



Soiltech

For a greener future

REPORT
THIRD QUARTER 2022

THIRD QUARTER REPORT 2022

(Numbers in brackets refer to corresponding period in 2021)

Several new contracts and continued profitable growth. Strong EBITDA contribution. Solid financial position.

HIGHLIGHTS - THIRD QUARTER OF 2022

- Soiltech entered into several new contracts during the quarter
- Robust demand for Soiltech's cleantech services
- Solid operational and HSE performance
- Strong EBITDA contribution and liquidity position
- Book equity ratio of 52%
- Sorbwater Technology AS acquired, adding important synergy potential to Soiltech's offering through bio-degradable chemistry

Soiltech contracts entered into in Q3:

- *Vantage Drilling.* Soiltech to treat contaminated water onboard an ENI contracted drillship in Cyprus
- *Maersk Drilling.* Soiltech to treat contaminated water from the drilling process onboard Maersk Resolute
- *ADNOC Offshore.* Soiltech put a second STT unit in operation in the UAE
- Soiltech's swarf removal system (SRS) to treat fluids contaminated with steel particles on an Equinor installation in Norway

Post-quarter events

- Soiltech to treat contaminated water on an Equinor operated installation in Norway

Operations and HSEQ

Revenue utilization was 100% on all STT units in the quarter.

There were no lost time incidents or no spills to ground or sea.

Soiltech had operations on-going in Norway, UK, the Netherlands, Cyprus, and Abu Dhabi during the quarter. 19 STT units were in operation, as well as two cuttings handling systems.

As at quarter-end, the equipment fleet consisted of 23 slop treatment units (STT), solids handling equipment, tank and pit cleaning technologies, swarf removal system and other waste handling equipment. Five more STT units will be delivered early 2023, bringing the total number to 28 STT units.

Soiltech acquired Sorbwater Technology AS during the quarter. Sorbwater has industry leading expertise within bio-degradable chemistry and combined with Soiltech technologies we see a positive outlook for this investment. Sorbwater's financials will be consolidated with Soiltech's from Q4 2022.

RESULTS

Revenues in Q3 2022 amounted to NOK 44m (NOK 40.9m) and EBITDA from operations was NOK 12.3m (NOK 9.8m). Profit before tax came to NOK 7.2m (NOK 6.7m).

Revenue year to date was NOK 134.3m (NOK 87.9m), while EBITDA from Operations and profit before tax were respectively NOK 30.7m (NOK 17.1m) and NOK 11.6m (NOK 8.3m).

Investments and financing

Long-term interest-bearing debt was NOK 83.2m (NOK 46.6m) as at quarter-end. The increase is related to the financing of ongoing investments in equipment for added treatment and waste handling capacity.

Cashflow from operating activities was NOK 21.4m. Cashflow from investing activities was

NOK 44.7m as the Company is building capacity to cater for an anticipated long-term growth. Net cashflow as of Q3 2022 was consequently NOK -2.2m. The cash position was NOK 34.3m at quarter-end. The reduction in cash position reflects the ongoing investment program.

OUTLOOK

The general long-term outlook remains positive based on high drilling activity and increased investments in the oil and gas industry.

Environmentally responsible handling of drilling waste is enjoying strong interest from clients as they continue to focus on lowering their CO2 footprint through the energy transition. Lowering clients' cost and CO2 footprint is the core of Soiltech's value proposition. Further environmental focus and awareness from the industry is expected, which is anticipated to lead to augmented growth in demand for Soiltech's offerings.

We expect Soiltech's activity in the next two quarters to decrease as several rigs will carry out special periodic survey and maintenance as our customers position themselves for the firming market.

Soiltech is however confident that the activity levels will increase from Q2 2023 onwards, and the Company is actively positioning itself accordingly.

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.

Sandnes, 26 October 2022
Soiltech AS

The Board of Directors

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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.

Learn more: www.soiltech.no

KEY FIGURES Q3 2022 (UNAUDITED)

INCOME STATEMENT (NOK 1,000)	Q3 2022	Q3 2021	YTD 2022	YTD 2021
Revenues	43 957	40 880	134 337	87 899
Operating cost	23 850	21 780	75 839	44 758
Gross margin	20 107	19 100	58 498	43 141
(%)	46 %	47 %	44 %	49 %
SG&A	7 799	9 324	27 766	26 052
EBITDA from Operations	12 308	9 776	30 732	17 089
(%)	28 %	24 %	23 %	19 %
Adjustments *	657	-	6 419	-
Reported EBITDA	11 652	9 776	24 313	17 089
Depreciation	3 547	2 665	10 431	7 850
OPERATING PROFIT	8 105	7 111	13 882	9 240
(%)	18 %	17 %	10 %	11 %
Net financial items	-916	-414	-2 307	-931
PROFIT BEFORE TAX	7 189	6 698	11 575	8 309
(%)	16 %	16 %	9 %	9 %

*Adjustments are cost related to share incentive scheme and a one off provision related to resignation agreement with CEO

STATEMENT OF CASH FLOWS (NOK 1,000)	01.01 - 30.09.2022
Profit before tax	11 575
Net cash operating activities	21 358
Net cash investing activities	-44 691
Net cash financing activities	21 094
Total net cash flow	-2 239
Cash at beginning of period	36 536
Cash at end of period	34 297

BALANCE SHEET (NOK 1,000)	Q3 2022	Q3 2021
ASSETS		
Immaterial assets	864	477
Plant, property and equipment	140 713	100 790
New builds	27 829	-
Investments in subsidiaries	16 513	1 103
Fixed assets	185 919	102 370
Current receivables	46 068	34 997
Cash	34 297	38 944
Current assets	80 365	73 941
TOTAL ASSETS	266 284	176 311
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EQUITY AND LIABILITIES		
Share capital	741	720
Share premium	84 741	68 914
Paid-in capital	85 482	69 634
Other equity	53 782	39 767
Total equity	139 264	109 401
Current liabilities	36 940	15 685
Tax payable	-	-
Short-term debt	36 940	15 685
Long term interest-bearing debt	83 155	46 597
Other long term liabilities	885	1 045
Deferred tax	6 040	3 583
Long-term debt	90 080	51 225
Total debt	127 020	66 911
TOTAL EQUITY AND LIABILITIES	266 284	176 311
Equity ratio (%)	52 %	62 % </