



FOURTH QUARTER 2022 REPORT

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(Numbers in brackets refer to corresponding period in 2021)

Soiltech delivers another strong quarter, and we continue to generate strong cash flow from our operations. The recently announced Equinor contract, which runs until 2034, is a major milestone for Soiltech and provides a significant foundation for continued company growth.

HIGHLIGHTS - FOURTH QUARTER 2022

- Strong operational and HSE performance
- EBITDA growth of 46% compared to Q4 2021
- Equity ratio of 52% and solid cash position
- Investing in new equipment, preparing for further expansion
- Secured a 7-year loan with Sandnes Sparebank. The NOK 75 million loan facility includes a refinancing of the existing NOK 50 million loan

Soiltech contracts secured in Q4:

- *Wellesley Petroleum*. Soiltech to treat contaminated water onboard Odfjell Drilling's Deepsea Yantai working for Wellesley

Post-quarter events

- *Equinor*. Soiltech was awarded a long-term frame contract with Equinor for the provision of offshore waste services. Including extension options the contract has a duration until 2034
- *Mexico*. Soiltech to treat contaminated water onboard a drilling vessel for an operator in Mexico
- *Well Expertise*. Soiltech AS and Well Expertise AS entered into a 5-year

frame agreement for the provision of drilling waste management technologies and services

- *OMV*. Soiltech to treat contaminated water onboard Odfjell Drilling's Deepsea Yantai working for OMV
- *ADNOC*. Soiltech's contract for two STT unit extended until end 2023

Operations and HSEQ

Revenue utilization was 100% on all STT units in the quarter. There were no lost time incidents and no spills to ground or sea.

Soiltech had operations on-going in Norway, UK, the Netherlands, and Abu Dhabi during the quarter. 21 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, other waste handling equipment and biodegradable chemicals. Five more STT units have been delivered early 2023, bringing the total fleet to 28 units.

RESULTS

Numbers presented below are consolidated numbers, including Sorbwater Technology AS from Q4.

Revenues in Q4 2022 amounted to NOK 43.9m (NOK 48.9m) and EBITDA from operations was NOK 13.0m (NOK 8.9m). Profit before tax came to NOK 7.2m (NOK 5.8m).

Revenues for the full year 2022 was NOK 178.2m (NOK 136.8m), while EBITDA from Operations and profit before tax were NOK 43.8m (NOK 26m) and NOK 18.8m (NOK 14.1m), respectively.

Investments and financing

Net-interest bearing debt was NOK 44.2m (NOK 20m).

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 43.4m for 2022. Cashflow from Investing activities was NOK -49.1m as the company is building capacity to cater for anticipated growth. After a net contribution of NOK 5.3m from Financing activities, the Net cashflow for 2022 was NOK -0.4m. The cash position was NOK 38.8m as at year-end.

OUTLOOK

The general long-term outlook is positive based on high project activity and robust demand for Soiltech's waste reducing technologies.

The activity level in Q4 was higher than forecasted, mainly due to extension of projects. Going into 2023, we expect activity to be somewhat volatile, with several rigs carrying out special periodic surveys and maintenance.

Accordingly, and partly due to seasonal effects, we expect the activity in Q1 2023 to be lower than Q4. This may also spill into Q2, due to project delays. For the second half of 2023 and onwards we expect the activity to increase.

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, 23 February 2023
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 Q4 2022 (UNAUDITED)

INCOME STATEMENT (NOK 1,000)	Q4 2022	Q4 2021	YTD 2022	YTD 2021
Revenues	43 923	48 858	178 170	136 757
Operating cost	23 313	30 938	98 928	75 696
Gross margin	20 610	17 920	79 242	61 061
(%)	47 %	37 %	44 %	45 %
SG&A	7 613	9 040	35 433	35 092
EBITDA from Operations	12 997	8 880	43 809	25 969
(%)	30 %	18 %	25 %	19 %
Adjustments*	209	-	6 628	-
Reported EBITDA	12 788	8 880	37 181	25 969
Depreciation	4 322	2 736	14 799	10 585
OPERATING PROFIT	8 466	6 144	22 381	15 384
(%)	19 %	13 %	13 %	11 %
Net financial items	-1 282	-356	-3 590	-1 287
PROFIT BEFORE TAX	7 184	5 788	18 791	14 097
(%)	16 %	12 %	11 %	10 %

*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 - 31.12.2022
Profit before tax	18 791
Net cash operating activities	43 432
Net cash investing activities	-49 117
Net cash financing activities	5 306
Total net cash flow	-399
Cash at beginning of period	39 232
Cash at end of period	38 832

BALANCE SHEET (NOK 1,000)	Q4 2022	Q4 2021
ASSETS		
Intangible assets	1 745	471
Plant, property and equipment	145 268	99 803
New builds	32 158	22 663
Restricted cash	738	171
Investments in subsidiaries		911
Deferred tax asset	14 702	0
Goodwill	5 435	0
Non-Current assets	200 046	124 019
Current receivables	37 869	50 752
Stock	238	0
Cash	38 832	36 537
Current assets	76 939	87 289
TOTAL ASSETS	276 985	211 308
EQUITY AND LIABILITIES		
Share capital	741	720
Share premium	85 080	70 045
Paid-in capital	85 820	70 765
Other equity	57 047	42 207
Total equity	142 867	112 972
Current portion of long term debt	21 254	
Current liabilities	32 192	33 914
Tax payable	-	891
Current debt	53 446	34 805
Long term interest-bearing debt	61 795	56 579
Other long term liabilities	18 877	912
Deferred tax		6 040
Long-term debt	80 672	63 531
Total debt	134 118	98 336
TOTAL EQUITY AND LIABILITIES	276 985	211 308
Equity ratio (%)	52 %	53 %