacts on revenue due to start delays and also increases supply chain costs as manufacturers and vendors are affected by climate-related circumstances which increase cost of doing business and may affect competitiveness with peer drilling companies (short term).

Transition Risk

Boart Longyear Drilling Services emissions data - Increased demand across the value chain to provide this data, increasing costs for data collection with the necessary augmentation in personnel, systems and other resources (Short term).

Opportunity

Having ready solutions to conserve and recycle water for drilling to combat desertification and improve community relations in the respectful use of water in water-stressed regions currently or likely to be impacted by climate change (Medium term)

Physical Risk

Increasing temperatures make working conditions challenging and it is difficult to recruit good employees and more challenging controlling heat stress (Medium term).

Physical Risk

Increased insurer scrutiny on climate-related matters, including more audits, engineering visits, and information requests potentially leading to higher premiums (Long term).

Transition Risk

Changing climate requirements across jurisdictions where Boart Longyear Drilling Services operates (for example electrification, vehicle requirements and client/regulatory decarbonization plans), leading to supply chain inconsistency, higher stock levels, and increased costs (Long term)

Opportunity

Acquire environmentally friendly rigs that can be used to align with regulatory and client intents and conduct drilling that leaves a lower environmental impact such as sonic drilling (Medium term).

Time horizon

In the process of identifying climate-related risks and opportunities, Boart Longyear Drilling Services used the following time horizons, which are aligned to its strategic planning cycle:

SHORT TERM	MEDIUM TERM	LONG TERM
< 2 years	2–5 years	5+ years

Business model, value chain and financial effects approach

Boart Longyear Drilling Services considered its business model and value chain when identifying climate-related risks and opportunities and assessed the current and anticipated impacts of these risks and opportunities on its strategy, decision-making, resource allocation, and mitigation and adaptation activities. While the current and anticipated financial effects of climate-related risks and opportunities were not assessed during FY25, an assessment of the financial effects for the year ended 31 December 2025 was undertaken by Boart Longyear in early 2026.

Boart Longyear Drilling Services has adopted a primarily qualitative approach, informed by quantitative analysis, to describe the current and anticipated financial effects of the identified climate-related risks and opportunities, noting that there is no significant risk of material adjustment to the carrying amounts of assets and liabilities in the next reporting period.

The impacts on the business model, value chain, strategy and financial position, aligned to Boart Longyear Drilling Services' strategic objectives, are outlined below by climate-related risk and opportunity.

Extreme weather

Weather affects delays in operations or deliveries

Physical risk: Weather affects delays in operations or deliveries on site affecting relationships with clients and impacts on revenue due to start delays and also increases supply chain costs as manufacturers and vendors are affected by climate-related circumstances which increase cost of doing business and may affect competitiveness with peer drilling companies

Current and anticipated effects on business model and value chain

Adverse weather events present a physical climate-related risk to Boart Longyear Drilling Services due to their potential to disrupt supply chains, site mobilisation, and ongoing drilling operations across its global operations.

Climate-related impacts affecting manufacturers and vendors may increase production and logistics costs, which are passed on to Boart Longyear. This increases the cost base associated with delivering drilling services and can affect pricing and margins, particularly where contracts limit the ability to recover cost increases from clients.

Severe weather conditions may also delay project commencement or interrupt delivery schedules at client sites. These disruptions can reduce operational efficiency, strain client relationships, and defer revenue recognition due to delayed start dates or temporary suspensions of drilling activities.

This risk primarily affects the mobilisation phase of projects and active drilling operations within Boart Longyear's business model and value chain. Weather-related disruptions can limit access to sites and delay the deployment of equipment and personnel, extending project timelines and affecting the ability to meet contractual commitments. As climate-related impacts on the supply chain increase the cost of doing business, Boart Longyear may experience reduced competitiveness relative to peer drilling companies operating in similar markets.

Where climate-related risk is concentrated

This risk is concentrated in geographic locations where Boart Longyear Drilling Services undertakes drilling activities that are more exposed to extreme weather patterns. This includes coastal regions, where storms and heavy rainfall may affect site access and offshore or near-shore operations, as well as certain inland regions, such as the United States mid-West, where extreme weather events including tornadoes can cause disruption.

This impact is concentrated in inventory costs and vendor services, reflecting higher input prices passed through the supply chain.

Extreme weather (Continued)

Effects on strategy and decision-making

Weather-related disruption to operations and supply chains is monitored and managed through internal operational and commercial processes within Boart Longyear Drilling Services.

In the current reporting period, severe weather events, including flooding and storms, disrupted drilling activities and delayed equipment deliveries, affecting project commencement timelines. Boart Longyear uses internal systems, including the GEMS platform and drilling performance metrics, to monitor weather-related incidents and assess associated operational and financial impacts. This information informs operational planning, mobilisation scheduling, and supply chain management decisions.

Climate-related impacts on manufacturers, vendors, and logistics providers are considered in ongoing commercial and strategic decision-making. Potential increases in shipping, freight, and vendor costs arising from weather-related disruption are assessed through contract pricing, margin management, and customer negotiations, with outcomes dependent on the ability to pass through or absorb cost increases. Where supply constraints or delays occur, Boart Longyear may adjust inventory levels or warehousing arrangements, influencing working capital requirements. The impact of these cost pressures on profitability and EBITDA is monitored and incorporated into ongoing planning.



Current and anticipated financial effects

Extreme weather events have impacted Boart Longyear Drilling Services' supply chain and operations. Some instances include flooding of a rig, which happened 8 times over a 5-year period (2021 – 2025) which totalled a combined cost of $1,078,345. Included in this figure is a loss of a rig in the current reporting period because of flooding, totalling $1 million in costs.

These events did not result in a material impact to Boart Longyear Drilling Services' financial position, performance or cash flows.

Extreme weather (Continued)

Current and anticipated financial effects (continued)

Extreme weather is projected to increase in frequency and severity in the future. For example, the Fifth US National Climate Risk Assessment report predicts wildfires, river floods, tropical cyclones and droughts to increase by approximately 1.5-2x more events per year in the United States under a 2.5°C scenario[1], and the IPCC Sixth Assessment Report projects an increase in global population exposed to flooding to be 1.3x worse in a 2.0°C scenario compared to a 1.5°C scenario[2].

As such, Boart Longyear Drilling Services anticipated events to increase by approximately 1.2x by 2050. Based on Boart Longyear Drilling Services' current strategy, this has the potential to affect COGS by 1.2x over the 23-year period.







Climate-related risks and opportunities will be incorporated into the ERR from FY26. Over the longer term, regional weather considerations may influence Boart Longyear Drilling Services' decisions on whether to operate in areas frequently affected by extreme weather events.

Disruptions to shipping routes caused by climate-related circumstances, such as extreme weather events, may lead to increased shipping costs if such costs are unable to be recovered from Boart Longyear Drilling Services' clients.

In FY25, shipping costs were $11,994,999 USD and represent 100% of the freight expense on Consolidated Statement of Profit and Loss and Other Comprehensive Income. A minimal number of Boart Longyear Drilling Services' contracts allow an increase in shipping costs to be passed onto the client on an event of a disruption due to extreme weather.

There were no incidences of an increase in shipping costs for Boart Longyear Drilling Services due to extreme weather events in the current reporting period.

[1] U.S. Global Change Research Program, Fifth National Climate Assessment (2023), 38, https://doi.org/10.7930/NCA5.2023.
[2] Intergovernmental Panel on Climate Change (IPCC), Sixth Assessment Report (2023), https://www.ipcc.ch/report/ar6/syr/downloads/report/IPCC_AR6_SYR_LongerReport.pdf.

Increasing Temperatures

Physical risk: Increasing temperatures make working conditions challenging and it is more difficult to recruit good employees and more challenging controlling heat stress

Current and anticipated effects on business model and value chain

Increasing average temperatures and more frequent extreme heat conditions present a climate-related risk to Boart Longyear Drilling Services' operations. Increasing temperatures make working conditions more challenging, increase the risk of heat-related illness, and heighten the complexity of managing employee health and safety. These conditions can also affect Boart Longyear's ability to attract and retain skilled personnel, particularly for roles requiring prolonged outdoor work.

This risk impacts Boart Longyear's business model and value chain primarily through its workforce and operational delivery. To comply with heat stress management and work/rest regimes, work rates may need to be reduced during periods of extreme heat. While these controls are necessary to protect employee health, they can slow operational progress and affect the ability to meet client production targets, with potential implications for project timelines and commercial outcomes.

Where climate-related risk is concentrated

This risk is concentrated in surface drilling operations, where employees are directly exposed to high heat temperature conditions. Geographic exposure includes multiple regions across Australia and the southern United States, as well as, occasionally, operations in Zambia and Tanzania.

Effects on strategy and decision making

Extreme temperatures impacting workplace health and safety are managed through an established heat stress management system and adherence to regulator issued guidance on work/rest regimes. Heat stress management is embedded within existing operational and risk management frameworks and informs decisions relating to productivity, workforce safety, and cost recovery.

Over time, these measures may give rise to increased operating costs due to changes to workforce deployment and operational practices. These can be monitored and assessed as part of ongoing resource allocation and pricing decisions, including whether costs can be passed through to customers or reflected in future contract pricing.

Increasing Temperatures (Continued)

Current and anticipated financial effects

Boart Longyear Drilling Services has established heat stress management systems in place, including a work/rest regime that provides employees working in heat-affected environments with increased rest periods when temperatures exceed defined thresholds. In FY25, there were 3 instances of personnel suffering from heat stress. Since 2021, there were 40 cases of employees suffering heat stress to varying degrees, 3 of these being recordable cases. Although the trend of heat stress cases is reducing in the company over the past 5 years, the risk still exists, especially in regions which are affected by higher temperatures. These delays over a 5-year period resulted in 39 restricted days concerning light duties and the costs associated with these restricted days are not deemed material.



These delays in total did not result in a material impact to Boart Longyear Drilling Services' financial position, performance or cash flows.

The number of heatwave days[1] per year is expected to increase.

For example, the Fifth US National Climate Risk Assessment report predicts heatwaves to increase by approximately 3.5x more events per year in the United States under a 2.5°C scenario[2], the IPCC Sixth Assessment Report projects an increase in the number of days per year with a maximum temperature above 35°C to be 1.2x worse in a 2.0°C scenario[3] and Australia's National Climate Risk Assessment predicts 9 severe/heatwave days per year in Australia in a 2.0°C scenario (increased from 4 days at current global warming levels) compared to a 1.5°C scenario[4]. As such, the number of delays from work/rest thresholds being exceeded are anticipated to increase up to 9.3 days (7.8 annual average x 1.2 using IPCC, sixth assessment projections).

Based on Boart Longyear Drilling Services' current strategy, this has the potential to increase COGS on Consolidated Statement of Profit and Loss and Other Comprehensive Income over the 23-year period. The financial impact of this is not expected to be material.

[1] Heatwave days are defined as three consecutive days with a daily average temperature of above 95°F (35°C) (Bureau of Meteorology, 2023).
[2] U.S. Global Change Research Program, Fifth National Climate Assessment (2023), 38, https://doi.org/10.7930/NCA5.2023.
[3] Intergovernmental Panel on Climate Change (IPCC), Sixth Assessment Report (2023), https://www.ipcc.ch/report/ar6/syr/downloads/report/IPCC_AR6_SYR_LongerReport.pdf.
[4] Australian Climate Service, Australia's National Climate Risk Assessment (2025), 16, https://www.acs.gov.au/pages/national-climate-risk-assessment.

Increased insurer scrutiny

Physical risk: Increased insurer scrutiny on climate-related matters, including more audits, engineering visits, and information requests

Current and anticipated effects on business model and value chain

Increased insurer scrutiny on climate-related matters, including audits, engineering visits, and information requests, impacts Boart Longyear Drilling Services' business model and value chain through the requirement to secure appropriate insurance to win projects. This may affect revenue if insurance cannot be obtained on acceptable terms, and increased perceived risk may lead to higher insurance premiums.

Where climate-related risk is concentrated

This impact is concentrated in insurance liabilities and SG&A expenses, reflecting higher premiums and additional administrative and compliance costs associated with insurer requirements.

Effects on strategy and decision making

It is expected that increased insurer scrutiny of climate-related matters will require greater engagement in audits, engineering inspections and information requests to maintain insurance coverage in the future, particularly for higher-risk assets such as electric rigs and electric vehicles.

These developments may influence asset strategy and investment decisions by affecting the insurability and total cost of ownership of certain equipment.

Continued increases in insurer due diligence are expected to be factored into future capital allocation, asset deployment and risk management decisions. In response, Boart Longyear Drilling Services may be required to allocate additional resources to insurance management, audit support and compliance activities.

Increased insurer scrutiny (Continued)

Current and anticipated financial effects

As extreme weather events become more frequent and severe, insurance costs are expected to increase due to higher claims and greater insurer scrutiny.

In FY25, insurance costs were approximately $2,692,000 USD and represent 3.4% of the SG&A on Consolidated Statement of Profit and Loss and Other Comprehensive Income. There were seven audits conducted as part of insurer due diligence, all audits included some climate-related aspects.

These audits in total did not result in a material impact to Boart Longyear Drilling Services' financial position, performance or cash flows.

Based on Boart Longyear Drilling Services' current strategy, insurance costs from higher premiums and increased audits has the potential to increase audit expense on Consolidated Statement of Profit and Loss and Other Comprehensive Income over the 23-year period. The financial impact of this is not expected to be material.

Changing climate requirements

Transition risk: Changing climate requirements across jurisdictions where Boart Longyear Drilling Services operates (for example electrification, vehicle requirements), leading to supply chain inconsistency, higher stock levels, and increased costs

Opportunity: Acquire environmentally friendly rigs that can be used to align with regulatory and client intents and conduct drilling that leaves a lower environmental impact such as sonic drilling

Current and anticipated effects on business model and value chain

Changing climate-related regulatory requirements across jurisdictions where Boart Longyear Drilling Services operates, including rig electrification and vehicle standards, impact the business model and value chain through both procurement and operation of on-site equipment. These changes influence equipment pricing and lead times and introduce additional complexity in how equipment is powered and fuelled on site.

At the same time, the acquisition and deployment of environmentally friendly drilling rigs present a climate-related opportunity for Boart Longyear to align its operations with evolving regulatory requirements and growing client demand. The use of lower-impact drilling methods, such as electric or sonic drilling, can support client decarbonisation objectives while strengthening Boart Longyear's competitive position.

This opportunity primarily impacts the business model and value chain through technology development and asset strategy. By adapting rig design and investing in alternative power sources and lower-impact drilling methods, Boart Longyear can support operational resilience and position its services to meet client's requirements across both exploration and production activities.

Changing climate requirements (Continued)

Where climate-related risk is concentrated

This impact is concentrated in asset types such as vehicles and surface drilling operations, particularly through the deployment of electric rigs and other low-emissions assets.

Demand for these technologies is being driven by clients who have requested environmentally friendly rig solutions. The relevance of this opportunity is, therefore, linked to the type of assets deployed and client requirements, rather than a single geographic location, although it is most applicable in jurisdictions with strong regulatory or customer-led climate expectations.

Effects on strategy and decision making

Evolving client requirements, including rig electrification and lower-emissions equipment standards, are expected to drive changes to the Boart Longyear Drilling Services' business model and asset strategy. These include investment in electric drilling rigs, electric vehicles and lower-impact drilling methodologies to retain contracts and remain competitive. These strategic responses are expected to influence capital allocation, research and development (R&D) activity, and fixed asset investment decisions.

Effects on strategy and decision making (continued)

In FY25, Boart Longyear Drilling Services progressed electrification initiatives in response to client requirements, including the development of a LF160 electric surface rig and a 'No Hands on Steel' (NHOS) surface rig, as well as preparatory work to support further electrification discussions with clients. These initiatives reflect the integration of climate-related considerations into ongoing strategic planning and investment decisions.

Over time, resources are expected to be allocated through targeted capital expenditure and R&D initiatives, including the development and acquisition of additional electric rigs. Commercial viability assessments are undertaken at a regional level, with electrification and conversion costs evaluated against contract terms and expected returns.

Changing climate requirements (Continued)

Current and anticipated financial effects



Boart Longyear Drilling Services has multiple customers that have set decarbonisation targets or are seeking to decarbonise their value chain in the short to medium term.

LF160 Electric Surface Rig Initiative

Boart Longyear Drilling Services advanced its technological initiatives in FY25 through the construction of an LF160 fully electric surface rig, developed to meet a client decarbonisation requirement and the broader transition expectations of Tier 1 mining clients. Demand for electric drilling solutions continues to increase as major mining companies implement low-carbon technology pathways within their operational decarbonisation plans.

The LF160 electric rig was converted from an existing asset, with the client providing 75% of the upfront capital funding with Boart Longyear Drilling Services repaying this investment over a two-year period. All conversion-related costs, including research and development expenditure, are capital in nature and are recognised as Property, Plant and Equipment on the Consolidated Statement of Financial Position.

As the LF160 represents a first-of-type R&D initiative, the project's overall return profile reflects elevated development costs compared with a standard offering, resulting in a 25% reduction in ROI.

The electric rig is scheduled to commence operations in March 2026, with additional employment, training, and compliance costs expected, however, costs are not expected to be material.

Boart Longyear Drilling Services has also estimated the internal cost of electrifying its broader client base over the next four years, aligned with forecast customer electrification timelines. The indicative cost of this transition is approximately $42 million, highlighting the complexity of commercial negotiations for electrified drilling solutions. These discussions require clear justification of incremental capital investment relative to contract duration, value, and the strategic importance of aligning with client decarbonisation commitments.

Changing climate requirements (Continued)

Current and anticipated financial effects (continued)





No Hands on Steel (NHOS) Rig Initiative

Boart Longyear Drilling Services is progressing the development of a purpose-built 'No Hands on Steel' (NHOS) surface and underground rig, designed to automate key drilling functions and reduce manual handling risks across operations.

The NHOS rig has the potential to reduce Boart Longyear Drilling Services' Scope 1 greenhouse gas (GHG) emissions by approximately 20% compared to other rigs doing similar types of drilling underground. In addition, the technology is expected to reduce the number of employees required for surface-level operations by approximately 40%, improving operational efficiency while reducing workplace health and safety exposure.

To date, the NHOS initiative has incurred capital expenditure of $23 million, and the associated asset is recognised as a Non-current asset on the Consolidated Statement of Financial Position.

Transition to Lower-Carbon Drilling Services

Boart Longyear Drilling Services is investigating methods to lower its carbon emissions across its vehicle and equipment fleet. This extends beyond electrification of drill rigs and includes vehicles, ancillary equipment, and supporting technologies essential to delivering core drilling performance standards. The financial implications of transitioning to lower-carbon services remain dependent on several uncertainties, including: Emerging technological advancements required to maintain performance standards

Changing climate requirements (Continued)

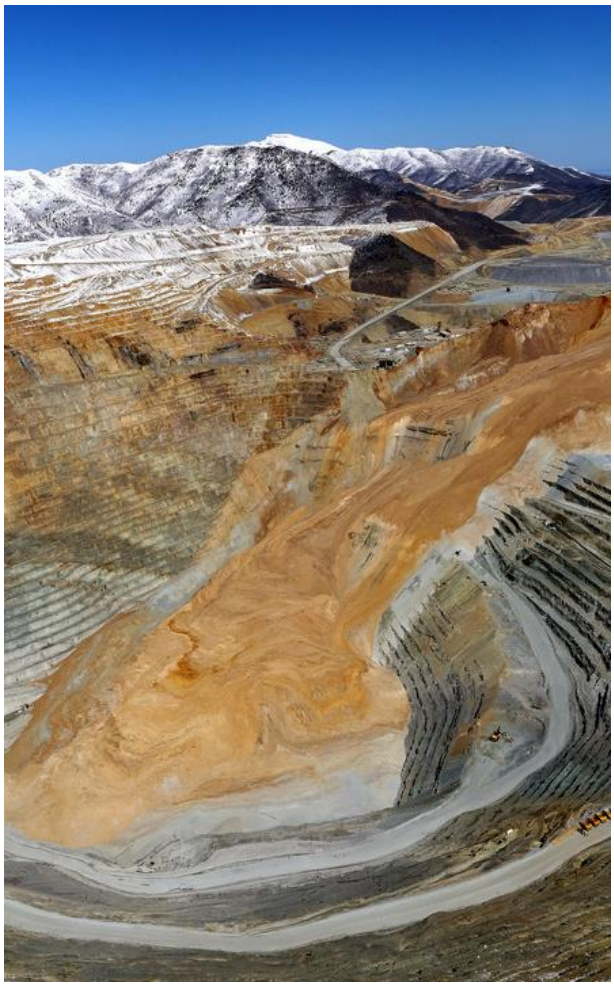
Current and anticipated financial effects (continued)

Availability of enabling infrastructure at drill sites

Market demand and customer willingness to adopt lower-carbon drilling solutions

These factors may influence both the timing and cost profile of the transition, as well as the degree to which associated financial impacts can be reliably estimated





Capital deployed towards climate-related opportunities in FY25

In FY25, capital expenditure related to climate-related opportunities included costs associated with the conversion of an LF160 surface rig to a fully electric configuration and ongoing development of the NHOS surface and underground rig. As at 31 December 2025, cumulative capital expenditure on the NHOS initiative was $23 million, recognised as a non-current asset on the Consolidated Statement of Financial Position. Capital costs associated with the LF160 electric rig conversion, including all research and development expenditure, are recognised as Property, Plant and Equipment. These investments are consistent with Boart Longyear Drilling Services' strategic response to client decarbonisation requirements and evolving regulatory expectations.

Drilling Services emissions data

Transition risk: Boart Longyear Drilling Services emissions data - Increased demand across the value chain to provide this data, increasing costs for data collection with the necessary augmentation in personnel, systems and other resource

Current and anticipated effects on business model and value chain

Customers, regulators, and other stakeholders are seeking more granular GHG emissions information, which is increasing the complexity and cost of data collection, management, and reporting.

This risk impacts the business model and value chain primarily through increased operating costs and resource requirements. Additional personnel, systems, and processes may be required to scope, collect, validate, and manage GHG emissions data across operations. These cost pressures may affect operating margins and divert resources from core operational activities if not effectively managed.

Where climate-related risk is concentrated

This risk is concentrated across operational assets that generate or consume energy and, therefore, require GHG emissions measurement and monitoring. This includes combustion engine rigs and electric rigs, as well as associated equipment such as boosters, compressors, generators, pumps, and welding machines.

Effects on strategy and decision making

Boart Longyear Drilling Services considers the increasing client and regulatory demand for GHG emissions data in its strategic and operational decision-making. The growing need to provide reliable and timely emissions information influences Boart Longyear's decisions relating to systems, processes and administrative capacity to support compliance obligations and mitigate potential revenue impacts associated with non-compliance or unmet client requirements.

Boart Longyear expects to allocate additional resources to expand its emissions data collection, monitoring and reporting capabilities across the value chain, including increased headcount and investment in platforms and supporting technology. These strategic responses are expected to result in higher costs associated with emissions data collection and reporting, which are considered as part of ongoing resource allocation, cost management and operational planning decisions.

Drilling Services emissions data (Continued)

Current and anticipated financial effects (continued)

Boart Longyear Drilling Services has experienced increased costs associated with measuring and reporting its GHG emissions, driven by evolving regulatory requirements and growing market demand for robust emissions data.

In FY25, the costs associated with GHG did not result in a material impact to Boart Longyear Drilling Services' financial position, performance or cash flows.

To meet the growing demand for accurate and timely GHG emissions reporting, Boart Longyear Drilling Services expects an increase in personnel and technology to support data capture. Clients are also asking for more information on Scope 1, 2 and 3 emissions and requesting granularity down to site level which requires more time spent to acquire relevant information and more resources to ensure data is correct.

This has the potential to increase audit expense on Consolidated Statement of Profit and Loss and Other Comprehensive Income over the 23-year period. The financial impact of this is not expected to be material.

Ready solutions for water conservation

Opportunity: Having ready solutions to conserve and recycle water for drilling to combat desertification and improve community relations in the respectful use of water in water-stressed regions currently or likely to be impacted by climate change

Current and anticipated effects on business model and value chain

This opportunity impacts the business model and value chain primarily through client service delivery and environmental performance. Water conservation and recycling solutions can support operational productivity by reducing interruptions related to water availability, while also lowering total water consumption from natural resources. These outcomes support clients' environmental objectives and support Boart Longyear Drilling Services' ability to operate responsibly in water-constrained environments.

Where climate-related opportunity is concentrated

This opportunity is concentrated in regions where water scarcity is present. This includes parts of the south-western United States, the Andes Mountains in Chile and Argentina, and desert regions across Australia.

Effects on strategy and decision making

Maintaining ready-to-deploy water conservation capabilities supports competitive positioning and enables timely participation in tenders where water efficiency is a key client requirement.

Boart Longyear Drilling Services allocates resources to investment in technology, intellectual property and specialist expertise to enable the deployment of water conservation solutions across its operations. These solutions have been applied to Australia and Canada, demonstrating measurable reductions in water usage and informing ongoing decisions relating to service offerings, innovation priorities and asset deployment.

Ready solutions for water conservation
(Continued)

Current and anticipated financial effects (continued)

A-BL Super Topco 1 incurred capital expenditure to implement water conservation and recycling systems in Canada and Australia. This expenditure did not have a material impact on Boart Longyear Drilling Services' financial position, performance, or cash flows in the current reporting period.

Based on Boart Longyear Drilling Services' current strategy, further deployment of water conservation solutions is expected as climate related water stress increases in certain operating regions and as client expectations on water stewardship continue to rise.

To support this strategy, Boart Longyear Drilling Services expects incremental investment in equipment, systems, and specialist capability. The financial impact of this investment is not expected to be material.



METRICS

Climate resilience

In early 2026, Boart Longyear Drilling Services conducted a climate scenario analysis to evaluate the resilience of its current business strategy.

Scenario analysis is a structured process used to explore a range of plausible future events, in order for Boart Longyear to assess the resilience of our business strategy in light of our identified climate-related risks and opportunities. There are inherent limitations with scenario analysis, which relies on assumptions that may or may not eventuate. Climate scenarios are subject to inherent scientific and measurement uncertainty, reflecting differing assumptions regarding emissions trajectories, policy responses, and broader socio-economic developments, as well as data limitations arising from gaps in regional climate data. Scenarios are not indications of probable outcomes and outcomes may differ or may be impacted by additional factors to the assumptions disclosed.

The analysis found that Boart Longyear Drilling Services' strategy and business model demonstrate resilience under both a low-warming and a high-warming scenario.

This climate resilience is underpinned by the following key factors:

Contractual flexibility
Boart Longyear Drilling Services has the ability to adjust contractual terms to account for climate-related impacts, such as passing through costs associated with extreme weather delays, or avoiding contracts in regions exposed to heightened climate risks.

WH&S frameworks
The company has well-established work health and safety practices, reflecting its experience operating in extreme weather conditions. These include measures such as work/rest regimes and the use of cool rooms to protect workers.

Rig electrification capability
To support client decarbonisation objectives, Boart Longyear Drilling Services has the ability to progressively electrify its rig fleet over the longer term, supported by available cash flows and access to specialist expertise. However, the commercial cost of electrifying fleets remains an issue.

Financial and operational flexibility
Boart Longyear Drilling Services has the financial capacity to respond to evolving climate requirements, including investing in additional resources to capture GHG emissions data and increasing inventory levels to manage supply chain disruptions caused by extreme weather events.

Enterprise Risk Register (ERR)
This register provides a means to detail material risks to the business, including climate change risks. The analysis of the 2025 ERR pointed out opportunities for improvement where the business can further develop its climate change risks and detail control measures to mitigate these risks.

Climate resilience (continued)

Details on the climate scenario analysis

The climate scenario analysis was carried out from January to February 2026. Following Boart Longyear Drilling Services' climate-related risks and opportunities identification, educational material was circulated among key stakeholders explaining the key concepts of climate-scenario analysis. Following this educational material, management decided on the scope of operations, time horizons and climate scenarios to use in the climate scenario analysis. A workshop was undertaken with participants from the EHS, Finance and Risk teams to assess the resilience of Boart Longyear Drilling Services' strategy and business model as at 31 December 2025.

The scope of operations covers all of Boart Longyear Drilling Services' operations and value chain. The time horizons which were used in the scenario analysis were: Short-term (2025-2030), Medium-term (2030-2050) and Long-term (2050-2100).

The two climate scenarios used in the analysis are SSP2-4.5 Middle of the Road from the Intergovernmental Panel on Climate Change Sixth Assessment Report ('IPCC AR6') (high warming scenario) and Orderly Low Demand from the Network for Greening the Financial System ('NGFS') (low warming scenario).

By incorporating a low warming scenario (Orderly Low Demand aligns with the Paris Agreement) and high warming scenario, Boart Longyear Drilling Services assessed a diverse range of potential futures. These scenarios were selected based on their relevance, plausibility and usefulness. Both scenarios meet the Corporations Act 2001 (Cth) requirements of having at least two climate scenarios, one limiting global warming to 1.5 °C and one well exceeding 2 °C (understood to mean 2.5 °C or higher).

IPCC's SSP scenarios are scientifically and internationally recognised and industry-agnostic, whereas the NGFS scenarios are primarily used by entities in the financial sector (however can be applied in any industry). The SSP2-4.5 scenario reflects a middle-of-the-road development pathway with moderate climate policies, leading to stabilisation at approximately 2.7 °C of global warming by 2100. The NGFS Orderly Low Demand scenario limits global warming to 1.5 °C by reducing energy demand through efficiency and behavioural change, enabling an orderly transition to net zero emissions around mid-century. These scenarios were selected because together they capture a credible and decision-useful range of climate-related transition and physical risk pathways relevant to Boart Longyear Drilling Services' operations and strategy.

Climate resilience (continued)

Details on the climate scenario analysis

The NGFS Orderly Low Demand scenario is relevant for assessing resilience under an orderly but ambitious transition in which emissions reductions are achieved, testing Boart Longyear's preparedness for structural shifts in demand, technology adoption, and market dynamics. In contrast, the SSP2-4.5 scenario is relevant for assessing Boart Longyear's resilience under a slower and less coordinated transition, where fossil fuels remain part of the energy mix for longer and physical climate risks intensify over time.

The Orderly Low Demand scenario is primarily associated with climate-related transition risks and the SSP2-4.5 is primarily associated with climate-related physical risks. In Boart Longyear's analysis, it was noted that though each scenario had a focus, there would still be physical risks in an Orderly Low Demand scenario, and transition risks in a Middle of the Road SSP 2-4.5 scenario.

Boart Longyear Drilling Services has not amended the assumptions used in the chosen climate scenarios.

Risk management

In FY25, Boart Longyear Drilling Services' ERR included enterprise risks that were subsequently identified by management after the reporting date that could be influenced by a changing climate, however, it did not explicitly identify or classify climate-related risks and opportunities.

Boart Longyear Drilling Services conducted a formal identification and assessment of its climate-related risks and opportunities subsequent to year end. These climate-related risks and opportunities will be incorporated into the ERM framework in FY26 and will be subject to the same processes to identify, assess, prioritise and monitor enterprise-wide risks and opportunities.

As part of Boart Longyear Drilling Services' ERM framework, risks are evaluated throughout the year and during each project. At the enterprise level, the ERR is used to assess risks and is updated yearly or on any major changes. The ERR is reviewed annually by the Board of Directors and executive leadership. Parameters used for assessing risk include consideration of the risk likelihood and consequence, and inputs are identified using historical data, taxonomy, client shared risks and risks identified by competitors and regulators. Boart Longyear does not prioritise climate-related risks over any other types of risks.

At project level, risks are categorised into project risk registers, which can include climate-related risks. Project risk registers are reviewed by the EHS and Operations teams and other relevant stakeholders before the project begins, at any major change during the project, or following an investigation. Boart Longyear Drilling Services' employees are taught how to analyse risks via onboarding and technical training. If Boart Longyear is starting a project in a new country, a bespoke process is used to analyse risks in the relevant geographic locations.

Boart Longyear Drilling Services did not use climate scenario analysis to inform its identification of climate-related risks and opportunities in FY25.

High warming scenario:

SSP2-4.5 Middle of the Road

Assumptions

Global warming levels	Immediate emissions causing global warming to reach 2°C degrees around 2050 and 2.7°C degrees by 2100
Climate policies	Gradual progress towards emissions reductions, following current historical trends and climate policies, no carbon dioxide removal
Energy sources	Mixed energy sources, including fossil fuels, renewables and nuclear, with moderate improvements in energy efficiency
Physical climate impacts	Moderate warming leading to more frequent and intense heatwaves and heavy rainfall, as well as an increase in coastal flooding and erosion
	Heatwaves in the US are expected to increase by approximately 4x more events per year than current levels in this scenario[1]
	Australia is expected to experience between 9-18 heatwave days a year in this scenario[2]
Global Socioeconomic trends	Similar to the past, unevenly distributed, slow progress towards Sustainable Development Goals

Low warming scenario:

NGFS Orderly Low Demand

Assumptions

Global warming levels	Peak warming approximately 1.6°C degrees above pre-industrial levels in 2040s before reaching 1.1°C by the end of the century.
Carbon prices	Additional levers in end-use sectors (e.g. electrification) mitigate pressure on carbon taxes to induce transition (distinguished feature compared to Net Zero scenario)
	By 2030, the shadow carbon price is expected to be ~US$100/tCO2-e in a Low Demand scenario. By 2050, this increases to ~US$500/tCO2-e. Adjusted for inflation of 150% from 2010 to 2025[3] this becomes ~US$150/tCO2-e to ~US$750/tCO2-e.
Energy sources	Reduction of energy demands with immediate and smooth policy reaction
	By 2050 fuel production will decrease as the economy switches to carbon-neutral fuels
	By 2050, fossil fuels will be phased out and nuclear and renewables will dominate
	By 2050, oil price is expected to be ~US$14/GJ and biomass price is expected to be ~US$30/GJ under a Low Demand scenario. Adjusted for inflation of 150% from 2010 to 2025[3] this becomes ~US$21/GJ for oil and ~US$45/GJ for biomass. Note that there is ~6.1 GJ in a barrel of oil.
Physical climate impacts	Some physical climate impacts experienced
Technology	Technological changes are fast
Global Socioeconomic trends	Significant behavioural changes in energy generation and consumption activities to ensure an orderly Paris-aligned transition

[1] U.S. Global Change Research Program, Fifth National Climate Assessment (2023), 38, https://doi.org/10.7930/NCA5.2023.
[2] Australian Climate Service, Australia's National Climate Risk Assessment (2025), 16, https://www.acs.gov.au/pages/national-climate-risk-assessment.
[3] Federal Reserve Bank of Minneapolis, https://www.minneapolisfed.org/.

Metrics and Targets

Climate-related metrics

Boart Longyear Drilling Services has measured its absolute Scope 1 and Scope 2 GHG emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004). It is noted that Boart Longyear Drilling Services is not required by a jurisdictional authority or an exchange in which it is listed to use a different method for measuring its GHG emissions.

All emissions data has been converted to tonnes carbon dioxide equivalent (tCO_2-e).

The absolute GHG emissions for Boart Longyear Drilling Services' consolidated accounting group in year ended 31 December 2025 are as follows:

Scope 1[1]	Scope 2[2]	Total
4,491.58	2,352.97	6,844.54

Scope 1 and Scope 2 emissions have been aggregated into CO_2 equivalent using applicable global warming potential (GWP) values. Boart Longyear Drilling Services' emissions profile is predominantly CO_2 from fuel combustion, with trace quantities of CH_4 and N_2O. Non-CO_2 constituent gases, including refrigerant gases, are not material to the total and have not been separately disclosed.

[1] Scope 1 includes direct emissions the entity owns and controls. These include the combustion of fuels, greases and oils in mobile vehicles, the consumption of natural gas and acetylene in stationary assets and fugitive emissions from refrigeration and cooling equipment. Scope 1 emissions exclude sources that are under the operational control of a client, including on a mine site or doing exploration work.

[2] Scope 2 includes indirect emissions from purchased or acquired electricity. Scope 2 emissions have been calculated using the location-based approach. Boart Longyear Drilling Services does not procure renewable electricity nor procure or receive energy attribute certificates in respect of renewable electricity consumed within its organisational boundary.

Scope 3 emissions have been excluded from this report as per the relief outlined in C4(b) of AASB S2.

Organisational boundary

Climate-related metrics

Boart Longyear Drilling Services applies the operational control approach. Boart Longyear Drilling Services provides drilling and support services primarily to clients in the mining industry. While Boart Longyear Drilling Services operates on client sites and facilities, activities performed on client sites are performed under the operational control of the client, and therefore are outside the reporting boundary for Boart's scope 1 and 2 emissions.

Under this approach, emissions arising from Boart Longyear Drilling Services' equipment deemed to be under the operational control of third parties, such as drill rigs operating at a client's sites will be classified as Scope 3 emissions.



Use of estimates

Boart Longyear Drilling Services Scope 1 and Scope 2 GHG emissions inventory was calculated retrospectively for the FY25 reporting period. Where high-quality activity data, such as fuel consumption and electricity usage, was available, this data was used to estimate emissions. Where such activity data was not available, emissions were estimated using proxy data, including distance travelled, facility and office floor area, hours of engine operation, and expenditure data. The quality and availability of data varies by region.

	Scope 1 emissions	Scope 2 emissions
Operational boundary	Scope 1 emissions include direct emissions arising from where Boart Longyear has operational control, including motor vehicles, light and heavy trucks, specialist vehicles such as forklifts and cranes, stationary equipment and refrigeration and cooling equipment. Scope 1 emissions excluded assets and equipment under the operational control of a client, including those located on mine sites or undertaking exploration work. As such, no Scope 1 emissions were calculated for drill rigs as these were all under client operational control.	Scope 2 emissions include electricity consumption at places where Boart Longyear has operational control, including offices and maintenance facilities and leased facilities where Boart Longyear is responsible for electricity use. Scope 2 emissions excluded emissions associated with facilities or operations under the operational control of a client. Scope 2 emissions are all deemed to be under the location-based method.
Calculation approaches	Scope 1 emissions are calculated using activity-based methods, selected according to data availability and the nature of each emission source. The type of data collected included kilometres travelled, default refrigerant charges and consumption volumes.	Scope 2 emissions are calculated using activity-based and spend-based methods, depending on data availability for each location. The type of data collected included electricity consumption (kWh), square footage estimates and total spend.
Inputs	Key inputs for Scope 1 calculations include kilometres travelled, engine hours, asset registers, invoices and activity-based emissions factors appropriate to the data collected.	Key inputs for Scope 2 calculations include electricity invoices, floor area data and location and spend-based emissions factors relevant to the data collected.
Assumptions	The following assumptions apply to Scope 1 emissions estimation: • Operational control is used consistently to determine inclusion or exclusion of assets and activities; • Where refrigerant information is unavailable, a default refrigerant type and leakage rate is applied; • All drill rig activities occurred under client operational control and are therefore excluded from Scope 1 emissions; and • Invoices accurately reflect fuel and consumables usage during the reporting year.	The following assumptions apply to Scope 2 emissions estimation: • Electricity consumption relates only to facilities under the Boart Longyear's operational control; • Electricity invoices provide a complete and accurate record of electricity consumption and cost, where available; • Where invoices are unavailable, the area-based method provides a reasonable proxy for electricity use; • Location-based emission factors are applied at the most relevant geographic level; and • No alternative or market-based emission factors are used.

Use of estimates (continued)

In assessing the assets and business activities vulnerable to climate-related physical and transition risks, management distinguished between assets under Boart Longyear Drilling Services' operational control (workshops, offices and vehicles) and drilling operations performed on client sites under client operational control. Surface drilling operations are exposed to physical climate risks (extreme weather disruption and heat stress) and transition risks (evolving electrification requirements, emissions data demands and changing regulatory standards) as described in the Strategy section of this report. The drill rigs, site infrastructure and related operational decisions at those locations are under client operational control and are outside Boart Longyear Drilling Services' organisational boundary. The current and anticipated financial effects of these exposures are disclosed in the Strategy section and were not assessed as material to Boart Longyear Drilling Services' financial position in the current reporting period.

In assessing business activities aligned to climate-related opportunities, management considered the rig electrification and water conservation initiatives described in the Strategy section. Capital deployed towards these opportunities in FY25 is disclosed in the Strategy section.

For coordinating and auditing the FY25 climate-related financial disclosures declaration, $350,000 will be incurred in FY26.

Boart Longyear Drilling Services does not currently use an internal carbon price for decision-making purposes.

There are no climate-related considerations explicitly factored into remuneration policies and, therefore, no percentage of executive remuneration recognised in the current period was linked to climate-related considerations.

Climate-related targets

Boart Longyear Drilling Services has no climate-related targets at present.

