

**NOTICE OF ANNUAL GENERAL MEETING
OF SHAREHOLDERS**

Notice is hereby given of the Annual General Meeting of Soiltech AS to be held on

April 20, 2023 at 10 am at the Company's registered offices in Koppholen 25, 4313 Sandnes

The general meeting will be opened by the chairman of the board.

Agenda:

1. Opening of the meeting and shareholder attendance overview
2. Election of the chair of the meeting
3. Election of one person to co-sign the minutes together with the chair
4. Approval of the notice of meeting and the agenda
5. Approval of the annual accounts for 2022 and the report of the board of directors
6. Approval of the remuneration of the directors
7. Approval of the remuneration of the auditors
8. Expansion of long-term incentive plan
9. Power of attorneys to the board of directors for an increase in capital
10. Power of attorney to the board regarding acquisition of own shares
11. Power of attorney to the board for the issue of new shares
12. Election of board

The annual accounts for 2022, the report of the board of directors, the board's proposal for resolutions to item 5-12 and Proxy (with voting instructions) is attached to this notice.

The documentation is also available on www.soiltech.no.

Shareholders who wish to attend the meeting are asked to notify the Company no later than April 19, 2023 at 4 p.m. by returning the enclosed Proxy to Soiltech AS by e-mail to tove.vestlie@soiltech.no.

Sandnes, April 11, 2023

for the board of directors of Soiltech AS

Jan Erik Tveteraas
Chairman (Sign.)

ANNUAL GENERAL MEETING OF SOILTECH AS – THE BOARD’S PROPOSAL FOR RESOLUTIONS

The board proposes that the following resolutions are passed for item 5-12:

5. Approval of the annual accounts for 2022 and the report of the board of directors

«The Board’s proposal for the annual accounts for 2022, the Board’s proposal for appropriation of the net income and the report of the board of directors are approved. No dividend is paid for 2022».

6. Approval of the remuneration of the directors

«The remuneration of directors is set to NOK 100 000, which is paid to Eirik Flatebø, Olaf Skrivervik and Robert Hvide Macleod. There is no remuneration of the other directors».

7. Approval of the remuneration of the auditors

«Remuneration of the auditors, consisting of remuneration of the audit services of NOK 167 000 and remuneration of other services of NOK 220 000 is approved».

8. Expansion of long-term incentive plan

In connection with securing the required competence for the expected growth of the Company in Norway and internationally, the board proposes that the maximum number of shares to be issued under the Company’s Long-term incentive plan for key personnel and board members is increased from 1 150 000 to 1 200 000 shares, as follows:

«The maximum numbers of shares to be issued under the Company’s Long-term incentive plan for key personnel and board members is increased from 1 150 000 to 1 200 000 shares.

The main terms of the Incentive plan are:

- The Incentive plan consist of up to 1 200 000 shares*
- Key personnel and board members are eligible*
- Exercise price to be market price at the time of award*
- Exercise period up to three years and duration up to 10 years*
- In a ‘Change of control situation’, the options shall vest*
- The terms of the Incentive plan are evaluated yearly*
- Further guidelines as determined by the board».*

9. Power of attorney to the board of directors for an increase in capital

The board of directors invites the general meeting to approve a power of attorney for increase in capital, ref. item 8 above, by replacing the power of attorney provided by previous general meetings, as follows:

“(I) Update of existing power of attorney to reflect increase from 1 150 000 to 1 200 000 shares in the Company’s Long-term incentive plan

1. *In accordance with the limited liability companies act section 10-14 the board of directors is granted a power of attorney to increase the share capital with not more than NOK 120,000 by issuing of not more than 1 200 000 shares, each with a par value of NOK 0,10.*
2. *The power of attorney is valid for two years from the general meeting's resolution.*
3. *The shareholders' preference to the new shares in accordance with the limited liability companies act section 10-4 may be deviated from.*
4. *The power of attorney may be used one or more times for the purpose of issuance of shares in accordance with and to meet the company's employee incentive program. The board of directors conclude that the subscription terms are in accordance with the limited liability companies' act.*
5. *The power of attorney does not cover increase in share capital against contribution of other assets than money.*
6. *The power of attorney does not cover resolution on merger pursuant to the limited liability companies act section 13-5".*

“(II) Update of existing power of attorney

1. *In accordance with the limited liability companies act section 10-14 the board of directors is granted a power of attorney to increase the share capital with not more than NOK 17 226 by issuing of not more than 172 260 shares, each with a par value of NOK 0,10.*
2. *The power of attorney is valid in two years from the general meeting's resolution.*
3. *The shareholders' preference to the new shares in accordance with the limited liability companies act section 10-4 may be deviated from.*
4. *The power of attorney may be used one or more times for the purpose of issuance of 172 260 shares to Hildr AS and Wellex AS. The board of directors conclude that the subscription terms are in accordance with the limited liability companies' act.*
5. *The power of attorney does not cover increase in share capital against contribution of other assets than money.*
6. *The power of attorney does not cover resolution on merger pursuant to the limited liability companies act section 13-5.”*

10. Power of attorney to the board regarding acquisition of own shares

“The General Meeting of Soiltech AS hereby authorizes the Board of Directors to permit the company to acquire shares in Soiltech AS with a nominal value of up to NOK 70,000 divided between a maximum of 700,000 shares, provided that the company’s holding of treasury shares does not exceed 10% of shares outstanding at any given time. The amount that may be paid per share shall be no less than NOK 15 and no more than NOK 150. The Board of Directors shall have a free hand with respect to methods of acquisition and disposal of treasury shares. This authorization shall apply from 20 April 2023 until the date of the Annual General Meeting in 2024.”

11. Power of attorney for the issue of new shares

“1. The Board of Directors is granted the power of attorney to increase the share capital in Soiltech AS by up to NOK 74 054, equal to 10% of the share capital, by issue up to 740 543 new shares. The power of attorney may be used for general corporate purposes to support the company’s continued growth. The shareholders’ pre-emptive rights pursuant to the Norwegian Public Limited Liability Companies Act § 10-4 may be set aside. The terms of the subscription shall be decided by the Board of Directors.

- 2. The power of attorney is valid in two years from the general meeting’s resolution.*
- 3. The shareholders’ preference to the new shares in accordance with the limited liability companies act section 10-4 may be deviated from.*
- 4. The power of attorney does not cover increase in share capital against contribution of other assets than money.*
- 5. The power of attorney does not cover resolution on merger pursuant to the limited liability companies act section 13-5.”*

12. Election of board

It is proposed that the current board is re-elected. The board of directors invites the general meeting to approve the following:

“The current board was re-elected. Accordingly, the board will consist of:

Jan Erik Tveteraas, Chairman

Eirik Flatebø, Director

Robert Hvide Macleod, Director

Olaf Skrivervik, Director

Glenn Åsland, Director

Carsten Brueckner, Director

Dennis Alberding, Deputy Director

The Service period is 2 years from the date hereof».

Proxy (with voting instructions)

This proxy form is to be used for a proxy with voting instructions. If you are unable to attend the General Meeting in person, you may use this proxy form to give voting instructions. You may grant a proxy with voting instructions to a person authorized by you, or you may send the proxy without naming the proxy holder, in which case the proxy will be deemed to have been given to the Chair of the Board of Directors or a person authorized by him. The proxy form must be received by Soiltech AS, no later than 19 April, 2023 at 4 p.m.

It should be sent to: **tove.vestlie@soiltech.no**

The undersigned _____ **[Name in Capital letters]**,

who has the power of attorney to vote for the following shares:

Name of shareholder(s) and/or custody/nominee account: _____

Number of shares held: _____

hereby grants (tick one of the two):

the Chair of the Board of Directors (or a person authorized by him), or

(Name of proxy holder in capital letters)

a proxy to attend and vote for my/our shares at the **Annual General Meeting of Soiltech AS on 20 April, 2023**.

The votes shall be exercised in accordance with the instructions below. Please note that if any items below are not voted on (not ticked off); this will be 'deemed to be an instruction to vote "for" the proposals in the notice. However, if any motions are made from the floor in addition to or in replacement of the proposals in the notice, the proxy holder may vote or abstain from voting at his discretion. In such case, the proxy holder will vote on the basis of his reasonable understanding of the motion. The same applies if there is any doubt as to how the instructions should be understood. Where no such reasonable interpretation is possible, the proxy holder may abstain from voting.

Agenda item	Annual General Meeting 20 April, 2023	For	Against	Abstention
2	Election of the chair of the meeting	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	Election of one person to co-sign the minutes together with the chair	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	Approval of the notice of meeting and the agenda	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5	Approval of the annual accounts for 2022 and the report of the board of directors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6	Approval of the remuneration of the directors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7	Approval of the remuneration of the auditors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8	Expansion of long-term incentive plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9	Power of attorneys to the board of directors for an increase in capital	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10	Power of attorney to the board regarding acquisition of own shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11	Power of attorneys to the board for the issue of new shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12	Election of the board	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Place:

Date:

Signature:



ANNUAL REPORT 2022



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The background of the slide features a blurred photograph of two workers in an industrial setting. They are wearing white hard hats and high-visibility orange and yellow safety vests. One worker is in the foreground, looking towards the camera, while another is slightly behind and to the left. The background shows industrial equipment and structures.

This is 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 provide clean technologies for a greener future

Soiltech designs, builds, owns and operates its treatment technologies, providing services in close cooperation with the customer on their sites. We also offer biodegradable chemistry and solutions for treatment of produced water, and contaminated water in aquaculture, municipals and other industries.

In Soiltech;

- We deliver Quality
- We act with Integrity
- We take Responsibility

Board of Directors report 2022

Nature of business and location

Established in 2011, Soiltech is an innovative cleantech service provider specializing in the treatment, recycling and responsible handling of contaminated water and solid industrial waste streams.

Soiltech (the Company) consists of Parent Company Soiltech AS and the subsidiaries Soiltech Offshore Services AS and Sorbwater Technology AS (from 1st October 2022).

In 2022, the Company had operations in Norway, United Kingdom, the Netherlands, and Abu Dhabi. The Company's head office is at Koppholen 25 in Sandnes, Norway.

Highlights in 2022

- Secured frame agreement for waste treatment services with Maersk Drilling with a duration until 2027
- Signed a 5-year frame agreement with ITHACA ENERGY (UK) LIMITED for the provision of offshore slop water treatment services by applying our Slop Treatment Technology (STT) Signed agreement with ADNOC in the United Arab Emirates for the delivery of a second slop water treatment unit (STT)
- Acquired Sorbwater Technology AS. Sorbwater has industry leading expertise within bio-degradable (green) chemistry
- In addition, Soiltech secured several contract extensions
- Significant investments were made throughout the year to build capacity for meeting the anticipated increase in drilling activity and demand for the company's cleantech technologies and services

Events after balance sheet date

- In February 2023 Soiltech was awarded a long-term frame contract with Equinor for the provision of offshore waste management services on the Norwegian Continental Shelf. The contract was effective from end 2022. Including extension options the contract has a duration until 2034
- Soiltech and Well Expertise entered into a 5-year frame agreement for the provision of drilling waste management technologies and services
- Soiltech received a one-year contract extension with ADNOC until end 2023 for two Slop Treatment Technology (STT) units treating and recycling contaminated brine and water in the UAE
- In February 2023, Soiltech was awarded its first contract in Mexico for the treatment of contaminated water with our Slop Treatment Technology (STT) onboard a drilling vessel for a leading operator

Financial performance and financing

Key figures (Nok mill)	Parent company		Group	
	2022	2021	2022	2021
Turnover	178,1	136,8	178,2	136,6
Gross Margin	79,6	61,1	79,2	61,1
Gross Margin %	45 %	45 %	44 %	45 %
EBITDA from Operations	44,5	27,2	43,8	27,4
Profit before tax	19,9	14,1	18,8	14,3
Net profit	15,5	10,7	14,6	10,9
Total asset	289,3	211,3	276,5	212,8
Net interest bearing debt	47,0	20,0	44,2	17,4
Liquidity reserve	36,1	36,5	38,8	39,2
Working Capital*	15,8	36,1	23,3	37,1
Equity	143,6	113,0	143,0	113,2
Equity ratio	50 %	53 %	52 %	53 %

*) Working capital is defined as current assets less current liability

*) Liquidity reserve includes cash and cash equivalents. The company does not have undrawn revolving credit facilities

Group

Activity has been high throughout the year, and revenue growth year on year was 30%. The majority of the revenues are generated in Norway, while 17% of revenues in 2022 were generated outside Norway. Gross margin remained strong at 44% and EBITDA from operations grew from MNOK 27,2 in 2021 to MNOK 43,8 in 2022.

Total assets at year-end amounted to MNOK 276,5 (MNOK 212,8). The equity ratio remained solid at 52% (53%) and total liquidity position is steady at MNOK 38,8.

At the end of 2022 Soiltech entered in to a long-term loan facility with Sandnes Sparebank. The 7-year loan facility is NOK 75 million and includes a refinancing of the existing facility of NOK 50 million. The loan facility is an important element in the company's growth plan, one which may be further solidified through an up-listing from the current NOTC listing when the time is right. As at year-end 2022 MNOK 25 of this committed facility was yet to be drawn.

Parent Company

Net profit of MNOK 15,5 is transferred to other equity. Total assets at year-end amounted to MNOK 289,3 (MNOK 211,3). The equity ratio remained solid at 50% (53%).

Operations

The company saw an increase in activity in 2022. At the start of 2022 Soiltech had 16 slop treatment technology units (STT) in operation while 21 STT's were in operation towards year-end. Further, the company had two cuttings handling projects ongoing till late Q42022. In addition, the company performed some pit and tank cleaning jobs and swarf removal jobs (removal of steel particles from drilling mud). Towards the end of the year, the activity slowed temporarily due to normal cyclical during the winter season with projects coming to an end and rigs undertaking special periodic surveys (SPS).

At the end of 2022, the company had the majority of its operations in Norway in addition to operations in the Netherlands, UK, Cyprus and the UAE.

The company had no operational or commercial downtime in 2022.

Risk management and internal controls

Soiltech categorizes its primary risks into commercial, operational, compliance and legal, financial, and IT- and cyber related risks.

Commercial risks include such risks as macro indicators, suppliers, partners, competitors, and technology.

Operational risks include technical and operational status and performance of its equipment as well as HSEQ.

Compliance and legal risks include the company's management system, certifications as well as contractual, legal, and regulatory understanding and compliance.

Financial risk includes quality in continuous reporting and internal controls, proper financing and financing sources, forecasting and liquidity management as well as financial risk management related to interest rates, foreign exchange, credit risks and tax risks.

IT- and cyber risks include the company's IT and communication systems, procedures, and ways of working, as well as IT-technical barriers and controls.

The company's management and Board of Directors manage these risks on a continuous basis through periodic reviews, reporting, forecasting and other mitigating measures.

While the company operates in a somewhat cyclical and seasonal industry, its client base however consists of solid and credit-worthy energy and drilling companies. During the year, the company has continued to focus on continuous improvement in training and competence requirements, technical and operational safety as well as planning and forecasting. The company had no trade losses in 2022. Further, the bank facility was refinanced at the start of 2023 and the company maintained a solid balance and a healthy liquidity position.

In 2022 the company appointed a new auditor, PwC, as part of the continuous development and focus on quality and internal controls.

Climate risk

Climate risk in practical terms is a measure of vulnerability to climate-related impacts that may affect various aspects of a company's financial performance. Those consequences could be anything from minor inconvenience to a complete loss of an asset's value or operability. With such high stakes, reducing the uncertainty of that outcome is business critical.

Soiltech's technology and solutions are energy efficient mechanical technology that contribute to the reduction of waste, the recovery of waste and reuse in the energy industry. As such we are contributing to responsible resource management and emissions reductions. As emissions and discharge regulations are tightened around the world, we believe that Soiltech's technology and solutions may play an increasingly important role in the energy industry in the foreseeable future. Further, our technology is generally containerized and designed in such a way that it can withstand weather and external forces and thereby protect the equipment and provide a safe working environment. In the non-foreseeable future, as the world transits to renewables, then we believe that our technology can continue to contribute to responsible resource management also in other industry verticals and as such this is on the company's longer term strategic agenda.

Liability Insurance (Directors & Officers)

The company has a Directors & Officers liability insurance that covers Directors of the Board and executive management. The total limit of the coverage is MNOK 50.

Research & Development

Soiltech is not undertaking specific research & development activities. However, the company is continuously focusing on improving existing technologies and developing new or improved solutions for its integrated waste management services, based on experience from operations and market need. The company is seeking to commercialize a new mechanical technology for cuttings treatment in 2023.

Human Resources, Diversity & Governance

Soiltech had a total average of 81 employees onshore and offshore in Norway and international in 2022 compared to 58 in 2021.

The Company had a sick leave of 2.1% in 2022. The board perceives the working environment and the general well-being in the workplace as good. This was confirmed in the 2022 organizational survey.

Soiltech's diversity is illustrated by the fact that its employees come from multiple countries around the world.

Soiltech has incorporated ethical guidelines and Human Rights guidelines. Our business is based on an inclusive corporate culture. We recognize and appreciate that each one of us represent something unique and valuable and deserve recognition for individualities. We do not accept any form of harassment or discrimination on the basis of gender, religion, race nationality or ethnicity, cultural background, social group, disability, sexual orientation, marital status, age, political stance or other diversities. The Company works systematically with recruitment, salary and working conditions, and promotion and development opportunities.

The management team consist of 3 women and 5 men. The board has six members, all of whom are men. The Chairman of the Board and one other board member are employed in operational roles on a day- to -day basis within business development, sales, and operations.

In March 2022, the Company's CEO resigned, and a new CEO took seat on first June 2022.

HSEQ

A fit for purpose management system and robust HSEQ performance is fundamental to Soiltech. The company's purpose is to provide clean technologies for a greener future, and thereby contribute to responsible resource management and sustainable development.

The company is certified according to ISO 9001 (Quality), ISO 14001 (Environment) and ISO 45001 (Working Environment).

Soiltech requests and receives continuous client feedback, in an effort to measure quality and continuous improvement. A high degree of repeat clients is an additional quality parameter that is monitored.

Soiltech has a zero-mindset philosophy when it comes to incidents and spills and will on a continuous basis strive to reduce the impact of its activities on the external environment. The HSE performance is generally good, despite an unfortunate lost time incident (LTI) related to a cleaning job. The colleague in question was however well taken care of and was declared fit for work after a period of treatment and is fortunately back in normal work rotation. As usual the company captured lessons learned in its effort to continuously improve and avoid any incidents.

Internal control in Soiltech is ensured in accordance with our policies and procedures, and reinforced based on organizational structure, competence, and authority matrix as well as segregation of duties.

Sustainability (ESG)

Soiltech will listen to stakeholders and continue to shape our business in a sustainable direction. We acknowledge UN's 17 Sustainable development goals, and we will contribute to reach them by foster innovation within the company to further develop our clean technologies for a greener future.

We will conduct our business in a socially responsible manner consistent with the UN Guiding Principles on Business and Human Rights and the Ten Principles of the UN Global Compact.

We respect all internationally recognized human rights, including those embedded in Universal Declaration of Human Rights, the UN Convention on Economic, Social and Cultural Rights, the UN Convention on Civil and Political Rights and the ILO Declaration on Fundamental Principles and Rights at Work.

These include, but are not limited to, the freedom of association and the right to bargain, and the right to freedom from forced labor, child labor or discrimination in working life. We also respect current standards in International Humanitarian Law including the Transparency Act which aims to reduce the risk of human rights violations, avoid modern slavery, and ensure decent working conditions. Soiltech AS has published its arrangement regards the transparency act on its web page under HSEQ/Compliance. Please see www.soiltech.no for further information on the topic.

Outlook

Going into 2023, we expect activity to be somewhat volatile in the first half partly due to seasonal effects and several rigs carrying out special periodic surveys (SPS) and maintenance. However, the general long-term outlook is positive based on high energy prices and the energy transition with focus on available and affordable energy. High E&P spending budgets and high drilling activity is anticipated, which should provide sound basis for a continued growing demand for Soiltech's waste reducing technologies from the second half of 2023.

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.

Going concern assumption

The Board confirms that the annual accounts and the information presented in the board of directors' report have been prepared on the basis of going concern assumption ref. accounting act §3-3a.

Shareholders and share capital

At the end of 2022 Soiltech had a total of 87 shareholders. The 10 largest shareholders owned 74,6% of the company.

As at 31 December 2022, Soiltech had an issued share capital of NOK 740 543 and 7 405 430 outstanding shares, each with a nominal value of NOK 0,10 and carrying equal voting rights.

Dividend

Soiltech has not paid dividend to date and the Board does not propose to pay dividends for 2022. Soiltech is a growth company, and we are aiming at a continued growth, based on a solid financial position. Our plan is to take advantage of market opportunities and reinvest the generated cash in profitable projects and enhanced service capacity. Any future dividend will be evaluated on this basis.

Events after year-end

As far as the Board is aware, there have been no significant events since year-end which would impact the financial position and profits of the Company other than those mentioned under Events after year-end above.

Sandnes, March 30, 2023

The board of directors of Soiltech AS

Jan Erik Tveteraas
Jan Erik Tveteraas (Mar 30, 2023 16:00 GMT+2)

Jan Erik Tveteraas
Chairman of the Board

Olaf Skrivervik
Olaf Skrivervik (Mar 30, 2023 15:01 GMT+2)

Olaf Skrivervik
Member of the Board

Robert Hvide Macleod
Robert Hvide Macleod (Mar 30, 2023 16:20 GMT+2)

Robert Hvide Macleod
Member of the Board

Carsten Brückner
Carsten Brückner (Mar 30, 2023 15:29 GMT+2)

Carsten Brückner
Member of the Board

Glenn Åsland

Glenn Åsland
Member of the Board

Eirik Flatebø
Eirik Flatebø (Mar 30, 2023 16:21 GMT+2)

Eirik Flatebø
Member of the Board

Stig H. Christiansen
Stig H. Christiansen (Mar 30, 2023 16:07 GMT+2)

Stig H. Christiansen
Chief Executive Officer

(TNOK)

STATEMENT OF PROFIT AND LOSS
for the year ended 31 December 2022

PARENT COMPANY				GROUP		
<u>2022</u>	<u>2021</u>	Note	OPERATING REVENUES AND COSTS	Note	<u>2022</u>	<u>2021</u>
176 877	136 656	1	Revenue from contracts with customers	1	177 073	136 545
1 217	101	1	Other revenue	1	1 097	101
<u>178 094</u>	<u>136 757</u>	1	Total revenue	1	<u>178 170</u>	<u>136 646</u>
-98 471	-75 698		Raw materials and consumables used		-35 220	-30 340
-29 599	-20 102	2, 3, 4	Employee benefits	2, 3, 4	-88 383	-62 210
-14 441	-11 791	5,6	Depreciation and amortization	5,6	-14 799	-11 791
	1 205	5,6	Impairment	5,6	0	1 205
-12 195	-14 990	7	Other operating expenses	7	-17 372	-17 954
<u>-154 706</u>	<u>-121 375</u>		Total operating expenses		<u>-155 775</u>	<u>-121 089</u>
<u>23 388</u>	<u>15 382</u>		OPERATING PROFIT		<u>22 396</u>	<u>15 557</u>
FINANCIAL INCOME AND FINANCIAL EXPENSES						
538	191		Interest income		539	191
-3 929	-1 564		Interest expenses		-3 950	-1 564
675	265		Other financial income		675	270
-802	-179		Other financial expenses		-869	-179
<u>-3 519</u>	<u>-1 287</u>		NET FINANCIAL ITEMS		<u>-3 604</u>	<u>-1 282</u>
<u>19 870</u>	<u>14 095</u>		Profit before tax		<u>18 791</u>	<u>14 275</u>
-4 339	-3 348	8	Income tax expense	8	-4 143	-3 388
<u>15 530</u>	<u>10 747</u>		NET PROFIT		<u>14 648</u>	<u>10 888</u>
TRANSFERS						
<u>15 530</u>	<u>10 747</u>		Transfers to other equity			
<u>15 530</u>	<u>10 747</u>		Total allocations			

STATEMENT OF FINANCIAL POSITION
as at 31 December 2022

(TNOK)

PARENT COMPANY				GROUP		
31.12.2022	31.12.2021	Note	ASSETS	Note	31.12.2022	31.12.2021
			<i>Non-Current assets</i>			
			<i>Intangible assets</i>			
1 070	461	5	Patents/other intangible assets	5	1 745	461
0	0	8	Deferred tax asset	8	15 133	0
0	0	5,9	Goodwill	5,9	5 090	0
<u>1 070</u>	<u>461</u>		Total intangible assets		<u>21 968</u>	<u>461</u>
			<i>Tangible fixed assets</i>			
47 126	33 508	6	Leased assets	6	47 126	33 508
107 513	84 700	5	Property, plant and equipment	5	110 584	84 700
19 716	4 268	5	Newbuilds	5	19 716	4 268
<u>174 356</u>	<u>122 476</u>		Total tangible assets		<u>177 426</u>	<u>122 476</u>
			<i>Financial assets</i>			
37 682	788	10	Investments in subsidiaries	10	0	0
738	171	11	Restricted cash	11	738	171
0	123	12	Other assets	11	0	123
<u>38 420</u>	<u>1 082</u>		Total financial assets		<u>738</u>	<u>294</u>
<u>213 845</u>	<u>124 019</u>		Total non-current assets		<u>200 132</u>	<u>123 231</u>
			<i>Current assets</i>			
22 382	28 945	12, 13	Trade receivables	12, 13	22 288	28 945
14 269	21 035	12	Other current assets	12	15 003	21 435
2 735	772	10,12	Trade receivables Group	10,12	0	0
<u>39 386</u>	<u>50 752</u>		Total receivables		<u>37 291</u>	<u>50 381</u>
0	0	14	Inventories	14	238	0
<u>0</u>	<u>0</u>		Total inventories		<u>238</u>	<u>0</u>
<u>36 098</u>	<u>36 537</u>	11	Cash and cash equivalent	11	<u>38 832</u>	<u>39 232</u>
<u>75 483</u>	<u>87 289</u>		Total current assets		<u>76 362</u>	<u>89 613</u>
<u>289 328</u>	<u>211 308</u>		TOTAL ASSETS		<u>276 492</u>	<u>212 844</u>

STATEMENT OF FINANCIAL POSITION

as at 31 December 2022

(TNOK)

PARENT COMPANY			GROUP			
31.12.2022	31.12.2021	Note	EQUITY AND LIABILITIES	Note	31.12.2022	31.12.2021
			<i>Equity</i>			
			<i>Paid-in capital</i>			
741	720	15,16	Share capital	15,16	741	720
83 948	68 914	9,16	Share premium	9,16	83 948	68 914
1 132	1 131	4,16	Other paid-in equity	4,16	1 132	1 131
<u>85 820</u>	<u>70 765</u>		Total paid-in capital		<u>85 820</u>	<u>70 765</u>
			<i>Retained earnings</i>			
57 738	42 207	16	Retained earnings	16	57 132	42 485
<u>57 738</u>	<u>42 207</u>		Total retained earnings		<u>57 132</u>	<u>42 485</u>
<u>143 558</u>	<u>112 972</u>	16	Total equity	16	<u>142 953</u>	<u>113 249</u>
			<i>Liabilities</i>			
			<i>Provisions</i>			
8 499	6 040	8	Deferred tax	8	0	6 040
796	911		Other provisions		796	911
<u>9 295</u>	<u>6 951</u>		Total provisions		<u>796</u>	<u>6 951</u>
			<i>Non-current liabilities</i>			
61 795	40 106	13	Liabilities to financial institution	13	61 795	40 106
15 000	55	17	Other non-current liabilities	17	18 081	55
<u>76 795</u>	<u>40 161</u>		Total long-term liabilities		<u>79 876</u>	<u>40 161</u>
			<i>Current liabilities</i>			
8 345	11 479		Trade payable		9 178	13 321
21 508	12 433		Trade payable Group		0	0
0	891	8	Tax payable	8	0	931
1 560	1 169		Public duties payable		7 896	7 293
21 254	16 418	13	Current portion of long-term debt	13	21 254	16 418
7 013	8 833	18	Other current liabilities	18	14 541	14 520
<u>59 680</u>	<u>51 224</u>		Total current liabilities		<u>52 868</u>	<u>52 483</u>
<u>145 769</u>	<u>98 335</u>		Total liabilities		<u>133 539</u>	<u>99 594</u>
<u>289 328</u>	<u>211 308</u>		TOTAL EQUITY AND LIABILITIES		<u>276 492</u>	<u>212 844</u>

Sandnes, March 30, 2023

The board of directors of Soiltech AS

Jan Erik Tveteraas

Jan Erik Tveteraas (Mar 30, 2023 16:00 GMT+2)

Jan Erik Tveteraas
Chairman of the BoardCarsten Brückner

Carsten Brückner (Mar 30, 2023 15:25 GMT+2)

Carsten Brückner
Member of the BoardOlaf Skrivervik

Olaf Skrivervik (Mar 30, 2023 15:01 GMT+2)

Olaf Skrivervik
Member of the BoardGlenn ÅslandGlenn Åsland
Member of the BoardStig H. Christiansen

Stig H. Christiansen (Mar 30, 2023 16:07 GMT+2)

Stig H. Christiansen
Chief Executive OfficerRobert Hvide Macleod

Robert Hvide Macleod (Mar 30, 2023 16:20 GMT+2)

Robert Hvide Macleod
Member of the Boardeirik flatebø

eirik flatebø (Mar 30, 2023 16:21 GMT+2)

Eirik Flatebø
Member of the Board

(TNOK)

STATEMENT OF CASH FLOW
for the year ended 31 December 2022

PARENT COMPANY			GROUP	
2022	2021		2022	2021
		<i>Cash flow from operating activities</i>		
19 870	14 095	Profit before tax	18 791	14 275
-893	0	Income taxes paid	-933	0
14 441	10 585	Ordinary depreciation/impairment fixed assets	14 799	10 585
-982	0	Profit & loss on investing activities	-982	0
3 929	1 564	Interest expense	3 950	1 564
-499	0	Change in restricted cash	-499	0
6 564	-18 647	Change in trade receivables	6 555	-18 647
-3 774	18 311	Change in trade creditors	-4 596	19 776
7 134	-11 262	Change in other current balance sheet items	6 889	-14 954
<u>45 791</u>	<u>14 646</u>	Net cash flow from operating activities	<u>43 974</u>	<u>12 599</u>
		<i>Cash flow from investing activities</i>		
1 250	0	Sale of property, plant and equipment	1 250	0
-49 900	-24 440	Purchase of property, plant and equipment	-49 900	-24 440
-1 715	0	Loans to related party	0	0
-627	0	Investment in subsidiary net of cash acquired	-467	0
<u>-50 993</u>	<u>-24 440</u>	Net cash flow from investing activities	<u>-49 117</u>	<u>-24 440</u>
		<i>Cash flow from financing activities</i>		
25 301	11 200	New long-term debt	25 301	11 200
55	9 339	Net proceed from issue of shares	55	9 339
-10 371	-6 115	Repayment of long-term debt	-10 371	-6 115
-6 047	-2 487	Repayment of lease liabilities	-6 047	-2 487
-4 156	-1 561	Payment of interest	-4 177	-1 561
<u>4 782</u>	<u>10 375</u>	Net cash flow from financing activities	<u>4 761</u>	<u>10 375</u>
<u>-439</u>	<u>581</u>	NET CASH FLOW FOR THE PERIOD	<u>-401</u>	<u>-1 465</u>
<u>36 537</u>	<u>35 954</u>	Cash and cash equivalent 01.01	<u>39 232</u>	<u>40 696</u>
<u>36 098</u>	<u>36 537</u>	Cash and Cash equivalents 31.12	<u>38 832</u>	<u>39 232</u>

Notes to the Consolidated financial statements

Corporate information and principal activity

Soiltech AS (the 'Company') is a limited company domiciled in Norway. The registered office of the Company is Koppholen 25, 4313, Sandnes, Norway. The Company is an innovative cleantech service provider specializing in the treatment, recycling and responsible handling of contaminated water and solid industrial waste streams. The Company is listed on the NOTC in Oslo with ticker code 'SOIL'. The consolidated financial statements comprise the financial statements of the Company and its subsidiaries (together referred to as the 'Group'). The consolidated financial statements for the year ended 31 December 2022 were approved and authorized for issue in accordance with a resolution of the board of directors on 30th of March 2023.

Statement of compliance and basis of preparation

The annual accounts have been prepared in accordance with Norwegian Accounting Act and associated regulations, as well as Generally Accepted Accounting Principles (GAAP) in Norway.

The Group's consolidated financial statements comprise Soiltech AS and companies in which Soiltech AS has a controlling interest. Transactions between group companies have been eliminated in the consolidated financial statement. The consolidated financial statement has been prepared in accordance with the same accounting principles for both parent and subsidiaries.

The consolidated financial statements are presented in NOK, which is also the functional currency of the parent. Amounts are rounded to the nearest thousand, unless otherwise stated.

Subsidiaries

In the Parent company the subsidiaries and investments in any associated companies are valued at cost. The investment is valued as cost of the shares, less any impairment losses. An impairment loss is recognized if the impairment is not considered temporary, in accordance with generally accepted accounting principles. Impairment losses are reversed if the reason for the impairment loss is rectified in a later period.

In the Consolidated group accounts the investments in associated companies are accounted for using the equity method. We evaluate investments whenever events or changes in circumstance indicate that the carrying amounts of such investments may be impaired. If a decline in the value of an investment is determined to be other than temporary, a loss is recorded in earnings in the current period.

Dividends, group contributions and other distributions from subsidiaries are recognized in the same year as they are recognized in the financial statement of the provider. If dividends / group contribution exceeds withheld profits after the acquisition date, the excess amount represents repayment of invested capital, and the distribution will be deducted from the recorded value of the acquisition in the balance sheet for the parent company.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured as fair value at the acquisition date. Acquisition-related costs are capitalized as part of the initial value of the shares or the acquired assets.

When the Company acquires a business, it assesses the financial assets and liabilities acquired for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. The acquired assets and liabilities are accounted for at fair value in the Group consolidated statement of financial position. Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date.

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized as negative goodwill (badwill) in the balance sheet.

After initial recognition, goodwill is measured at cost less any accumulated depreciation and accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Revenue recognition

Soiltech recognizes revenue upon the transfer of control of promised products or services to customers at an amount that reflects the consideration it expects to receive in exchange for these products or services. The majority of the group's revenue is derived from rental of equipment with personnel to customers.

The vast majority of Soiltech services and product offerings are short-term in nature. The time between invoicing and when payment is due under these arrangements is generally between 30 to 60 days. The Group recognizes revenue from the following major sources:

- Slop treatment
- Water treatment
- Cuttings – Skip & Ship handling
- Cuttings – Bulk handling
- Swarf treatment
- Cleaning services
- Other services

Classification and estimation of balance sheet items

Non-current assets are assets intended for long-term ownership or use. All other assets are current assets. Receivables that fall due for payment within one year shall not be classified as non-current assets. Similar criteria applies to liabilities.

Current assets are valued at the lower of acquisition cost and fair value. Fixed assets are depreciated according to a reasonable depreciation schedule. Non-current assets are written down to fair value upon any impairment that is expected not to be temporary. Long-term debt is recognized at nominal value at transaction date.

Trade receivable and other current assets are recorded in the balance sheet at nominal value less provisions for doubtful accounts. Provisions for doubtful accounts are based on an individual assessment of the different receivables. For the remaining receivables, a general provision may be estimated based on any expected loss.

Inventories

Inventories are carried in the financial statement at the lower of cost and net realizable value. The cost of inventories is determined by using the FIFO method, and includes all cost of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Fixed assets

Tangible fixed assets

Tangible fixed assets are recognized in the balance sheet at cost and are depreciated over the asset's expected useful life on a straight-line basis. Repair and maintenance are expensed as incurred. If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. The reduction is recognized as an impairment loss.

Intangible assets

Development costs are capitalized providing that a future economic benefit associated with development of the intangible asset can be established and costs can be measured reliably. Otherwise, the costs are expensed as incurred. Capitalized development costs are amortized on a straight-line basis over its estimated useful life.

Amounts paid for patents and licenses are capitalized and amortized on a straight-line basis over the expected useful life. The expected useful life of patents and licenses varies from 5 to 10 years.

Software Expenses – linked to the purchase of new software are capitalized as an intangible asset provided these expenses do not form part of the hardware acquisition costs. Software is depreciated on a straight-line basis over the estimated economic life up to 5 years. Costs incurred as a result of maintaining or upholding the future utility of software is expensed unless the changes in the software increase the future economic benefits from the software.

Tax

The tax expense consists of the tax payable and changes to deferred tax. Deferred tax/tax assets are calculated on basis of the differences between the book value and tax value of assets and liabilities, with the exception of temporary differences linked to goodwill that are not tax deductible. Temporary differences, both positive and negative, which will or are likely to reverse in the same period, are recorded as a net amount.

Deferred tax assets are recognized when it is probable that the company will have a sufficient profit for tax purposes in subsequent periods to utilize the tax asset. The company recognizes previously unrecognized deferred tax assets to the extent it has become probable that the company can utilize the deferred tax asset. Similarly, the company will reduce a deferred tax asset to the extent that the company no longer regards it as probable that it can utilize the deferred tax asset. Deferred tax and deferred tax assets are measured on the basis of the expected future tax rates applicable to the companies in the Group where temporary differences have arisen based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred tax and deferred tax assets are recognized at their nominal value and classified as non-current asset investments (long-term liabilities) in the balance sheet.

Currency

Transactions in foreign currencies are translated at the rate applicable on the transaction date. Monetary items in a foreign currency are translated into NOK using the closing rate at the balance sheet date.

Leasing

Soiltech AS leases operating equipment which in turn is leased to our customers. We have substantially all the risks and rewards of ownership and the leases are classified as financial leases. Financial leases are capitalized at the inception of the lease at the lower of the fair value of the leased asset or the present value of the future minimum lease payments. Each lease payment is allocated between the corresponding financial lease liability and finance charges so as to achieve a constant rate on the liability outstanding.

Depreciation of assets held under capital leases is reported within "Depreciation and amortization expense" in the Statement of Profit and Loss. The depreciation policy for assets held under financial leases is consistent with that for owned assets and is depreciated over estimated economic life.

Operating assets acquired through operational leases are expensed as leasing costs directly in the income statement.

Research and development

Internal cost related to research and development are recognized in the income statement.

The cash flow analysis

The cash flow analysis has been prepared according to the indirect method.

Note 1 – Revenues

(TNOK)	Parent Company		Group	
	2022	2021	2022	2021
Revenue from Slop treatment technology and services	128 368	100 850	128 368	100 850
Revenue from Other technology and services	48 508	35 806	48 705	35 696
Other revenue	1 217	101	1 097	101
Total revenue	178 094	136 757	178 170	136 646
Operating revenues by geographical area	2022	2021	2022	2021
Norway	147 289	119 056	147 289	118 945
International*	30 805	17 701	30 881	17 701
Total revenue	178 094	136 757	178 170	136 646

*International revenues include income in Abu Dhabi, UK, the Netherlands and Cyprus.

Note 2 - Employee benefits

(TNOK)	Parent Company		Group	
	2022	2021	2022	2021
Wages and Salaries	21 037	13 578	70 584	48 453
Contract personnel	1 798	1 664	1 798	1 664
Social security taxes	3 810	3 717	11 318	8 849
Pension cost	862	546	2 885	1 835
Other benefit/refund	2 092	597	1 798	1 409
Total	29 599	20 102	88 383	62 210

Average number of employees

	2022	2021
Soiltech AS	11	8
Soiltech UK (Branch of Soiltech AS)	7	4
Soiltech Offshore Services AS	52	40
Sorbwater Technology AS	2	0
Total number employees	72	52

Pension

The parent company and subsidiaries (the Group) are required to provide an occupational pension scheme pursuant to the Act relating to Mandatory Occupational Pensions. The Group's pension scheme is a defined contribution plan and comply with the requirements under the law.

Note 3 – Remuneration to senior executives and board of directors

(TNOK)	Salary	Other benefits
Salary CEO (Stig H. Christiansen)	1 750	94
Salary CEO (Oluf Bergsvik)	1 421	4 646
Salary CFO	1 222	119

The previous CEO Oluf Bergsvik resigned from his position in March 2022. The current CEO Stig H. Christiansen started on 1st June 2022. TNOK 4 450 related to a resignation agreement with the previous CEO is included in other benefits.

Board of directors	Salary	Other benefits
Board (excl. Chairman of the board)	255	0
Executive Chairman of the board	1 930	186
Total remuneration	2 185	186

No remuneration has been paid to the general manager and directors in subsidiaries.

The Company has not provided loans or collateral to executives or members of the board.

Note 4 – Options to employees and directors

The Company has a long-term share-based incentive plan for key personnel and board members, all equity settled. Under the scheme, options in the income year 2022 have been accounted for in accordance with IFRS 2 share-based payment.

Prior to 2021 the Company did not expense any cost related to options since the company were under the exemption ruling for small enterprises. In accordance with NRS 8, in the event of a transition from small enterprises to other enterprises, the Company did not incorporate historical IFRS 2 effects for 2021.

The subscription price for the shares under the incentive plan is set at the market price at the time of award. The options have a vesting period of 1-3 years (33% for each year). All outstanding options must be exercised within 5 years from award date. The incentive plan assumes that the option holder is employed by the Company when the

option is exercised. The total number of outstanding options as of 31.12.2022 is 1 249 700. Option cost for 2022 related to employee benefits recorded in the P&L is 87 TNOK.

Options	No. of options 01.01.2022	Strike (NOK per stock)	Vesting period	Exercised In 2022	Granted options in 2022	Nr. Of options 31.12.2022
Options to employees	120 000	35,00	2017-2021	0	0	120 000
Options to employees	367 440	35,00	2021-2024	0	0	367 440
Options to employees	160 000	45,00	2021-2025	0	100 000	260 000
Options to employees	0	63-75	2022-2025	0	325 000	325 000
Total	829 700					1 249 700

The options are valued at fair value based on the Black-Scholes option pricing model. The following assumptions are made:

	2022 program
Risk free interest rate	0,78-3,30 %
Historical volatility	10 %
Expected life of the option (years)	0-3
Stock price	45-75

Note 5 – Specification of fixed and intangible assets

GROUP (TNOK)	Property, Plant and Equipment	Newbuilds	Patents/other intangible assets	Goodwill	Total
Cost price 01.01.2022	117 881	4 268	2 061	0	124 210
Purchase during the year	29 564	19 715	621	0	49 900
Change between newbuilds/PP&E	4 268	- 4 268	0	0	-
Addition business combination	3 242	0	675	5 278	9 195
Sale during the year	- 268	0	0	0	- 268
Cost price 31.12.2022	154 687	19 716	3 357	5 278	183 037
Accumulated depreciation and amortization 31.12.2022	- 40 533	0 -	1 512	- 187	- 42 233
Accumulated write-downs 31.12.2022	- 3 568	0 -	100	0	- 3 668
Balance sheet value pr. 31.12.2022	110 584	19 716	1 745	5 090	137 136
Depreciation current year	- 10 921	0 -	12	- 187	- 11 120
Economical lifetime	0 - 12 years			0-10 years	
Depreciation plan	Linear		Linear	Linear	

Parent company (TNOK)	Property, Plant and Equipment	Newbuilds	Patents/other intangible assets	Goodwill	Total
Cost price 01.01.2022	117 881	4 268	2 061	0	124 210
Purchase during the year	29 563	19 716	621	0	49 900
Change between newbuilds/PP&E	4 268	- 4 268	0	0	0
Sale during the year	- 268	0	0	0	- 268
Cost price 31.12.2022	151 444	19 716	2 682	0	173 842
Accumulated depreciation and amortization 31.12.2022	- 40 363	0 -	1 512	0	- 41 875
Accumulated write-downs 31.12.2022	- 3 568	0 -	100	0	- 3 668
Balance sheet value pr. 31.12.2022	107 513	19 716	1 070	0	128 299
Depreciation current year	- 10 750	0 -	12	0	- 10 762
Economical lifetime	0 - 12 years				
Depreciation plan	Linear		Linear		

Property, Plant and Equipment consist of slop treatment units, Cuttings equipment, swarf removal equipment, skips and various other equipment. Newbuilds is equipment under construction and is primarily STT units and Cuttings equipment. Goodwill in the Group accounts is a result of Soiltech's acquisition of 100% of the shares in Sorbwater Technologies AS in 2022.

Note 6 – Leases

The Group leases several slop treatment units. The Group's lease assets are presented in the table below:

PARENT COMPANY/GROUP (TNOK)	Lease asset
Cost price 01.01.2022	42 225
Change in lease asset	17 296
Cost price 31.12.2022	59 522
Accumulated depreciation and amortization 31.12.2022	- 12 396
Balance sheet value pr. 31.12.2022	47 126
Depreciation current year	- 3 679
Economical lifetime	0-12 years
Depreciation plan	Linear

Undiscounted lease liability and maturity of cash flows (TNOK)	Parent Company/Group	
	2022	2021
At 1 january	19 264	8 415
Additions	17 296	13 337
Adjust error in previous year	346	0
Interest expense	1 532	404
Lease payment	- 7 579	-2 891
At 31 December	30 859	19 264
Current lease liability	7 956	4 955
Non-current lease liability	22 903	14 308
Total	30 859	19 264

Overview of future minimal rental payment of leased fixed assets	Parent Company/Group	
	2022	2021
Less than one year	10 480	5 359
Between one and five years	23 033	15 487
More than five years	3 838	0
Total lease payments	37 350	20 846

Note 7 – Audit and related services

(TNOK)	Parent Company		Group	
	2022	2021	2022	2021
Audit fee	140	109	167	133
Other services	213	21	220	31
Total remuneration to the auditor	353	130	387	164

Parent Company: Of the above 2022 audit fee TNOK 80 and other services of TNOK 125 is related to previous auditor.

Group: Of the above 2022 audit fee TNOK 97 and other services of TNOK 131 is related to previous auditor.

Note 8 – Tax

(TNOK)	Parent Company		Group	
	2022	2021	2022	2021
Profit before tax	19 870	14 095	18 791	14 275
Group contribution	- 8 547	0	- 7 996	0
+/- Permanent differences	- 30	1 225	273	1 225
+/- Change in temporary differences	- 11 293	- 4 734	- 11 068	- 4 734
- Carry-forward deficit	0	- 6 534	0	- 6 534
Basis for calculating tax	0	4 052	0	4 232
Tax payable 22%	0	891	0	931
+/- Changes in deferred tax	4 339	2 457	4 169	2 479
Tax expense in the statement of profit and loss	4 339	3 348	4 169	3 410
Tax payable in tax expense	0	891	0	931
Tax payable in the balance sheet	0	891	0	931

(TNOK)	Parent Company		Group	
	2022	2021	2022	2021
Temporary differences related to:				
Intangible assets	0	0	- 308	0
PP&E Assets	71 549	53 869	78 502	53 869
Current assets	0	-500	0	-500
Non-current assets	0	0	- 1 842	0
Long-term liabilities	- 32 722	-23 065	- 35 803	- 23 065
Gain & loss account	786	0	786	0
Current liabilities	- 1 777	-3 761	- 1 777	-3 761
Tax losses carried forward*	0	0	- 109 140	0
Net difference	37 836	26 543	- 69 582	26 543
Tax reducing differences which may not be netted	796	911	796	911
Total temporary differences	38 631	27 454	- 68 786	27 454
Deferred tax liability (asset) 22%	8 499	6 040	- 15 133	6 040

The tax loss carried forward in the Group accounts is a result of Soiltech's acquisition of 100% of the shares in Sorbwater Technologies AS in 2022.

Note 9 – Business combination

On 2nd of September 2022 the Group acquired 100% of the shares in Sorbwater Technology AS. Sorbwater has industry leading expertise within bio-degradable chemistry and combined with Soiltech technologies we see a positive outlook for this investment.

Details of the fair value of identifiable assets and liabilities acquired, purchase consideration and goodwill are as follows:

(TNOK)

Acquisition effect on the consolidated Statement of financial position	Carrying amount	Adjustment to fair value	Fair value
Intangible assets	675		675
Property, plant and equipment	3 242		3 242
Inventory	294		294
Other current assets	160		160
Cash	160		160
Deferred tax asset	-	25 316	25 316
Current liabilities	-	1 885	-
Non-current liabilities	-	3 013	-
Total net assets	-	366	24 950

Fair value of Consideration paid

Shares		15 000
Contingent consideration (Earn out)		15 000
Total consideration		30 000
Acquisition related cost		227
Goodwill		5 277
Current year depreciation goodwill		-
Net book value goodwill 31.12		187
		5 090

Change in cashflow

Acquisition related cost	-	227
Cash at acquisition date		160
Liability to Soiltech (before acquisition date)	-	400
Investment in subsidiary net of cash acquired	-	467

Acquisition related costs of TNOK 227 arose as a result of the transaction. These have been recognized as part of the consideration amount. The contingent consideration amount is linked to certain sales targets being achieved in the future. The main factors leading to the recognition of goodwill are, future growth opportunities based on the marked position acquired. The goodwill recognised will not be deductible for tax purposes.

Note 10 – Investment in subsidiaries

Company name (TNOK)	Place of office	Ownership	Equity as of 31.12.2022	Net result for 2022	Carrying value 31.12.2022
Soiltech Offshore Services AS	Sandnes	100 %	1 065	140	788
Sorbwater Technology AS	Bergen	100 %	30 921	24 199	36 894

Soiltech acquired Sorbwater Technology AS on 02.09.2022 and the company is consolidated in the Group from that date. Sorbwater Technology AS has industry leading expertise and technology within bio-degradable chemistry.

The following internal transactions have taken place between subsidiaries in 2022:

(TNOK)	Parent Company	
	2022	2021
Specification of internal transactions		
Short-term receivables from group companies	2 735	772
Purchase of goods and services from Soiltech Offshore Services AS	66 885	49 548
Liability to Sorbwater Technology AS related to Group contribution	8 547	0

The above items are eliminated in the Consolidated group financial statement.

Note 11 – Bank deposits – restricted cash

(TNOK)	Parent Company		Group	
	2022	2021	2022	2021
Restricted withholding tax in bank deposit	854	662	2 965	2 762
Payable withholding tax related to salaries	854	662	2 921	2 750

(TNOK)	Parent Company		Group	
	2022	2021	2022	2021
Restricted cash in financial assets	738	171	738	171

Restricted cash in financial assets is related to a performance guarantee to one of the Company's clients.

Note 12 – Receivables

(TNOK)	Parent Company		Group	
	2022	2021	2022	2021
Trade receivables	22 382	29 445	22 288	29 445
Trade receivables group	2 735	772	0	0
Bad debt provision	0	-500	0	-500
Other current assets	14 269	21 035	15 003	21 435
Total current receivables	39 386	50 752	37 291	50 381

(TNOK)	Parent Company		Group	
	2022	2021	2022	2021
Long-term receivables	0	123	0	123

Other current assets mainly consist of TNOK 4 095 related to credit VAT, TNOK 6 956 related to earned not invoiced income and TNOK 3 218 related to prepayment of rent, insurance etc. See note 18 below regarding change of presentation for 2021 of trade receivables and other current assets

Note 13 – Interest bearing debt

(TNOK)	Parent Company/Group			
	Long term debt		Current debt	
	2022	2021	2022	2021
Debt to financial institutions	35 017	20 430	10 714	7 788
Debt to Innovasjon Norge	3 875	6 458	2 583	2 583
Debt to financial institution - financial leasing	22 903	13 217	7 956	6 047
Total	61 795	40 107	21 255	16 419
The bank debt is secured in the following assets:				
	2022	2021		
Total tangible assets	127 229	84 700		
Trade receivables	22 382	28 945		
Total	149 611	113 646		

Of the long-term debt of TNOK 61 795 as at year-end 2022, TNOK 3 703 is due beyond 5 years.

In 2022, Soiltech entered into a long-term loan facility with Sandnes Sparebank. The 7-year loan facility of TNOK 75 000 includes a refinancing of the existing facility of TNOK 50 000. The loan agreement includes a customary security package related to assets and receivables. The loan agreement includes a financial covenant of minimum 40% book equity, and the Group is in compliance with its financial covenants as of 31.12.2022.

Note 14 – Inventory

(TNOK)	Parent Company		Group	
	2022	2021	2022	2021
Cost of inventory	0	0	238	0
Total	0	0	238	0

Note 15 – Share capital and shareholders

	Number of shares	Nominal value per share	Share capital
Ordinary shares	7 405 430	0,1	740 543
Total	7 405 430		740 543

Shareholder	Number of shares	Ownership	Share class
Wintershall DEA Technology Ventures GmbH	1 067 820	14,4 %	Ordinary shares
Hildr AS	747 430	10,1 %	Ordinary shares
Wellex AS by Glenn Åsland	747 430	10,1 %	Ordinary shares
Knatten I A by Jan Erik Tveteraas	714 700	9,7 %	Ordinary shares
Skagenkaien Investing AS	541 380	7,3 %	Ordinary shares
Tveteraas Invest AS	521 710	7,0 %	Ordinary shares
Skandinaviska Enskilda Banken AB	480 370	6,5 %	Ordinary shares
DNB Bank ASA	345 790	4,7 %	Ordinary shares
Pima AS	201 830	2,7 %	Ordinary shares
Havnebase Eiendom AS	158 470	2,1 %	Ordinary shares
Other shareholders	1 878 500	25,4 %	Ordinary shares
Total number of shares	7 405 430	100 %	

Included in Other shareholders are 113 000 shares owned by Hans Hvide & Co AS and Campo Eiendom AS which are owned by board member Robert Hvide Macleod, 5 000 shares owned by board member Olaf Skrivervik and 10 000 shares owned by CEO Stig Harry Christiansen. There is only one share class.

Other share information

Foreign ownership was 32,4% at year end 2022 (2021: 31,06%).

Note 16 – Equity

The Group

(TNOK)	Share capital	Share premium	Other paid-in equity	Retained earnings	Total
Equity 01.01.2022	720	68 914	1 131	42 485	113 249
Increase in share capital*	21	15 035	0	0	15 055
Other Paid-in capital - option program	0	0	1	0	1
Profit of the year	0	0	0	14 648	14 648
Equity 31.12.2022	741	83 948	1 132	57 132	142 953

The Parent company

(TNOK)	Share capital	Share premium	Other paid-in equity	Retained earnings	Total
Equity 01.01.2022	720	68 914	1 131	42 207	112 972
Increase in share capital*	21	15 035	0	0	15 055
Other Paid-in capital - option program	0	0	1	0	1
Profit of the year	0	0	0	15 530	15 530
Equity 31.12.2022	741	83 948	1 132	57 738	143 558

*Of the Increase in share capital TNOK 20 and share premium TNOK 14 980 is related to aquisition of Sorbwater. See note 9 for more details on the business combination.

Note 17 – Other non-current liabilities

(TNOK)	Parent Company		Group	
	Long term debt		Current debt	
	2022	2021	2022	2021
Continget liability to Alesveste AS - related to business combination (See Note 9)	15 000	55	15 000	55
Liability relating a currency hedging contract*	0	0	3 081	0
Total	15 000	55	18 082	55

* This is a currency hedging contract entered into in 2014 by Sorbwater Technology AS relating to possible future income on Kuwait project. In 2018, the project was assessed so uncertain that Sorbwater chose to write off outstanding receivables. Discussions with client is ongoing.

Note 18 – Other current liabilities

(TNOK)	Parent Company		Group	
	2022	2021	2022	2021
Resignation agreement with CEO	2 250	-	2 250	-
Accrual liability to employees	39	2 730	1 813	4 041
Vacation money	1 780	1 222	7 341	4 792
Accrual of social security cost related to option program	981	116	981	116
Accrual of cost/invoices related to current year	1 380	2 850	1 380	2 850
Accrual bonus 2021	0	1 700	0	1 700
Other current liability	583	215	777	1 021
Total Current liability	7 013	8 833	14 541	14 520

Note 19 - Change in presentation in 2021 financial position and cashflow

Current year installment of long term debt has for 2021 been reclassified from long-term to short-term debt, causing the following changes to the financial position for 2021.

(TNOK)		Parent company			Group				
Change 2021 Statement of Financial position		2021 Change		2021 Restated	2021 Change		2021 Restated		
Liabilities to financial institution	Total long-term liabilities	56 524	-	16 418	40 106	56 524	-	16 418	40 106
Current portion of long term debt	Total current liabilities	34 805		16 418	51 223	36 064		16 418	52 482

Restricted cash was in 2021 included as financial assets under other assets. This has for 2022 been included separately as restricted cash, causing the following changes to the financial position for 2021.

(TNOK)		Parent Company			Group				
Change 2021 Statement of Financial position		2021 Change		2021 Restated	2021 Change		2021 Restated		
Restricted cash	Financial assets	0	171	171	0	171	171		
Other assets	Financial assets	294	-	171	123	294	-	171	123

Accruals for earned but not invoiced revenue has for 2021 been reclassified from trade receivables to other current assets, causing the following changes to the financial position and cashflow for 2021.

(TNOK)		Parent company			Group				
Change 2021 Statement of Financial position		2021 Change		2021 Restated	2021 Change		2021 Restated		
Trade receivables	Total receivables	34 322	-	5 376	28 946	34 322	-	5 376	28 946
Other current assets	Total receivables	15 659		5 376	21 035	16 059		5 376	21 435

(TNOK)		Parent company			Group					
Change 2021 Statement of cashflow		2021 Change		2021 Restated	2021 Change		2021 Restated			
Change in trade receivables	Cashflow from Operating	-	23 226	4 580	- 18 646	-	23 226	4 580	- 18 646	
Change in other current balance sheet items	Cashflow from Operating	-	6 682	-	4 580	-	10 374	-	4 580	- 14 954

Presentation of tangible fixed assets has for 2021 been reclassified from Machinery and Plant and Fixture and fittings to Lease assets, Property, plant and equipment and Newbuilds causing the following changes to the financial position and cashflow for 2021. Due to this change, cashflow for lease liability, new long-term debt, repayment of long-term debt and interest expense has led to the following changes in cashflow for 2021.

(TNOK)		Parent company/Group				
Change 2021 Statement of Financial position		2021 Change		2021 Restated		
Lease assets	Tangible assets		0	33 509	33 509	
Property, plant and equipment	Tangible assets		122 476	-	37 777	84 699
Newbuilds	Tangible assets		0	4 268	4 268	

(TNOK)		Parent company/Group				
Change 2021 Statement of cashflow		2021 Change		2021 Restated		
Interest expense	Cashflow from Operating		0	1 561	1 561	
Purchase of property, plant and equipment	Cashflow from Investing	-	37 777	13 337	- 24 440	
New long-term debt	Cashflow from Financing		30 350	-	19 150	11 200
Payment of interest	Cashflow from Financing		0	-	1 561	- 1 561
Repayment of lease liabilities	Cashflow from Financing		0	-	2 487	- 2 487
Repayment of long-term debt	Cashflow from Financing	-	14 416	8 300	-	6 115

Note 20 – Events after the balance sheet date

There are no events other than business activity in the ordinary course of business after the balance sheet date of an adjusting or non-adjusting nature.



To the General Meeting of Soiltech AS

Independent Auditor's Report

Opinion

We have audited the financial statements of Soiltech AS, which comprise:

- The financial statements of the parent company Soiltech AS (the Company), which comprise statement of financial position as at 31 December 2022, statement of profit and loss and statement of cash flow for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and
- the consolidated financial statements of Soiltech AS and its subsidiaries (the Group), which comprise the statement of financial position as at 31 December 2022, the statement of profit and loss and statement of cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the financial statements or our knowledge obtained in the audit, or whether the



Board of Directors' report otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to: <https://revisorforeningen.no/revisjonsberetninger>

Stavanger, 30 March 2023

PricewaterhouseCoopers AS

Roy Henrik Heggelund
State Authorised Public Accountant
(This document is signed electronically)

Revisjonsberetning

Signers:

<i>Name</i>	<i>Method</i>	<i>Date</i>
Heggelund, Roy Henrik	BANKID	2023-03-31 13:21



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