



# Soiltech

*For a greener future*

FINANCIAL REPORT  
SECOND QUARTER 2022

## **ABOUT SOILTECH**

Soiltech is an innovative cleantech service provider specializing in the treatment, recycling and responsible handling of contaminated water and solid industrial waste streams. Soiltech's purpose is to contribute to a sustainable future through the development and application of innovative clean technologies and delivery of cost efficient, safe and low emission solutions. The company's waste management services represent Best Available Technology and includes slop treatment, cuttings handling, swarf removal as well as tank and pit cleaning. Soiltech designs, builds, owns and operates its treatment technologies, providing services in close cooperation with the customer on their sites.

Soiltech is headquartered in Norway, has 75 employees, and operates in Norway, UK, the Netherlands and Abu Dhabi.

Soiltech is listed on Euronext NOTC in Norway under the ticker SOIL.

## **HIGHLIGHTS IN THE SECOND QUARTER**

- Strong revenue growth of 67%
- Improved EBITDA margin
- Comfortable liquidity position and book equity ratio of 50%
- Several new contracts in the quarter and after quarter end
- Good operating performance and no LTI's
- Positive outlook

## INTERIM FINANCIAL STATEMENT SECOND QUARTER 2022 - SOILTECH AS

KEY FIGURES Q2 2022 (UNAUDITED)				
INCOME STATEMENT				
(NOK 1,000)	Q2 2022	Q2 2021	YTD 2022	YTD 2021
Revenues	46 437	27 801	90 380	47 019
Operating cost	26 862	13 669	51 990	22 978
<b>Gross margin</b>	<b>19 575</b>	<b>14 133</b>	<b>38 391</b>	<b>24 041</b>
(%)	42 %	51 %	42 %	51 %
SG&A	9 934	9 715	19 967	16 727
<b>EBITDA before one-off item</b>	<b>9 641</b>	<b>4 418</b>	<b>18 423</b>	<b>7 313</b>
(%)	21 %	16 %	20 %	16 %
One-off item	-	-	5 763	-
<b>EBITDA</b>	<b>9 641</b>	<b>4 418</b>	<b>12 661</b>	<b>7 313</b>
Depreciation	3 610	2 605	6 884	5 185
<b>OPERATING PROFIT</b>	<b>6 030</b>	<b>1 812</b>	<b>5 777</b>	<b>2 128</b>
(%)	13 %	7 %	6 %	5 %
Net financial items	-467	-261	-1 391	-517
<b>PROFIT BEFORE TAX</b>	<b>5 563</b>	<b>1 551</b>	<b>4 386</b>	<b>1 611</b>
(%)	12 %	6 %	5 %	3 %

BALANCE SHEET		
(NOK 1,000)	Q2 2022	Q2 2021
<b>ASSETS</b>		
Immaterial assets	614	482
Plant, property and equipment	139 410	94 870
New builds	18 856	-
Investments in subsidiaries	1 574	1 103
<b>Fixed assets</b>	<b>160 454</b>	<b>96 455</b>
Current receivables	45 701	23 395
Cash	34 075	49 296
<b>Current assets</b>	<b>79 776</b>	<b>72 690</b>
<b>TOTAL ASSETS</b>	<b>240 230</b>	<b>169 146</b>
<b>EQUITY AND LIABILITIES</b>		
Share capital	721	660
Share premium	72 199	68 974
<b>Paid-in capital</b>	<b>72 920</b>	<b>69 634</b>
Other equity	46 593	33 070
<b>Total equity</b>	<b>119 513</b>	<b>102 703</b>
Current liabilities	35 875	13 995
Tax payable	891	-
<b>Short-term debt</b>	<b>36 766</b>	<b>13 995</b>
Long term interest-bearing debt	77 017	47 866
Other long term liabilities	894	998
Deferred tax	6 040	3 583
<b>Long-term debt</b>	<b>83 951</b>	<b>52 448</b>
<b>Total debt</b>	<b>120 717</b>	<b>66 442</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>240 230</b>	<b>169 146</b>
<b>Equity ratio (%)</b>	<b>50 %</b>	<b>61 %</b>

### EVENTS IN THE SECOND QUARTER 2022 AND POST-QUARTER EVENTS

Revenues in Q2 2022 amounted to NOK 46.4m and EBITDA was NOK 9.6m. Profit before tax came to NOK 5.6m. Revenue growth compared to the same quarter last year was 67%.

Revenues year to date per Q2 2022 was NOK 90.4m, while EBITDA before one off items and profit before tax was respectively NOK 18.4m and NOK 4.4m.

Revenue growth compared to 1 HY 2021 was 92%.

### **Investments and financing**

Long-term interest-bearing debt was NOK 77.0m as at quarter-end. The increase is due to ongoing investments in equipment for enhanced production capacity as well as technology development.

The cash position was NOK 34.1m at quarter-end. The reduction in cash position and corresponding increase in net interest bearing debt is due to ongoing investments in equipment for enhanced production capacity.

The liquidity position is comfortable, and the equity ratio remains solid at 50%.

As at quarter-end, the equipment fleet consisted of 23 water treatment (STT) units as well as solids handling equipment, tank and pit cleaning technologies, swarf unit and other waste handling equipment.

Due to higher activity and an anticipated growing demand for the company's solutions and services, both in Norway and internationally, Soiltech has decided to move forward with the construction of five new STT units. The new units will be delivered around year end 2022.

### **Operations and HSEQ**

During the quarter, we had ongoing operations in Norway, the UK, the Netherlands, and Abu Dhabi. As of the end of the quarter, 18 STT units were operating and two cuttings handling jobs were ongoing.

Revenue utilization was 100% on all STT units.

There were no lost time incidents during the quarter and no spills to ground or sea. Client feedback is positive and sick leave is low.

Soiltech entered several contracts in the quarter, as follows;

-Frame agreement for waste treatment services with Maersk Drilling. The agreement has a duration until 2027.

-Contract with COSL Drilling Europe for treating contaminated water on COSL Pioneer in UK. Startup in Q3.

-Contract on Maersk Resolve for Spirit Energy in the UK, in connection with plugging and abandonment activities. Started in Q2.

### **Post quarter events - New contracts in Q3**

Soiltech entered into the following contracts after quarter-end;

\*Frame agreement with ITHACA ENERGY (UK) LIMITED for the provision of offshore slop processing services.

\*Agreement with ADNOC Offshore for the provision and operation of a second STT unit in the UAE.

### **Outlook**

The general outlook remains positive based on high drilling activity and an increasingly strong focus on responsible resource management. It is anticipated that this will support a continued growing demand for waste treatment services in the years ahead, including the treatment, recovery and reuse of contaminated water and solid waste streams.

The Board of Directors emphasizes that any forward-looking statements contained in this report could depend on factors beyond its control and are subject to risks and uncertainties. Accordingly, actual results may differ materially.

Learn more: [www.soiltech.no](http://www.soiltech.no).

Sandnes, 23 August 2022

Soiltech AS

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