

PROSPECTUS



SOILTECH ASA

(A public limited liability company incorporated under the laws of Norway)

Listing of the Company's 7,933,377 Shares on Euronext Expand

This Prospectus (the "**Prospectus**") has been prepared by Soiltech ASA (the "**Company**" or "**Soiltech**"), a public limited liability company incorporated under the laws of Norway (together with its consolidated subsidiaries, the "**Group**"), solely for use in connection with the listing (the "**Listing**") of the Company's 7,933,377 outstanding shares, each with a par value of NOK 0.13 (the "**Shares**") on Euronext Expand, a stock exchange operated by Oslo Børs ASA ("**Oslo Børs**").

The Shares have been trading on Euronext NOTC, a marketplace for unlisted shares operated by Oslo Børs since 19 October 2021 under the ticker code "SOIL" with ISIN NO 0010713571. On 26 July 2024, the Company applied for the Shares to be admitted to trading and Listing on Euronext Expand. The Company's listing application was approved by Oslo Børs on 27 August 2024. Upon Listing, the Shares will be deregistered from Euronext NOTC and will be admitted to trading through the facilities of Oslo Børs. Trading in the Shares on Euronext Expand is expected to commence on or about 11 September 2024, under the ticker code "STECH".

The Shares are registered in the Norwegian Central Depository (Nw.: *Euronext Securities Oslo*) (the "**VPS**") in book-entry form. The distribution of this Prospectus in certain jurisdictions may be restricted by law. Persons in possession of this Prospectus are required to inform themselves about and to observe any restrictions. See Section 14 "*Transfer restrictions*".

THIS PROSPECTUS SERVES AS A LISTING PROSPECTUS ONLY. THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER OF, OR INVITATION TO PURCHASE, SUBSCRIBE OR SELL ANY OF THE SECURITIES DESCRIBED HEREIN, AND NO SHARES, BENEFICIAL INTERESTS OR OTHER SECURITIES ARE BEING OFFERED OR SOLD IN ANY JURISDICTION PURSUANT TO THIS PROSPECTUS.

Investing in the Shares involves a high degree of risk. Prospective investors should read the entire Prospectus and, in particular, consider Section 2 "*Risk Factors*" when considering an investment in the Company.

Legal advisor

Schjødt

Advokatfirmaet Schjødt AS

Listing advisor

 Fearnley Securities AS

Fearnley Securities AS

The date of this Prospectus is 10 September 2024

IMPORTANT NOTICE

This Prospectus has been prepared by the Company in connection with the Listing of the Shares on Euronext Expand and in order to provide information about the Group and its business.

This Prospectus has been prepared to comply with the Norwegian Securities Trading Act of 29 June 2007 no. 75, as amended (the "**Norwegian Securities Trading Act**") and related secondary legislation, including Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and as implemented in Norway in accordance with Section 7-1 of the Norwegian Securities Trading Act (the "**EU Prospectus Regulation**"). This Prospectus has been prepared solely in the English language. This Prospectus has been approved by the Financial Supervisory Authority of Norway (Nw.: *Finanstilsynet*) (the "**Norwegian FSA**"), as competent authority under the EU Prospectus Regulation. The Norwegian FSA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the EU Prospectus Regulation, and such approval should not be considered as an endorsement of the issuer or the quality of the securities that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the securities.

The information contained herein is current as at the date hereof and subject to change, completion and amendment without notice. In accordance with Article 23 of the EU Prospectus Regulation, significant new factors, material mistakes or inaccuracies relating to the information included in this Prospectus, which are capable of affecting the assessment by investors between the time of approval of this Prospectus by the Norwegian FSA and the Listing on Euronext Expand, will be included in a supplement to this Prospectus. Neither the publication nor distribution of this Prospectus shall under any circumstances imply that there has been no change in the Group's affairs or that the information herein is correct as at any date subsequent to the date of this Prospectus.

No person is authorized to give information or to make any representation concerning the Group or in connection with the Listing or the Shares other than as contained in this Prospectus. If any such information is given or made, it must not be relied upon as having been authorized by the Company or by any of the affiliates, representatives, advisors of the foregoing.

No Shares or any other securities are being offered or sold in any jurisdiction pursuant to this Prospectus. The distribution of this Prospectus in certain jurisdictions may be restricted by law. This Prospectus does not constitute an offer of, or an invitation to purchase, subscribe or sell, any of the securities described herein. No one has taken any action that would permit a public offering of the Shares. Accordingly, neither this Prospectus nor any advertisement may be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. The Company requires persons in possession of this Prospectus to inform themselves about, and to observe, any such restrictions. In addition, the Shares are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable securities laws and regulations. Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time. Any failure to comply with these restrictions may constitute a violation of applicable securities laws. See Section 14 "*Transfer restrictions*".

Any reproduction or distribution of this Prospectus, in whole or in part, and any disclosure of its content is prohibited.

In making an investment decision, prospective investors must rely on their own examination, and analysis of, and enquiry into the Group, including the merits and risks involved. Neither the Company nor any of its representatives or advisers, are making any representation to any offeree or purchaser of the Shares regarding the legality of an investment in the Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser. Each investor should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of a purchase of the Shares.

All Sections of the Prospectus should be read in context with the information included in Section 4 "*General Information*". Investing in the Shares involves certain risks. See section 2 "*Risk Factors*". For definitions of certain other terms used throughout this Prospectus, see Section **Error! Reference source not found.** "*Definitions and glossary*".

Fearnley Securities AS (the "**Listing Advisor**") acts as Listing Advisor in connection with the Listing.

This Prospectus shall be governed by and construed in accordance with Norwegian law. The courts of Norway, with Oslo as legal venue, shall have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Listing or this Prospectus.

ENFORCEMENT OF CIVIL LIABILITIES

The Company is a public limited liability company incorporated under the laws of Norway. As a result, the rights of holders of the Shares will be governed by Norwegian law and the Company's articles of association (the "**Articles of Association**"). The rights of shareholders under Norwegian law may differ from the rights of shareholders of companies incorporated in other jurisdictions.

The members of the Company's board of directors (the "**Board Members**" and the "**Board of Directors**", respectively) and the members of the Company's senior executive management team are not residents of the United States of America (the "**U.S.**" or "**United States**"), and all of the Company's assets are located outside the United States. As a result, it may be very difficult for investors in the United States to effect service of process on the Company, the Board Members and members of management in the United States or to enforce judgments obtained in U.S. courts against the Company or those persons, whether predicated upon civil liability provisions of federal securities laws or other laws of the United States (including any State or territory within the United States).

The United States and Norway do not currently have a treaty providing for reciprocal recognition and enforcement of judgements (other than arbitral awards) in civil and commercial matters. Uncertainty exists as to whether courts in Norway will enforce judgments obtained in other jurisdictions, including the United States, against the Company or its Board Members or members of management under the securities laws of those jurisdictions or entertain actions in Norway against the Company or its Board Members or members of management under the securities laws of other jurisdictions. In addition, awards of punitive damages in actions brought in the United States or elsewhere may not be enforceable in Norway.

Similar restrictions may apply in other jurisdictions.

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APPENDICES

Appendix A	Articles of Association
Appendix B	The Company's unaudited consolidated interim financial statements for the three and six-month periods ended 30 June 2024 with comparative figures for the same period in 2023 (IAS 34)
Appendix C	The Company's audited consolidated financial statement for 2023 with comparative figures for 2022 (IFRS)
Appendix D	The Company's audited consolidated financial statements for 2022 (NGAAP)
Appendix E	The Company's audited consolidated financial statements for 2021 (NGAAP)

1 SUMMARY**INTRODUCTION**

- Warning*..... This summary should be read as an introduction to the Prospectus. Any decision to invest in the securities should be based on a consideration of the Prospectus as a whole by the investor. An investment in the Shares involves inherent risk and the investor could lose all or part of its invested capital. Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent, when read together with the other parts of the Prospectus, or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.
- Securities*..... The Company has one class of shares in issue. The Shares are registered in book-entry form with the VPS and have ISIN NO 0010713571.
- Issuer*..... The Company's registration number in the Norwegian Register of Business Enterprises is 996 819 884 and its Legal Entity Identifier (LEI) is 529900E9W21TGMWZ7430. The Company's registered office is located at Koppholen 25, 4313 Sandnes, Norway. The Company's website can be found at www.soiltech.no and its telephone number is +47 480 20 555.
- Competent authority*..... The Financial Supervisory Authority of Norway (Nw.: *Finanstilsynet*), with registration number 840 747 972 and registered address at Revierstredet 3, 0151 Oslo, Norway, and telephone number (+47) 22 93 98 00 has reviewed and, on 10 September 2024, approved this Prospectus.

KEY INFORMATION ON THE ISSUER**Who is the issuer of the securities?**

- Corporate information*..... The Company is a public limited liability company organised and existing under the laws of Norway pursuant to the Norwegian Public Limited Companies Act. The Company was incorporated in Norway on 24 March 2011 as a private limited liability company and transformed to a public limited liability company following the extraordinary general meeting held on 4 July 2024 and registration of such in the Norwegian Register of Business Enterprises, and its registration number in the Norwegian Register of Business Enterprises is 996 819 884 and its Legal Entity Identifier (LEI) is 529900E9W21TGMWZ7430.
- Principal activities*..... Soiltech is a technology company specializing in the treatment, recycling and sustainable handling of contaminated water and solid industrial waste at site. The Company operates world-wide and is headquartered in Sandnes, Norway.
- The Company has 129 employees.
- Major shareholders*..... Shareholders owning 5% or more of the Shares have an interest in the Company's share capital which is notifiable pursuant to the Norwegian Securities Trading Act. Table 1 below sets forth shareholders owning 5% or more of the shares in the Company as of 6 September 2024 and before completion of the Merger (as defined below).

#	Shareholders	Number of Shares	Percent
1	HILDR AS	796 150	10.75
2	WELLEX AS	742 730	10.03
3	KNATTEN I AS	700 325	9.46
4	Carnegie Investment Bank AB	661 980	8.94
5	SKAGENKAIEN INVESTERING AS	541 380	7.31
6	TVETERAAS INVEST AS	521 710	7.04

Executive management..... The Company's executive management (the "**Management**") consists of 3 individuals. The names of the executive members of the Management and their respective positions are presented in Table 2 below.

Name	Current position within the Company
Jan Erik Tveteraas	Chief Executive Officer (CEO)
Tove Vestlie	Chief Financial Officer (CFO)
Glenn Åsland	Chief Operating Officer (COO)

Independent auditor..... The Company's independent auditor is PricewaterhouseCoopers AS ("**PwC**"), with company registration number 987 009 713 and registered business address at Dronning Eufemias gate 71, 0194 Oslo, Norway.

What is the key financial information regarding the issuer?

In 2023, the Company decided to convert its financial reporting from Norwegian Generally Accepted Accounting Principles ("**NGAAP**") to StandardsIFRS© Accounting Standards, as adopted by the EU ("**IFRS**"). As such, the Company has prepared audited annual consolidated financial statements for the financial years 31 December 2023 in accordance with IFRS, with unaudited comparative figures for the financial year ended 31 December 2022 (the "**IFRS Financial Statements**"). Further, the Company has prepared audited annual consolidated financial statements for the financial years ended 31 December 2022 and 2021 in accordance with NGAAP (the "**2022 NGAAP Financial Statements**" and "**2021 NGAAP Financial Statements**" respectively, and together with the IFRS Financial Statements, the "**Annual Financial Statements**").

Moreover, the Company has prepared unaudited consolidated interim financial statements for the six-month periods ended 30 June 2024 with comparable figures for the same period in 2023 (the "**Interim Financial Statements**", and together with the Annual Financial Statements, the "**Financial Statements**") in accordance with International Accounting Standard 34 "Interim Financial Reporting", as adopted by the EU ("**IAS 34**"). The Interim Financial Statements for the three and six month period ended 30 June 2024 has been subject to a limited scope audit by the Company's auditor, PricewaterhouseCoopers AS, in relation to the Listing on Euronext Expand.

Table 3 below sets out key financial information extracted from the Company's consolidated statement of income for the year ended 31 December 2023, 2022 and 2021 (prepared in accordance with IFRS for the financial years ended 31 December 2023 and 2022 and NGAAP for the financial years ended 31 December 2022 and 2021) and for the six-month periods ended 30 June 2024 and 2023 (prepared in accordance with IAS 34).

<i>(Amounts in NOK thousands)</i>	Three-month period ended 30 June		Six-month period ended 30 June		Year ended 31 December			
	2024	2023	2024	2023	2023	2022	2022	2021
	<i>IAS 34 Unaudited</i>	<i>IAS 34 Unaudited</i>	<i>IAS 34 Unaudited</i>	<i>IAS 34 Unaudited</i>	<i>IFRS Audited</i>	<i>IFRS Unaudited</i>	<i>NGAAP Audited</i>	<i>NGAAP Audited</i>
Total operating income	69 688	64 470	125 715	104 887	229 279	178 170	178 170	136 646
Operating profit/loss	6 774	9 403	11 482	12 037	40 170	22 678	22 396	15 557
Profit/loss before income tax	2 713	7 655	5 794	9 260	32 280	18 803	18 791	14 275
Profit/loss for the year	2 388	5 618	4 735	7 222	27 411	14 657	14 648	10 888

Table 4 below sets out key financial information extracted from the Company's consolidated balance sheet as at 31 December 2023, 2022 and 2021 (prepared in accordance with IFRS for the financial years ended 31 December 2023 and 2022 and NGAAP for the financial years ended 31 December 2022 and 2021) and as at 30 June 2024 (prepared in accordance with IAS 34).

<i>(Amounts in NOK thousands)</i>	As at 30 June		As at 31 December			
	2024	2023	2022	2022	2021	
	<i>IAS 34 Unaudited</i>	<i>IFRS Audited</i>	<i>IFRS Unaudited</i>	<i>NGAAP Audited</i>	<i>NGAAP Audited</i>	
Total assets	411 914	350 681	269 818	276 492	212 844	
Total equity	175 890	170 565	142 460	142 953	113 249	
Total liabilities	236 023	180 116	127 359	133 539	99 594	
Total equity and liabilities	411 914	350 681	269 818	276 492	212 844	

Table 5 below sets out key financial information extracted from the Company's consolidated statement of cash flow for the years ended 31 December 2023, 2022 and 2021 (prepared in accordance with IFRS for the financial

years ended 31 December 2023 and 2022 and NGAAP for the financial years ended 31 December 2022 and 2021) and for the six-month periods ended 30 June 2024 and 2023 (prepared in accordance with IAS 34).

Table 5 – Key Financials – Cash flow statement	Six-month period ended 30 June		Year ended 31 December			
	2024	2023	2023	2022	2022	2021
	IAS 34 Unaudited	IAS 34 Unaudited	IFRS Audited	IFRS Unaudited	NGAAP Audited	NGAAP Audited
(Amounts in NOK thousands)						
Net cash flow from operating activities	7 221	5 128	36 748	45 716	43 974	12 599
Net cash flow from investing activities	(27 508)	(28 754)	(64 028)	(49 117)	(49 117)	(24 440)
Net cash flow from financing activities	18 981	204	15 231	3 019	4 761	10 375
Cash balance start of period	26 783	38 832	38 832	39 232	39 232	40 696
Cash balance end of period	25 477	15 410	26 783	38 832	38 832	39 232

What are the key risks that are specific to the issuer?

Material risk factors.....

- Clients may terminate purchase orders and work orders for convenience, implying that future revenues may be uncertain and/or may change substantially from initial expectations or estimates.
- The Company's client concentration exposes the Group to of losing one or more of these clients.
- Fluctuations in the Company's order backlog can significantly affect the Group's financial performance and operational stability.
- Unexpected malfunctions of the Group's equipment and components may significantly affect the intended operational efficiency of the equipment.
- Any failures, material delays or unexpected costs related to the implementation of the Group's strategies could have a material adverse effect on the Group's business, results of operations, cash flows, financial condition and/or prospects
- Negative publicity related to the Group could, regardless of its truthfulness, adversely affect the Group's reputation and goodwill.
- Some of the Group's competitors have more resources which could allow them to better withstand industry downturns.
- Although the Company has performed due diligence investigations in connection with the Merger (as defined below), some risks may not be known or disclosed by Oceanteam ASA and its owners, including with respect to legal matters such as tax and disputes.
- Unexpected capital investment requirements and downtime in relation to the Group's assets, e.g. related to maintenance, replacements or upgrades, could negatively impact the net earnings and financial position of the Group.
- Changes in oil and gas market conditions (incl. oil prices, investments, regulatory changes, natural disasters, regulatory environment (ESG), the invasion of Ukraine, and other macro factors could have negative impact on the Group's operation and financial results
- Changes in the tax legislation of the jurisdictions in which the Group operates, or in the interpretation thereof, could negatively affect the Group' financial position
- Failure to comply with covenants under the Group's financing agreements could trigger claims for immediate repayment.

KEY INFORMATION ON THE SECURITIES
What are the main features of the securities?

<i>Type, class and ISIN.....</i>	All of the Shares are ordinary shares in the Company and have been created under the Norwegian Public Limited Companies Act. The Shares are registered in book-entry form with the VPS and have ISIN NO 0010713571.
<i>Currency, par value and number of securities.....</i>	The Shares will be traded in NOK on Euronext Expand. As of the date of this Prospectus, the Company's share capital is NOK 1,031,339.01 divided into 7,933,377 Shares, each with a nominal value of NOK 0.13.
<i>Rights attached to the securities.....</i>	The Company has one class of shares in issue, and in accordance with the Norwegian Public Limited Companies Act, all shares in that class provide equal rights in the Company, including the rights to dividends. Each of the Shares carries one vote.
<i>Transfer restrictions.....</i>	The Shares are freely transferable. The Articles of Association do not provide for any restrictions on the transfer of Shares, or a right of first refusal for the Shares. Share transfers are not subject to approval by the Board of Directors.
<i>Dividend and dividend policy.....</i>	The Company is a growth company and is aiming at a continued growth, and plans to take advantage of market opportunities and reinvest the generated cash in profitable projects and enhanced service capacity. Any decision to distribute dividends will be based on the financial development of the Company and its financial position at the time a proposal to distribute dividend is put forward.

Where will the securities be traded?

The Shares have been trading on Euronext NOTC, a marketplace for unlisted shares operated by Oslo Børs since 19 October 2021 under the ticker code "SOIL" with ISIN NO 0010713571. On 26 July 2024, the Company applied for the Shares to be admitted to trading and Listing on Euronext Expand. The Company's listing application was approved by Oslo Børs on 27 August 2024. Upon Listing, the Shares will be deregistered from Euronext NOTC and will be admitted to trading through the facilities of Oslo Børs. Trading in the Shares on Euronext Expand is expected to commence on or about 11 September 2024, under the ticker code "STECH".

What are the key risks that are specific to the securities?

<i>Material risk factors.....</i>	<ul style="list-style-type: none"> • There may not be an active and liquid market for the Shares and the Share price could fluctuate significantly • Future issuances of Shares or other securities, including through exercise of financial instruments, could dilute the holdings of shareholders and materially affect the price of the Shares • Laws and regulations as well as the Company's existing or future debt arrangements could limit its ability to declare and distribute dividends
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KEY INFORMATION ON THE OFFER OF SECURITIES TO THE PUBLIC AND THE ADMISSION TO TRADING ON A REGULATED MARKET
Under which conditions and timetable can I invest in this security?

<i>Admission to trading.....</i>	On 26 July 2024, the Company applied for admission to trading and Listing of its Shares on Euronext Expand. Oslo Børs approved the listing application on 27 August 2024. The Company expects commencement of trading in the Shares on Euronext Expand on or about 11 September 2024.
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Why is this prospectus being produced?

<i>Reasons for the Listing.....</i>	<p>The main reasons for the Listing are as follows:</p> <ul style="list-style-type: none"> • to facilitate greater liquidity in the Shares; • to attract new prospective shareholders in order to build a more diversified shareholder base;
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- to enhance profile with investors, business partners and customers; and
- improved access to the capital markets for financing of potential growth opportunities in the future.

2 RISK FACTORS

An investment in the Company and the Shares involves inherent risk. Investors should carefully consider the risk factors and all information contained in this Prospectus, including the financial statements and related notes. The risks and uncertainties described in this Section 2 "Risk factors" are the material known risks and uncertainties faced by the Group as of the date hereof that the Company believes are the material risks relevant to an investment in the Shares. An investment in the Shares is suitable only for investors who understand the risks associated with this type of investment and who can afford to lose all or part of their investment.

The risk factors included in this Section 2 "Risk factors" are presented in a limited number of categories, where each risk factor is sought placed in the most appropriate category based on the nature of the risk it represents. Within each category, the risk factors deemed most material for the Group, taking into account their potential negative affect for the Company and its subsidiaries and the probability of their occurrence, are set out first. This does not mean that the remaining risk factors are ranked in order of their materiality or comprehensibility, nor based on a probability of their occurrence. The absence of negative past experience associated with a given risk factor does not mean that the risks and uncertainties in that risk factor are not genuine and potential threats, and they should therefore be considered prior to making an investment decision. If any of the following risks were to materialize, either individually, cumulatively or together with other circumstances, it could have a material adverse effect on the Group and/or its business, results of operations, cash flows, financial condition and/or prospects, which may cause a decline in the value and trading price of the Shares, resulting in loss of all or part of an investment in the Shares.

2.1 Risks related to the business of the Group and the industry in which it operates

2.1.1 *The Company relies on existing contracts with clients to carry out its business*

The Company's existing contracts with clients are frame agreements with a typical duration of three to five years with extension options. See Section 8.4 "Clients" and Section 8.11 "Contracts of importance" for certain existing customer contracts relevant for the Group's business.

Under these frame agreements, the clients issue purchase orders or work orders for specific projects, typically with a duration subject to the duration of the rig's drilling programme. In line with industry standards, the clients may terminate purchase orders and work orders for convenience. In case of termination, the Company shall typically be compensated for services performed to date plus any demobilization costs. These terms imply that future revenues may be uncertain and/or may change substantially from initial expectations or estimates. Lower revenues can have a material adverse effect on the Group's business, results of operations, cash flows, financial condition and/or prospects.

2.1.2 *Client concentration risk*

The Company's top three clients, including Equinor, Transocean, and Wellesley account for approximately 53% of its revenue based on year-to-date Q2 2024 figures. The revenues stem from ten different projects, each with a separate purchase order. Such concentration of clients exposes the Group to risk, including the risk of losing one or more of these clients. As previously mentioned, the frame agreements do not guarantee a fixed duration and may be terminated without cause. If one of these major clients were to terminate a significant number of purchase orders or terminate their frame agreements, without the Company being able to secure contracts with new clients, the Company would experience a significant drop in revenues. Any failure by the Company to maintain strong relationships with its key clients, while also diversifying its customer base, may have a material adverse effect on revenues and future financial performance.

2.1.3 *The Company is exposed to risk related to reductions or fluctuations in the order backlog*

The Company's order backlog represents the estimated value of orders received but not yet fulfilled. Fluctuations in the order backlog can significantly affect the Group's financial performance and operational stability. Several factors can cause changes in the order backlog, including but not limited to market conditions, customer demand, project delays and cancellations.

For example, project delays can arise from a variety of factors, such as regulatory hurdles, logistical challenges, supply chain disruptions, and unforeseen technical difficulties. The Group's projects often involve complex environmental and technical challenges unique to the contaminated water and industrial waste streams handled by it. Unforeseen issues, such as contamination levels exceeding initial assessments or unexpected site conditions, can cause significant project delays or require changes in scope. These challenges can lead to postponements or cancellations, directly impacting the Group's order backlog, which in turn may lead to the postponement of revenue recognition and increased costs. Cancellations may result in loss of anticipated revenue and potential penalties or costs e.g. incurred from early termination of contracts.

Economic downturns, changes in environmental regulations or shifts in industry practices can furthermore lead to reduced order intake or order cancellations. As a waste management service provider, the Group's operations are

heavily influenced by environmental regulations and compliance requirements. Changes in regulatory frameworks, the introduction of stricter environmental standards, or the delay in obtaining necessary permits can adversely affect the Group's order backlog. Compliance with new regulations might require significant modifications to the Group's existing services, causing delays and potential cancellations of orders while trying to adapt to new standards. An economic slowdown in the Group's key markets can decrease customers' budgets for environmental services, leading to delays or cancellations of orders. Additionally, rapid changes in environmental standards or industry practices might render the Group's services less in demand, reducing future orders.

Significant reductions or fluctuations in the Group's order backlog may, inter alia, adversely affect its revenue, operations, financial prospects and reputation.

2.1.4 *The Group is exposed to operational hazards and risks*

The Group delivers drilling waste management services on location to its customers, including slop treatment services, cuttings handling and cleaning services. Such services include various types of equipment which are operated by the Group's personnel. The equipment may, upon commencement of operations, suffer unexpected malfunctions from time to time and will be dependent on repairs and spare parts to resume operations, which may not be available in the short term. Unexpected malfunctions of products and components may significantly affect the intended operational efficiency of the equipment. Operational performance and costs can be difficult to predict and are often influenced by factors outside of the Group's control, such as environmental hazards and remediation, costs associated with decommissioning of equipment, labor disputes and strikes, difficulty or delays in obtaining governmental permits, damages or defects in electronic systems, industrial accidents, fire, and natural disasters. Should any of these risks or other risks materialize in relation to the Group's services, it may result in the death of, or injury to personnel, loss of equipment, damage to treatment facilities, monetary losses, delays and unanticipated fluctuations in waste treatment and waste handling, environmental damage, administrative fines, increased insurance costs and potential legal liabilities, all which could have a material adverse effect on the Group's reputation, business, results of operations, cash flows, financial condition or prospects.

2.1.5 *The Group may not be able to successfully implement its strategies*

The Group aims to be a market leading provider of drilling waste management services with a complete range of technologies and aims to strengthen its position further by focusing on three key objectives: (i) expanding delivery to existing clients across the Group's full technology portfolio, (ii) geographical expansion to address global demand and (iii) introducing new technologies to enable additional revenue streams. For information about the Group's initiatives to achieve these objectives, refer to Section 8.2 "*Strategy and objectives*".

Achieving these objectives involves inherent costs and uncertainties. In connection with expansion of the Company's delivery to existing clients, barriers may arise in terms of rig configuration, rig access and tender frequency. Clients' rig configurations determine the compatibility, costs, and scalability of new technology, while rig access affects logistical feasibility and installation timelines. Additionally, the clients' tender frequency dictates how often new technology can be introduced and whether market competition supports or limits its expansion. These factors may ultimately constrain the opportunities for the Company's onshore support team and field personnel to broaden its scope of work with existing clients.

With regards to geographical expansion, key challenges include access to qualified local personnel, adaption to local requirements, and the establishment of local offices. Talent shortages and high recruitment costs may make it difficult to attract and retain qualified local personnel. Adapting the Group's products and services to meet local requirements may involve significant costs for modifications and ongoing compliance. Setting up local offices also entails substantial expenses for office, warehouse, and yard infrastructure, and utilities. These factors may ultimately constrain the Company's opportunities to follow its clients into new geo-markets.

Introducing new technologies represent several challenges, including the need for Company personnel with technology competence, adequate in-house testing facilities, access to client field trials, and achieving approval of the new technology by the certification authority. Talent shortages and high demand for technology experts can lead to intense competition, driving up salaries and making it difficult to attract qualified personnel. Developing and maintaining testing facilities requires significant investment in equipment, technology, and infrastructure. Field trials can be resource-intensive, demanding substantial investments in time, personnel, and equipment, which may strain Company resources. Certification processes can be lengthy, involving multiple stages of review, testing, and documentation, which can delay time to market. These factors may ultimately constrain the Company's opportunities for introducing new technologies and expanding its offerings into other industry verticals.

The Group may therefore be unable to achieve its objectives and scale as planned within its expected timeframe, or potentially at all. Additionally, the costs related to the Group's objectives may exceed expected levels. The Company has made certain assumptions about the costs and funding requirements to grow and optimize its operations. If the Company's estimates are incorrect, it could lead to the need for additional financing sooner than expected and/or the Company may not be able to achieve the estimated profitability in accordance with its scaling plan.

The Group's strategies may also be affected by factors beyond its control, such as volatility in the world economy and in its markets, the capital expenditure and investment by customers and the availability of acquisition opportunities. One of the challenges faced by the Group is for example the anticipated decrease in demand for oil and gas as it is gradually replaced with renewable energy. Consequently, the demand for the Group's waste management technologies and solutions from the oil and gas industry may decline in the future.

Any failures, material delays or unexpected costs related to the implementation of the Group's strategies could have a material adverse effect on the Group's business, results of operations, cash flows, financial condition and/or prospects.

2.1.6 *The Group is dependent on goodwill, reputation and on maintaining good relationships with customers, partners, suppliers and employees*

The Group depends on goodwill, reputation and on maintaining good relationships with customers, partners, suppliers and employees. Negative publicity related to the Group could, regardless of its truthfulness, adversely affect the Group's reputation and goodwill. Although the offshore services provided by the Group are not on critical line in the rig operation and not related to well operations as such, negative reputational publicity may arise from a broad variety of causes, including incidents and occurrences outside the Group's control which is especially true for the oil and gas industry where the risk of health, safety, quality, and environment incidents are more apparent than in other sectors. The Group's reputation and goodwill may be affected by negative publicity caused by such incidents, which in turn could have a material adverse effect on the Group. Negative publicity could further jeopardize the Group's relationships with customers and suppliers or diminish the Group's attractiveness as a potential investment opportunity. In addition, negative publicity could cause any customers of the Group to purchase services from the Group's competitors, and thus decrease the demand for the Group's services. Any circumstances that publicly damage the Group's goodwill, injure the Group's reputation or damage the Group's business relationships, may lead to a broader adverse effect in addition to any monetary liability arising directly from the damaging events by way of loss of business, goodwill, customers, partners and employees.

2.1.7 *Competitive conditions*

The Group operates primarily in the oil and gas industry which is highly competitive and includes several large, medium sized and small service companies competing in the markets where the Group operates. For an overview of the Group's competitors and the technologies possessed by them, refer to Section 8.5 "*Competition and Competitive strengths*".

The Company has a well-established position within drilling waste management in Europe (including Norway), with a market share of around 59% in the treatment of contaminated water (STT) in Norway.¹ However, outside of Europe, it currently holds a small market share, indicating that its operations beyond Europe are particularly vulnerable to competitive pressures.

While the Group offers services that its competitors do not, most of its competitors also provide both cleaning services and cuttings handling, which heightens the vulnerability of these offerings to competitive pressures. This poses a risk to the Group, as cuttings handling is the second-largest revenue contributor as of 30 June 2024 (around 24% share of consolidated revenues).²

Additionally, the Group's main competitors, SLB (Schlumberger) and Halliburton, are among the largest global players in the industry. These competitors have significant global market shares and strong brand recognition, making it difficult for smaller companies like Soiltech to enter and compete in the global market. The Group's main competitors also have greater resources enabling them to better withstand industry downturns, compete more effectively based on technology and geographic scope, and retain skilled personnel. The Group's operations may be materially adversely affected if its current competitors or new market entrants introduce new technologies or services with better features, performance, prices or other characteristics than the Group's products and services. Competitive pressures or other factors may also result in significant price competition, particularly during industry downturns, which could have a material adverse effect on the Group's business, results of operations and financial condition.

2.1.8 *Risks related to the Merger*

All mergers involve a certain degree of risks, and although the Company has performed due diligence investigations in connection with the Merger (as defined below), some risks may not be known or disclosed by Oceanteam ASA ("**Oceanteam**") and its owners, including with respect to legal matters such as tax and disputes. Through the Merger, the Company has as the acquiring company also acquired liabilities and other exposures relating to the previous business of Oceanteam and which stems from periods prior to completion of the Merger.

The Company's protection against such uncertainties, liabilities and other exposures under the relevant transaction

¹ Source: Company and Fearnley Securities (August 2024)

² Source: Company information

agreements is uncertain, and primarily protected through prior due diligence investigations and any undertakings provided in transaction agreements from Oceanteam. Liabilities and other exposures may accordingly have a material adverse effect on the business, results of operations, cash flows, financial conditions and/or prospects of the Group. Further details regarding the Merger are included in Section 4.3 "The Merger".

2.1.9 Risks related to the Group's equipment

The Group may experience unexpected capital investments related to its equipment, due to age, maintenance status, change in regulations, customer requirements or other factors. Such capital investments may include enhanced maintenance, replacement or upgrades of the equipment, the cost of which may be higher than expected. Should such unexpected investments occur, this may have a material adverse effect on the Company's business, results of operations and financial condition. This risk is particularly relevant for the Group as several of the Company's water treatment units (STT) are aging, increasing the likelihood of more frequent and costly maintenance, as well as the potential for exceeding cost and downtime expectations.

Additionally, the transport of the Group's equipment between the client rig sites and the Company's warehouse presents an increased risk of damage due to frequent lifting operations involving cranes. These operations include the transfer of equipment onto rigs, from rigs to supply boats, from supply boats to trucks, and from trucks to the Company's warehouse. While the Company carries insurance to mitigate damage costs, less the deductible, repairs may take longer than anticipated, and replacement equipment may not always be readily available. This could lead to a loss of income or, in the worst case, the termination of contracts. Such outcomes could have a material adverse effect on the Company's business, results of operations, and financial condition.

2.2 Macroeconomic risks

2.2.1 The Group is exposed to risk related to the oil and gas price, geopolitical instability and the global energy transition

The Group provides a wide range of waste management technologies and services to the oil and gas industry, making it dependent on the demand for these resources. Several factors may influence the demand for oil and gas, including energy prices, geopolitical instability, and energy mix development.

High oil and gas prices may encourage consumers and industries to seek alternatives, reducing the demand for these resources.

Political instability in key-oil and gas-producing regions can disrupt supply chains, affecting global prices and demand. An illustrative example is the Russian military invasion of Ukraine. Although the length, impact and outcome of the ongoing war is highly unpredictable, the conflict could lead to significant market and other disruptions, including significant volatility in commodity prices, financial markets, supply chain interruptions, and changes in consumer or purchaser preferences. Although the Group's operations are not located in either Russia or Ukraine, its business, prospects, financial condition and results of operations depend upon commodity prices, especially oil, gas and steel prices, which have been affected by the war.

While the waste management market is generally driven by the increased need to decarbonize operations in the oil and gas industry, the shift towards decarbonization and low-carbon economy is driving long-term structural changes in energy consumption patterns favoring renewables over fossil fuels.

Geopolitical instability, global market disruptions, changes in the mix of energy sources and a focus on transitioning to lower-carbon energy systems will likely alter the future of the oil and gas industry across the planet. This may have a material adverse effect on the business, results of operations, cash flows, financial conditions and/or prospects of the Group.

2.3 Risks related to laws, regulations and compliance

2.3.1 Risks related to tax legislation

The Group is subject to prevailing tax legislation, treaties, and regulations in the jurisdictions where it operates, including those with frequent changes in tax laws, such as Mexico. The Group's income tax expenses are based upon its interpretation of the tax laws in effect at the time that the expenses are incurred. If tax laws, treaties, or regulations change, or if the Group's interpretation differs from that of relevant tax authorities, e.g. in Mexico, this could have a material adverse effect on the Group's business, results of operations or financial condition. In jurisdictions like Mexico, where tax laws are more prone to changes, the risks are heightened. Any successful challenge by tax authorities to the Group's operational structure, pricing policies or interpretation of local tax regulations, or an unfavourable resolution of a tax dispute, could lead to a substantial increase in the Group's effective tax rate. Such outcomes could significantly impact the Group's business, earnings, cash flows, and overall financial condition. Given the volatility of tax regulations in countries like Mexico, these risks are especially relevant for the Group's operations and long-term financial planning.

2.4 Risks related to financial matters

2.4.1 *Current and future debt arrangements could limit the Group's liquidity and flexibility and a breach of covenants under related loan agreements impose certain risks*

The Group's financing agreements consist of a loan facility with Rogaland Sparebank of NOK 115.5 million, a loan with Innovasjon Norge of NOK 2.5 million, a financial lease agreement with Sparebank1 SR-Bank of NOK 53.8 million, and a financial lease agreement with Nordea Finance Equipment of NOK 2.2 million. Further information regarding said financing arrangements have been included in Section 11.7.5 "*Financing arrangements*". The financing agreements impose certain undertakings and covenants upon the Group, including maximum loan to EBITDA, book equity and dividend restrictions. Any such existing or future arrangements could limit the Group's liquidity and flexibility in obtaining additional financing and/or in pursuing other business opportunities. Further, the Group's future ability to obtain bank financing or to access the capital markets for any future debt or equity offerings may be limited by the Group's financial condition at the time of such financing or offering, as well as by adverse market conditions related to, for example, general economic conditions and contingencies and uncertainties that are beyond the Group's control. Failure by the Group to obtain funds for future capital expenditures could impact the Group's results, financial condition, cash flows and prospects.

Should any Group company breach any of the above covenants, a default or cross-default may occur, meaning that the Group may have to repay the loan in full. A full redemption of one or more of the facilities may have a material adverse effect on the Group's business, results, cash flow, financial condition and prospects.

2.5 Risks related to the Shares and the Listing

2.5.1 *There may not be an active and liquid market for the Shares and the Share price could fluctuate significantly*

An investment in the Shares is associated with a high degree of risk and the price of the Shares may not develop favorably. The Shares have not been listed on a regulated market prior to the Listing. Prior to the Listing, the Shares were admitted to trading on Euronext NOTC, an unregulated marketplace owned and operated by Oslo Børs. There can be no assurance that an active and liquid trading market for the Shares will develop or be sustained following Listing. If such market fails to develop or be sustained, it could have a negative impact on the price of the Shares. Investors may not be in a position to sell their shares quickly, at the market price or at all if there is no active trading in the Shares.

The share prices of companies admitted to trading on Euronext Expand can be highly volatile and the trading volume and price of the Shares could fluctuate significantly. Some of the factors that could negatively affect the Share price or result in fluctuations in the price or trading volume of the Shares include, for example, changes in the Group's actual or projected results of operations or those of its competitors, changes in earnings projections or failure to meet investors' and analysts' earnings expectations, investors' evaluations of the success and effects of the Group's strategy, as well as the evaluation of the related risks, changes in general economic conditions or the equities markets generally, changes in the industries in which the Group operates, changes in shareholders and other factors. Such changes may occur without regard to the operating performance of the Group and due to factors, that have little or nothing to do with the Group and may materially affect the pricing of the Shares.

2.5.2 *Future issuances of Shares or other securities could dilute the holdings of shareholders and could materially affect the price of the Shares*

The Company may in the future decide to offer and issue new Shares or other securities to finance new capital-intensive projects, in connection with unanticipated liabilities or expenses or for any other purposes. This could e.g. take place in the form of a private placement and/or offering. The Company may also choose to issue consideration shares to fund acquisitions, etc. Depending on the structure of any future offering of shares, certain existing shareholders may not have the ability to purchase additional equity securities. An issuance of additional equity securities or securities with rights to convert into equity could reduce the market price of the Shares and would dilute the economic and voting rights of the existing shareholders if made without granting subscription rights to existing shareholders.

As further described under Section 12.5 "*Share incentive programs*", the Company has furthermore implemented a share option scheme for key personnel and board members which currently comprises up to 1,522,260 options, out of which 1,434,700 options have been granted. The 1,434,700 granted options, as well as any new options that may be granted, will have a dilutive effect on the Company's shareholders once exercised. In the hypothetical scenario that all options are exercised simultaneously on the date hereof, this would have a dilutive effect for the Company's shareholders of approximately 18.08%.

2.5.3 *Laws and regulations as well as the Group's existing or future debt arrangements could limit its ability to declare and distribute dividends*

Prevailing Norwegian laws and regulations as well as the Group's existing or future debt arrangements could limit the Group's flexibility in its ability to declare dividends to its shareholders. Such restrictions and limitations are further

described in Section 6 "*Dividend and dividend policy*", Section 11.7.1 "*Sources of liquidity*", and Section 11.7.5 "*Financing arrangements*". This would entail that dividends may not be distributed to the Company's shareholders even though the Company so desires and/or is able to do so, which in turn could reduce the market price of the Shares.

3 RESPONSIBILITY FOR THE PROSPECTUS

This Prospectus has been prepared by Soiltech ASA, with business address Koppholen 25, 4313 Sandnes, Norway, solely in connection with the Listing of the Shares on Euronext Expand as described herein.

The Board of Directors of Soiltech ASA accepts responsibility for the information contained in this Prospectus. The members of the Board of Directors confirm that the information contained in this Prospectus is, to the best of their knowledge, in accordance with the facts and makes no omission likely to affect its import.

10 September 2024

The Board of Directors of Soiltech ASA

Gunnar Winther Eliassen
Chair

Glenn Åsland
Board member

Eirik Flatebø
Board member

Olaf Skrivervik
Board member

4 GENERAL INFORMATION

4.1 Other important information

This Prospectus has been approved by the Norwegian FSA, as competent authority under Regulation (EU) 2017/1129. The Norwegian FSA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129, and such approval should not be considered as an endorsement of the issuer or the quality of the securities that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the securities.

The information contained herein is current as of the date hereof and subject to change, completion and amendment without notice. In accordance with Article 23 of the EU Prospectus Regulation, significant new factors, material mistakes or material inaccuracies relating to the information included in this Prospectus, which may affect the assessment of the Offer Shares and which arises or is noted between the time when the Prospectus is approved by the Norwegian FSA and the listing of the Shares on Euronext Expand, will be mentioned in a supplement to this Prospectus without undue delay. Neither the publication nor distribution of this Prospectus, nor the sale of any Offer Shares, shall under any circumstance imply that there has not been any change in the Group's affairs or that the information herein is correct as of any date subsequent to the date of this Prospectus.

The Company has furnished the information in this Prospectus. The Listing Advisor makes no representation or warranty, express or implied, as to the accuracy, completeness or verification of the information set forth herein, and nothing contained in this Prospectus is, or shall be relied upon, as a promise or representation in this respect, whether as to the past or the future. The Listing Advisor disclaims, to the fullest extent permitted by applicable law, any and all liability whether arising in tort, contract or otherwise which they might otherwise be found to have in respect of this Prospectus or any such statement.

None of the Company or the Listing Advisor, or any of its respective affiliates, representatives, advisers or selling agents, is making any representation, express or implies, to any offeree or purchaser of the Shares regarding the legality of an investment in the Shares. Each investor should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of a purchase of the Shares.

Investing in the Shares involves a high degree of risk. See Section 2 "*Risk factors*".

4.2 Presentation of financial and other information

4.2.1 Financial information

In 2023, the Company decided to convert its financial reporting from Norwegian Generally Accepted Accounting Principles ("**NGAAP**") to be prepared in accordance with IFRS® Accounting Standards as adopted by the European Union ("**IFRS**").

As such, the Company has prepared audited consolidated financial statements for the financial years ended 31 December 2023 in accordance with IFRS, including unaudited comparative figures for the financial year ended 31 December 2022 (the "**IFRS Financial Statements**"), appended hereto as Appendix C. Further, the Company has prepared audited consolidated financial statements for each of the financial years ended 31 December 2022 and 2021 in accordance with NGAAP (the "**2022 NGAAP Financial Statements**" and the "**2021 NGAAP Financial Statements**") respectively, and together with the IFRS Financial Statements, the "**Annual Financial Statements**"), appended hereto as Appendix D and Appendix E, respectively.

Moreover, the Company has prepared interim consolidated financial statements for the six-month period ended 30 June 2024 (the "**Interim Financial Statements**", and together with the Annual Financial Statements, the "**Financial Statements**") in accordance with International Accounting Standard 34 "Interim Financial Reporting", as adopted by the EU ("**IAS 34**"), appended hereto as Appendix B. The Interim Financial Statements have been subject to a limited scope audit review by PwC, as such review is a listing requirement imposed by Oslo Børs for the Listing.

The IFRS Financial Statements and the 2022 NGAAP Financial Statements have been audited by PwC. The 2021 NGAAP Financial Statements have been audited by Revisjon Ryfylke AS ("**Revisjon Ryfylke**").

Other than as set out above, neither PwC nor Revisjon Ryfylke has audited, reviewed, or produced any report or any other information provided in this Prospectus.

4.2.2 Functional currency and foreign currency

In this Prospectus, all references to "**NOK**" are the lawful currency of Norway, all references to "**USD**" are to the lawful currency of the United States, all references to "**EUR**" are to euro, the single currency of member states of the EU participating in the European Monetary Union having adopted the euro as its lawful currency, and all references to "**GBP**" are to the Great British Pound, the single currency of the United Kingdom.

The Company has NOK as functional currency, and the Financial Statements are presented in NOK.

4.2.3 Rounding

Certain figures included in this Prospectus have been subject to rounding adjustments (by rounding to the nearest whole number or decimal or fraction, as the case may be). Accordingly, figures shown for the same category presented in different tables may vary slightly. As a result of rounding adjustments, the figures presented may not add up to the total amount presented.

4.2.4 Alternative performance measures

The Group presents certain alternative measures of financial performance, financial position and cash flows that are not defined or specified in IFRS Accounting Standards. The Group considers these measures to provide valuable supplementary information for Management, Board of Directors and investors, as they provide useful additional information regarding the Group's financial performance and position. As not all companies define and calculate these measures in the same way, they are not always directly comparable with those used by other companies. These measures should not be regarded as replacing measures that are defined or specified in IFRS Accounting Standards but should be considered as supplemental financial information. In this Prospectus, the Alternative Performance Measures used by the Group are defined, explained and reconciled to the most directly reconcilable line item, subtotal or total presented in the financial statements of the corresponding period.

The APMs used by the Group are set out below:

Operating cost:

Operating cost is defined as the total of cost of materials, personnel expenses and other operating expenses less expenses related to onshore personnel and other onshore operating expenses, share incentive program, severance payment, legal cost related to IPO and other items defined by the Management to not relate to offshore operations. Management defines that Operating cost illustrates the expenses directly related to offshore activities. This measure provides additional information for Management, Board of Directors and investors in order to evaluate underlying profitability of offshore operating activities and their ability to generate cash.

SG&A

Selling, general and administrative expenses ("**SG&A**") is defined as the sum of Cost of materials, Personnel expenses and other operating expenses less operating costs (as defined above), share incentive program, severance payment, legal cost related to IPO and other items defined by management that impact comparability between periods. Management defines that SG&A illustrates the expenses directly related to onshore support activities. This measure provides additional information for management, board and investors, in order to evaluate underlying profitability and their ability to generate cash.

Gross Profit and Gross profit margin

Gross Profit is defined as total operating income less Operating cost (as defined above). Gross profit margin is defined as gross profit divided by total operating income. Gross profit and Gross profit margin provide additional information for Management, Board of Directors and investors to evaluate the underlying profitability generated from offshore operating activities.

EBITDA and EBITDA margin

EBITDA is defined as Operating profit before other gains, impairment, depreciation and amortization. EBITDA Margin is defined as EBITDA divided by total operating income. These measures provide additional information for Management, Board of Directors and investors to evaluate underlying profitability of operating activities and their ability to generate cash before investments in fixed assets and service of debt.

Adjusted EBITDA and Adjusted EBITDA margin

Adjusted EBITDA is defined as EBITDA (as defined above) adjusted for items affecting comparability such as expenses related to share incentive programs, severance payment, legal cost related to IPO and other items defined by Management that impact comparability. Adjusted EBITDA margin is defined as Adjusted EBITDA divided by total operating income. These measures provide additional information for Management, Board of Directors and investors to evaluate underlying profitability of operating activities and their ability to generate cash before investments in fixed assets and service of debt.

Net interest-bearing debt

Net interest-bearing debt is defined as the total of non-current borrowings, non-current lease liabilities, current borrowings and current lease liabilities less cash and cash equivalents. This measure provides additional information

for Management, Board of Directors and investors to assess the Group's financial indebtedness and as an input to assess its capacity to meet its financial commitments.

Equity ratio

Equity ratio is defined as total equity divided by total assets. This measure provides additional information for Management, Board of Directors and investors to assess the Group's financial position and capital structure.

For the reconciliation and comparison of alternative performance measures included in this Prospectus, refer to Section 11.5 "*Alternative Performance Measures*".

4.3 The Merger

The Company announced on 30 May 2024 that it had signed a merger plan for a statutory merger with Oceanteam in accordance with the provisions set out in chapter 13 of the of 13 June 1997 no. 45 (the "**Norwegian Public Limited Liability Companies Act**") (the "**Merger**"). The Merger involved Oceanteam transferring all its assets, including approx. NOK 21 million in cash, rights and obligations to the Company, as the acquiring company. The shareholders in Oceanteam received as consideration 0.01543 shares in the Company for each share in Oceanteam. After completion of the Merger, the combined company was owned 93.35% by the shareholders of the Company while 6.65% was owned by the shareholders of Oceanteam. The Company was the surviving entity following completion of the Merger, while Oceanteam was dissolved and liquidated. In aggregate, 527,947 consideration shares was issued by the Company as part of the Merger.

The objective of the Merger was to access a broader shareholder base with competence within the energy transition in addition to the potential opportunity to retain Oceanteam's listing status on Euronext Oslo Børs. It was the opinion of the board of directors of each of the companies that combining the companies would create added value not only to the Company, but also its shareholders and other stakeholders.

The Merger was registered as completed in the Norwegian Register of Business Enterprises on 10 September 2024.

4.4 Third-party information

In this Prospectus, the Group has used industry and market data from independent industry publications and market research as set out in footnotes to Section 7 "*Industry and Market Overview*" and Section 8 "*Business of the Group*" and other publicly available information. While the Group has compiled, extracted and reproduced industry and market data from external sources, the Group has not independently verified the correctness of such data. Unless otherwise indicated, such information reflects the Group's estimates based on analysis of multiple sources, including data compiled by professional organizations, consultants and analysts and information otherwise obtained from other third party sources, such as annual financial statements and other presentations published by listed companies operating within the same industry as the Group may do in the future. Unless otherwise indicated in the Prospectus, the basis for any statements regarding the Group's competitive position in the future is based on the Group's own assessment and knowledge of the potential market in which it operates.

Note that the Prospectus contains non-publicly available data from both the Rystad Energy database, Precedence Research and S&P Global. Rystad Energy is an independent energy research and business intelligence company which also offers a platform called "CUBE DASHBOARDS" where subscribers can access data on oil and gas production levels, supply and demand for different types of energy sources and more. Access to Rystad Energy's platform requires payment through a subscription model. Precedence Research is a research company which provides strategic market insights on different types of industries. Access to their market report "Global Drilling Waste Management Market (2024)" requires payment. S&P Global is a research company which provides financial information and analytics. The data for the global rig count, which is dated 2024, is sourced from S&P Global Commodity Insights and payment is required to access the data.

The Group confirms that where information has been sourced from a third party, such information has been accurately reproduced and that as far as the Group is aware and is able to ascertain from information published by these third party providers, no facts have been omitted that would render the reproduced information inaccurate or misleading. Where information sourced from third parties has been presented, the source of such information has been identified. The Group does not intend, and does not assume any obligations to update industry or market data set forth in the Prospectus.

Industry publications or reports generally state that the information they contain has been obtained from sources believed to be reliable, but the accuracy and completeness of such information is not guaranteed. The Group has not independently verified and cannot give any assurances as to the accuracy of market data contained in this Prospectus that was extracted from these industry publications or reports and reproduced herein. Market data and statistics are inherently unpredictable and subject to uncertainty and not necessarily reflective of actual market conditions. Such statistics are based on market research, which itself is based on sampling and subjective judgments

by both the researchers and the respondents, including judgments about what types of products and transactions should be included in the relevant market.

The Group cautions prospective investors not to place undue reliance on the above mentioned data. Unless otherwise indicated in the Prospectus, any statements regarding the Group's competitive position are based on the Company's own assessment and knowledge of the market in which it operates.

As a result, prospective investors should be aware that statistics, data, statements and other information relating to markets, market sizes, market shares, market positions and other industry data in this Prospectus (and projections, assumptions and estimates based on such information) may not be reliable indicators of the Group's future performance and the future performance of the industry in which it operates. Such indicators are necessarily subject to a high degree of uncertainty and risk due to the limitations described above and to a variety of other factors, including those described in Section 2 "*Risk factors*" and elsewhere in this Prospectus.

4.5 Cautionary note regarding forward-looking statements

This Prospectus includes forward-looking statements that reflect the Company's current views with respect to future events and financial and operational performance. These forward-looking statements may be identified by the use of forward-looking terminology, such as the terms "anticipates", "assumes", "believes", "can", "could", "estimates", "expects", "forecasts", "intends", "may", "might", "plans", "projects", "should", "will", "would" or, in each case, their negative, or other variations or comparable terminology. These forward-looking statements are not historic facts. These forward-looking statements are not historic facts. They appear, among other areas, in the following sections in this Prospectus; Section 7 "*Industry and market overview*", Section 9 "*Capitalisation and indebtedness*", Section 10 "*Selected financial and other information*", and Section 11 "*Operating and financial review*", and include statements regarding the Company's intentions, beliefs or current expectations concerning, among other things, financial strength and position of the Group, operating results, liquidity, prospects, growth, the implementation of strategic initiatives, as well as other statements relating to the Group's future business development and financial performance, and the industry in which the Group operates.

Prospective investors in the Shares are cautioned that forward-looking statements are not guarantees for future performance and that the Company's actual financial position, operating results and liquidity, and the development of the industry in which the Company operates, may differ materially from those made in, or suggested, by the forward-looking statements contained in this Prospectus. The Company cannot guarantee that the intentions, beliefs or current expectations upon which its forward-looking statements are based will occur.

By their nature, forward-looking statements involve, and are subject to, known and unknown risks, uncertainties and assumptions as they relate to events and depend on circumstances that may or may not occur in the future. Because of these known and unknown risks, uncertainties and assumptions, the outcome may differ materially from those set out in the forward-looking statements. For a non-exhaustive overview of important factors that could cause those differences, important factors that could cause those differences include, but are not limited to:

- the competitive nature of the business and industry the Group operates in and the competitive pressure and changes to the competitive environment in general, including changes in the demand and prices for the Group's products;
- implementation of the Group's strategies;
- earnings, cash flow, dividends and other expected financial results and conditions;
- inaccuracy relating to estimates or calculations of costs on large projects;
- failure by counterparties to meet their obligations;
- failure to attract, retain and motivate qualified personnel;
- increases in labor cost;
- legal proceedings;
- damage to the Group's reputation and business relationships;
- fluctuations of interest and exchange rates;
- changes in general economic and industry conditions, including changes to tax rates and regimes;
- political, governmental, social, legal and regulatory changes;
- access to funding; and
- operating costs and other expenses

The risks that could affect the Group's future results and could cause results to differ materially from those expressed in the forward-looking statements are discussed in Section 2 "*Risk Factors*".

These forward-looking statements speak only as at the date on which they are made. The Company undertakes no obligation to publicly update or publicly revise any forward-looking statement, whether because of new information, future events or otherwise. All subsequent written and oral forward-looking statements attributable to the Company or to persons acting on the Company's behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this Prospectus.

5 REASONS FOR THE LISTING

The main reasons for the Listing are as follows:

- to facilitate greater liquidity in the Shares;
- to attract new prospective shareholders in order to build a more diversified shareholder base;
- to enhance profile with investors, business partners and customers; and
- improved access to the capital markets for financing of potential growth opportunities in the future.

6 DIVIDEND AND DIVIDEND POLICY

6.1 Dividend policy

In deciding whether to propose a dividend and in determining the dividend amount, the Board of Directors will comply with the legal requirements set out in the Norwegian Public Limited Liability Companies Act (see Section 6.2 "*Legal constraints on the distribution of dividends*") and take into account the Company's capital requirements, including capital expenditure requirements, the Company's financial condition, general business conditions and any restrictions that its contractual arrangements in place at the time of the dividend may place on its ability to pay dividends and the maintenance of appropriate financial flexibility. Except in certain specific and limited circumstances set out in the Norwegian Public Limited Liability Companies Act, the amount of dividends paid may not exceed the amount recommended by the Board of Directors.

The proposal to pay a dividend in any year is, in addition to the legal restrictions set out in Section 6.2 "*Legal constraints on the distribution of dividends*", further subject to any restrictions in the Company's borrowing arrangements or other contractual arrangements in place at the date of this Prospectus as further described in Section 11.7.1 "*Sources of liquidity*".

Further, the tax legislation of an investor's Member State and of the Company's country of incorporation (Norway) may have an impact on the income received from the Shares, see Section **Error! Reference source not found.** "*Norwegian Taxation*".

The Company is a growth company and is aiming at a continued growth, and plans to take advantage of market opportunities and reinvest the generated cash in profitable projects and enhanced service capacity. Any decision to distribute dividends will be based on the financial development of the Company and its financial position at the time a proposal to distribute dividend is put forward.

The Company has not paid any dividends on its Shares to date.

6.2 Legal constraints on the distribution of dividends

Dividends may be paid in cash, or in some instances as dividends in kind. The Norwegian Public Limited Liability Companies Act provides the following constraints on the distribution of dividends applicable to the Company:

- Section 8-1 of the Norwegian Public Limited Liability Companies Act provides that the Company may distribute dividends to the extent that the Company's net assets following the distribution are sufficient to cover (i) the Company's share capital, (ii) the Company's reserve for valuation variances and (iii) the Company's reserve for unrealized gains. Any receivables of the Company which are secured through a pledge over the Company's Shares and the aggregate amount of credit and security which, pursuant to Sections 8-7 through to 8-10 of the Norwegian Public Limited Liability Companies Act fall within the limits of distributable equity are to be deducted from the distributable amount;
- the calculation of the distributable equity shall be made on the basis of the balance sheet included in the approved annual accounts for the previous financial year, provided, however, that the registered share capital as at the date of the resolution to distribute dividends shall be applied. Following approval of the annual accounts for the last financial year, the general meeting of shareholders may also authorize the Board of Directors to declare dividends on the basis of the Company's annual accounts;
- dividends may also be resolved by the general meeting of shareholders based on an interim balance sheet which has been prepared and audited in accordance with the provisions applying to the annual accounts and with a balance sheet date no older than six months before the date of the general meeting's resolution; and
- dividends can only be distributed to the extent that the Company's equity and liquidity following the distribution is considered sound in light of the risk and scope of the Company's business.

Pursuant to the Norwegian Public Limited Liability Companies Act, the time when an entitlement to dividend arises depends on what was resolved by the general meeting of shareholders when it resolved to issue new shares in the company. A subscriber of new shares in a Norwegian public limited company will normally be entitled to dividends from the time when the relevant share capital increase is registered with the Norwegian Register of Business Enterprises. The Norwegian Public Limited Liability Companies Act does not provide any time limit after which entitlement to dividends lapses. Subject to various exceptions, Norwegian law provides a limitation period of three years from the date on which an obligation is due. There are no dividend restrictions or specific procedures for non-Norwegian resident shareholders to claim dividends.

6.3 Manner of dividend payments

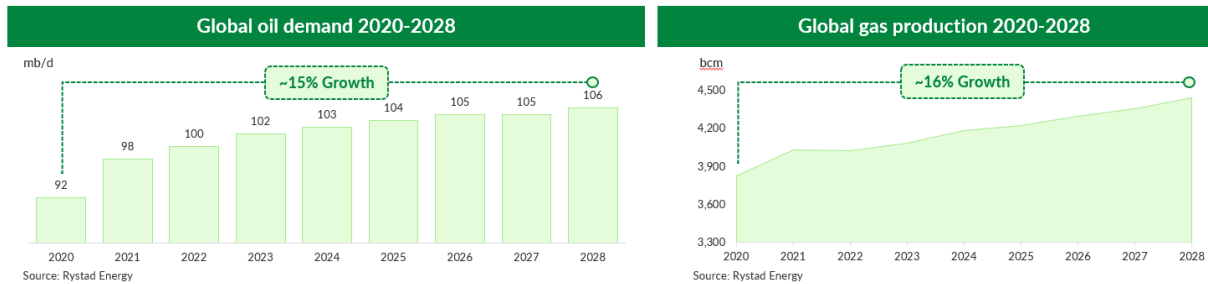
Any future payments of dividends on the Shares will be made in the currency of the bank account of the relevant shareholder registered with the VPS and will be paid to the shareholders through the VPS. Shareholders registered in the VPS who have not supplied the VPS with details of their bank account, will not receive payment of dividends unless they register their bank account details with DNB Markets, a part of DNB Bank ASA (address: Dronning Eufemias gate 30, 0191 Oslo, Norway) as the Company's VPS registrar ("**VPS Registrar**"), and transfer fees may apply for payments made in such manner. The exchange rate(s) that is applied when denominating any future payments of dividends to the relevant shareholder's currency will be the exchange rate of the relevant bank on the payment date. Dividends will be credited automatically to the VPS registered shareholders' accounts, or in lieu of such registered account, at the time when the shareholder has provided the VPS Registrar with their bank account details. Shareholders' right to payment of dividend will lapse three years following the resolved payment date for those shareholders who have not registered their bank account details with the VPS Registrar.

7 INDUSTRY AND MARKET OVERVIEW

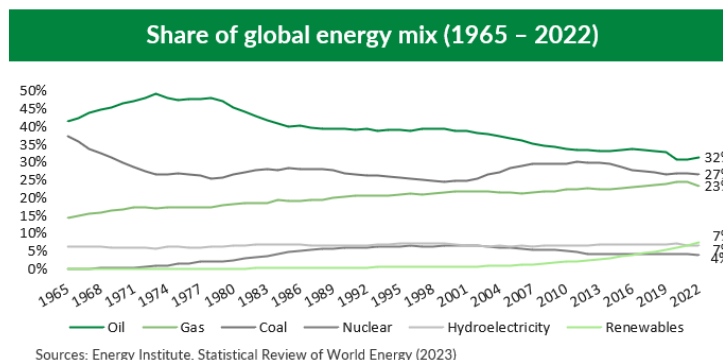
This Section provides an overview of the principal market in which the Group operates. Information concerning future market developments, the markets in general, industry trends and similar information, is based on data compiled by professional analysts, consultants and other professionals. The Listing Advisor has provided statistical information and data, and information is sourced from the Listing Advisor's databases and other professional industry sources.

7.1 Market introduction

The market for drilling waste management is a large addressable global market, driven by both the need for clean/safe water, and decarbonization initiatives in the industry. The Group focuses on the oil and gas market which has a substantial need for decarbonizing its operations. The global oil demand is set to increase to approximately 106 mb/d by 2028, while global gas production is expected to reach 4,443 bcm by 2028.³



The Group is dependent on oil & gas remaining a key part of the global energy mix as they provide services to drilling rigs. Consequently, in the event of an adverse development in the demand for oil and gas as the global energy mix transitions to renewable energy sources, the market which the Group addresses may be negatively impacted. However, oil & gas has historically represented an integral part of the global energy mix, and the Group believes it will continue to do so for the foreseeable future. As of 2022, oil and gas represented 55% of the global primary energy mix.⁴ Approximately ~15% of global energy-related greenhouse gas emissions is a result of the production, transport and processing of oil and gas.⁵ As regulatory demands to reduce emissions for players in the oil & gas industry increase, the Group believes demand for carbon emission-reducing technologies will increase as it represents a solution which provides meaningful contribution in the reduction of these emissions. In order to be aligned with the 1.5 °C scenario, these emissions must be reduced by more than 60% by 2030.



7.2 The Global drilling waste management market

The Group addresses the global market for drilling waste management which involves services and technologies which are used to collect, treat, reuse and dispose of contaminated fluids, cuttings from drilling and other types of by-products. The global drilling waste management market was estimated to be USD 6.19 billion in 2023, and is forecasted to increase to USD 8.68 billion by 2028, representing a CAGR of ~7%.⁶

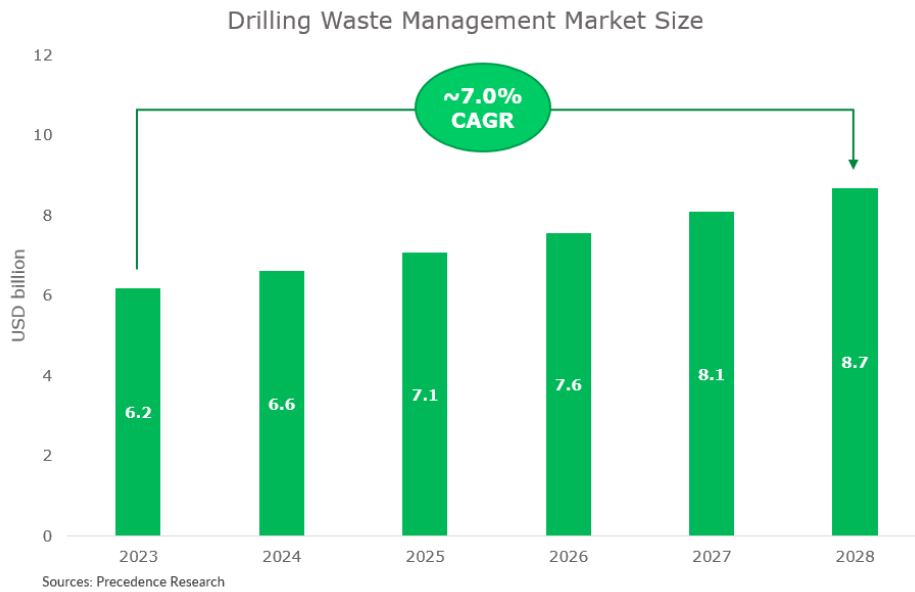
The market is generally driven by an increased focus on decarbonizing the oil and gas industry. Key factors affecting the demand for waste management services includes stricter environmental regulations, environmental awareness, adoption of sustainable practices and increased drilling activities.

³ Source: Rystad Energy, CUBE DASHBOARD (2024) – See section 4.4

⁴ Source: Energy Institute, Statistical Review of World Energy (2023) <https://www.energyinst.org/statistical-review/home>

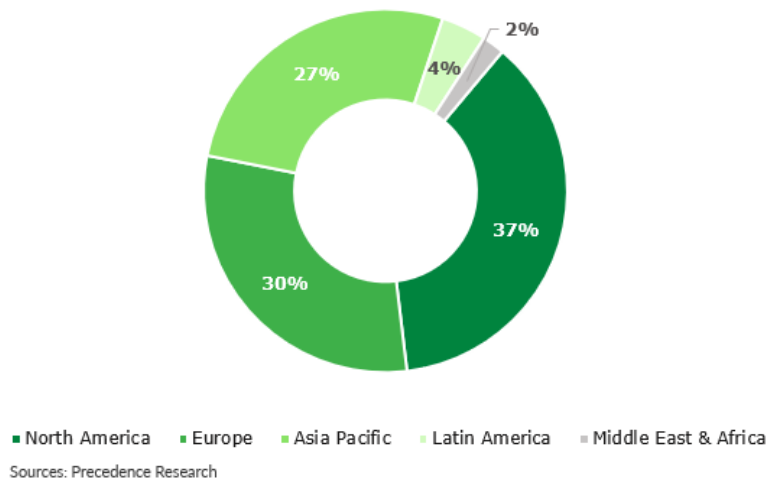
⁵ Source: IEA (2023), The Oil and Gas Industry in Net Zero Transitions, IEA, Paris <https://www.iea.org/reports/the-oil-and-gas-industry-in-net-zero-transitions>

⁶ Source: Precedence Research, Drilling Waste Management Market Size, Share and Trends 2024 to 2033 (2024) <https://www.precedenceresearch.com/drilling-waste-management-market> – See section 4.4



The geographical split in market share illustrates that the North American region represents the largest region in the drilling waste management market with a share of 37%, closely followed by Europe (30%), Asia Pacific (27%), Latin America (4%) and lastly Middle East & Africa (2%).⁷

Drilling Waste Management Market Share, By Region, 2022 (%)



The global market for drilling waste management is generally split into two segments, onshore drilling and offshore drilling, with a respective market share of 72% and 28%.⁸ Onshore drilling waste involves handling and disposal of waste which is created by oil and gas drilling activities on land, whereas offshore drilling waste refers to waste generated in oil and gas activities in marine environments. The latter is forecasted to increase at the fastest rate the coming years.⁹

⁷ Source: Precedence Research, Drilling Waste Management Market Size, Share and Trends 2024 to 2033 (2024) <https://www.precedenceresearch.com/drilling-waste-management-market> – See section 4.4

⁸ Source: Precedence Research, Drilling Waste Management Market Size, Share and Trends 2024 to 2033 (2024) <https://www.precedenceresearch.com/drilling-waste-management-market> – See section 4.4

⁹ Source: Precedence Research, Drilling Waste Management Market Size, Share and Trends 2024 to 2033 (2024) <https://www.precedenceresearch.com/drilling-waste-management-market> – See section 4.4

The Group currently focuses on the drilling waste management market onboard mobile rigs and fixed installations. In total, the Group has an addressable market of approximately 500 offshore rigs globally, split into the following geographies.¹⁰

Region	No. of Rigs
North Sea	37
US Gulf of Mexico ("GoM")	24
Mexico	47
Brazil	29
West Africa	30
Middle East	166
Southeast Asia	34
Rest of the World	129
TOTAL	496

Note: Rig count excludes fixed installations

7.3 The geographical markets where the Company operates

The Company's main market is Norway, which stood for 73% of the Company's revenues in the first six months of 2024. However, the Company operates world-wide, and the international share of the Company's revenues increased from 13% in 2021 to 27% as of 30 June 2024. Europe (excl. Norway) stood for a major part of the international revenues.

Table 7 below summarizes the share of revenues by geographic markets from 2021 to Q2 2024.

Geo-market	2021	2022	2023	YTD Q2 2024
Norway	87%	84%	74%	73%
Europe (excl. Norway)	12%	15%	21%	26%
Rest of the world	1%	2%	5%	1%

The European markets where the Company had operations in 2023-2024 include United Kingdom, The Netherlands, Denmark and Cyprus. In the same period the Company had operations outside of Europe in Mexico, Colombia, Mauritania, Lebanon and Abu Dhabi.



7.4 Services and technologies provided in the geographical markets where the Company operates

The Company currently offers drilling waste management services to the offshore market. In Europe (incl. Norway), the Company provides services to clients across the full technology portfolio, please refer to chapter 8.3 "Business operations" for a description of the technologies. For international operations outside of Europe, the Company currently performs services related to Treatment of contaminated water (STT). The Company has an ambition to include the full technology portfolio in the offering to all its clients, on the back of the Company's market position in Europe (incl. Norway).

In the Company's opinion and experience, the main drivers for an expected increase in the demand for drilling waste management services in the international markets where the Company operates, is an increased focus on decarbonization and reduction in pollution of the ocean. In terms of competition, most of the Company's competitors

¹⁰ Source: S&P Global Commodity Insights (2024) – See section 4.4

are global companies with operations in the same markets as the Company. Please refer to section 8.3 Competition and competitive strength, for a discussion of the competitors and the services provided.

7.5 Regulatory environment

7.5.1 Introduction

As a result of the scope of its operations, the Group is subject to a variety of laws and regulations in different countries, including those related to the the energy industry in general and the oil and gas industry in particular. These laws and regulations may be interpreted, implemented or amended in a manner that affects the Group's business negatively as well as positively.

The below section sets forth a summary of material laws and regulations relevant to the Group's business operations, as well as information regarding any governmental, economic, fiscal, monetary or political policies or factors that have materially affected, or could materially affect, directly or indirectly, the Group's operations. A more detailed presentation of the risk factors relating to the regulatory environment is given in Section 2.1.1 *"Risks related to laws, regulations and compliance"* above.

7.5.2 Permits and licenses needed for the Group's operations

There are no general business license and permits required for the business of the Group in the jurisdictions where it currently operates. Having this said, the Group is fully dependent on its customers having obtained required permits in relation to the drilling operations in which the Group's technologies and services are applied. The primary permits the customer (being the operator of the relevant oil / gas field) needs to hold is a drilling permit. Drilling permits for exploration and production wells are granted in Norway by the Norwegian Offshore Directorate to the operator pursuant to the Regulations relating to resource management in the petroleum activities and in the UK by the Department of Energy Security and Net Zero. It is important to note that the Group as such is not a party to or under an obligation to apply for drilling permits.

7.5.3 Environmental, health and safety laws and permits

Separately, the operator also will have to apply for a discharge permit with the relevant environmental authority in respect of treated slop water. Again, although the Group carries through the slop water treatment, it is the operator and not the Group that obtains and holds such discharge permit. Discharge permits will include a maximum in respect of the oil content in water, measured as ppm (parts per million = 0,0001%) or milliliter per cubic meter. The ppm requirements vary from jurisdiction to jurisdiction, from 15 to 30 ppm. Stricter ppm requirements may however be imposed from project to project. The Group supplies as part of its system measuring technology for the oil-in-water content.

For oil-based cuttings, the general rule is that no discharge to sea is allowed, thus such cuttings are placed in containers and shipped onshore for further handling by third party waste handlers. The Group's cutting handling system and technologies are configured to ensure this process being completed as effective and safe as possible. It can be noted that the Group has no liability or responsibility for the cuttings when shipments leave the drilling rig. The transportation to onshore is the responsibility of the operator and the ship owning company, and the further handling onshore are subject to specific permits held by the third-party waste disposal supplier.

General and specific health and safety regulations apply in all jurisdictions where the Group operates. In addition, specific health and safety standards are applied both by the relevant customer (operator) and by the rig owner. The Group's personnel operating its equipment offshore is required to hold an offshore health certificate and must have completed the offshore safety course (Minimum Industry Safety Training (MIST) in the UK. There are no other general permits required to operate the Group's equipment.

7.5.4 Other laws, regulations and standards

The equipment used by the Group in its operations is subject to various laws, regulations and standards. The Group and its equipment adhere to the standards set by NORSOK, including NORSO S-001 in respect of technical safety. Adherence to NORSOK standards will generally suffice to be compliant with standards applicable in other jurisdictions.

The industry generally adheres to guidelines summarized by the Offshore Energies UK (OEUK) as detailed on their environmental legislation website, although strictly speaking only applicable to operations on the UK continental shelf.

7.5.5 Data protection regulations

The Group is subject to GDPR and local data privacy laws in the countries the Group operates in and has implemented stringent data protection procedures and systems to meet these laws and regulation. The Group primarily handles the personal data of its employees, as well as the personnel of the Group's suppliers and customers. This makes the

Group exposed to data protection and data privacy laws and regulations it must comply with, which all imposes stringent data protection requirements and could impose penalties for noncompliance, related to storing, sharing, use, processing, disclosure and protection of personal information and other user data on its platforms.

7.5.6 Tax

The Group is subject to prevailing tax laws in each jurisdiction the Group operates and will be subject to changes in tax laws, tax treaties or regulations or the interpretation or enforcement thereof in the various jurisdictions, possibly with retrospective effect. The Group has established and conducts operations through a branch office in UK and through project related permanent establishments. Procedures and actions are implemented in the Group to adhere to applicable tax laws wherever the Group is present and conducts its operations. The Group's overall tax charge is dependent on where profits are generated and taxed, where the respective jurisdictions have different tax systems and tax rates.

7.5.7 International sanctions, export/import control and anti-money-laundering laws and regulations

The Group's international operations make the Group exposed towards international sanctions laws and regulations, in particular sanctions on trade and import/export, and anti-money laundering laws through its operations in and trade across multiple jurisdictions. Furthermore, sanctions imposed on certain countries, companies or individuals by international and regional bodies including those administered by the United Nations, the European Union and the U.S. Office of Foreign Assets Control could materially adversely affect the Group's ability to establish its operations in or trade with sanctioned countries or companies and/or individuals linked with such countries. The Group has policies, procedures and processes in place that aim to ensure that any cross-border transfer of our people, products, services, technology and funds are properly screened against all relevant sanctions lists and programs, as well as procedures to prevent and detect red flags related to sanctions, export controls, money laundering and terrorist financing.

7.5.8 Anti-bribery/anti-corruption laws and regulations

Operating an international business requires the Group to comply with the laws and regulations of various jurisdictions. In particular, the Group's international operations are subject to anti-corruption laws and regulations, such as the U.S. Foreign Corrupt Practices Act (the FCPA) of 1977 and the United Kingdom Bribery Act of 2010. The Group is of the view that it has the necessary governance and implemented procedures in place to work in a manner that effectively deals with the corruption risks that are associated with delivery of services in the areas that the Group operates.

7.5.9 National and international policies, including Covid-19

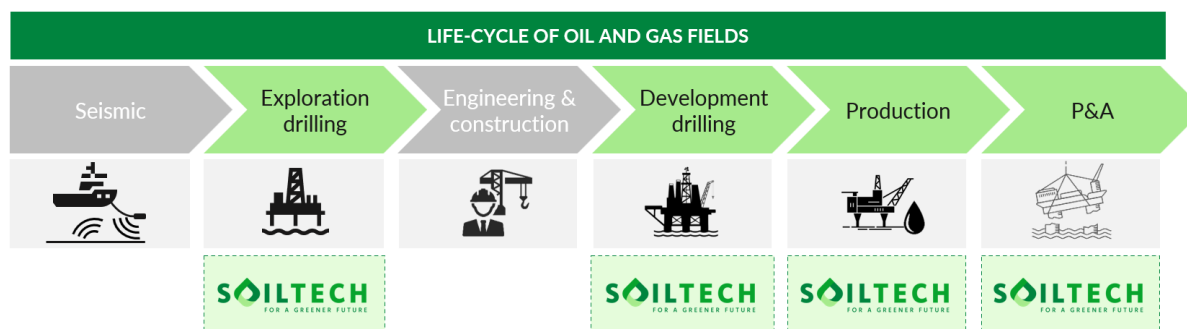
As of the date of this Prospectus, the Group is not aware of any national or international policies or factors that will materially affect the Group's operation. The global outbreak of the Covid-19 virus, has, however, led to temporary change in law in countries that the Group has operations in, and in countries that the Group sources equipment and services from. Although the Group is not aware of any future policies or measures that will have a material impact on its operations, it cannot not be ruled out that changes in governmental, fiscal, monetary or political policies could materially affect, directly or indirectly, the Group's operations.

8 BUSINESS OF THE GROUP

8.1 Introduction to the Group

The Group is a waste management service provider specializing in treating, recycling and sustainable handling of contaminated water and solid industrial waste streams in the oil and gas industry. The Group currently offers drilling waste management services to the offshore market. The Group's waste management solutions and services include treatment of contaminated water, cuttings handling, cleaning services and associated services. The Group designs, builds, owns and operates its operative units in close co-operation with the customer on the respective customer's site.

The figure below displays which parts of the value chain in the oil and gas industry the Group operates in.¹¹



8.2 Strategy and objectives

The Group aims to be a market leading provider of drilling waste management services with a complete range of technologies and aims to strengthen its position further by focusing on three main objectives:

- (i) Expanding its delivery to existing clients across the Group's full technology portfolio,
- (ii) Geographical expansion to address global demand, and
- (iii) Introducing new technologies to enable additional revenue streams.

The Group focuses on delivering good operational results for its clients in terms of treatment efficiency, waste reduction, waste recovery and reuse, as well as a high operational uptime and safe operations. The Company has built up a competence system focusing on training of its personnel and sharing lessons learned across all its operations. Semi-annual professional exchange days for all field personnel held at the Company's office is an important arena for sharing knowledge and lessons learned across the operations. Customer feedback and valuation of the Company's services is requested on a regular basis, providing valuable feedback for improvements.

8.2.1 Expanding the Group's delivery to existing clients across its full technology portfolio

Once the Company has installed one of its technologies on a client's rig, the onshore support team works actively together with the Company's field personnel to identify opportunities for increasing the scope of work. These opportunities are often summarized in a proposal to the client presenting the business case and focusing on the benefits for the client by having the Company providing the full drilling waste management scope. In tender processes, the Company focuses on demonstrating its full capabilities.

8.2.2 Geographical expansion to address global demand

The Company's clients consist of oil & gas companies and drilling companies which largely have operations in many countries. Once client relationships and track records are established in one geo-market, opportunities to follow the client into new geo-markets may arise. Many of the rigs where the Company's technologies are installed are mobile rigs that travel between various geo-markets, providing opportunities for following the client. In selected markets, the Company may consider opening local offices to actively market its technology portfolio for both onshore and offshore application. The Company also participates in selected international industry exhibitions to market its technologies globally.

8.2.3 Introducing new technologies to enable additional revenue streams

Experience gained from ongoing operations give opportunities for continuous improvement of existing technologies and introducing new technologies. Active communication with clients and specific meetings and demonstrations of new technologies are also arenas for technology development. The demand for oil and gas as an energy source is expected to decrease over time due to a gradual increase in the demand for renewable energy sources. Consequently, the demand for the Group's waste management technologies and solutions may decline in the future. However, the

¹¹ Source: Company information

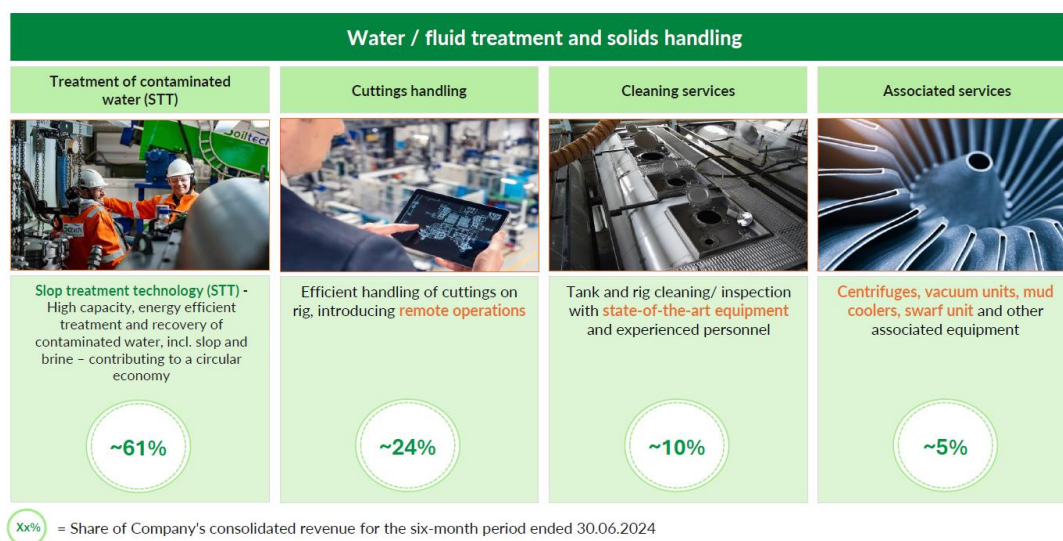
Group believes that oil and gas will remain a key component of the global energy mix for the foreseeable future. Over time, the Group intends to address this issue by expanding its offering to other industry verticals.

8.3 Business operations

The Group has developed a complete range of waste management services. The service offering is split into four parts: (1) Treatment of contaminated water, (2) Cuttings handling, (3) Cleaning services, and (4) Associated services. The largest revenue contributor as of 30 June 2024 is Treatment of contaminated water (~61% share of consolidated revenues), followed by Cuttings handling (~24% share of consolidated revenues).¹²

Table 8 below summarizes total revenues by service category from 2021 to Q2 2024

Service category	2021	2022	2023	YTD Q2 2024
Treatment of contaminated water	74%	68%	69%	61%
Cuttings handling	21%	23%	19%	24%
Cleaning services	2%	5%	7%	10%
Associated services	3%	4%	5%	5%



The Group operates under a Design-Build-Own-Operate model. The waste treatment equipment is typically designed by the Company, built by Third parties, owned by the Company and operated by the Company's personnel. All revenues come from the provision of services on the Client's rig location, offshore and onshore. The services typically consist of rental of equipment and personnel to operate the equipment and are compensated through daily rates for equipment and personnel, and reimbursement of mobilization and installation cost.

8.3.1 Treatment of contaminated water

The Group will continue its focus on offering the treatment of contaminated water as it serves as a door opener for new clients, with the technology being acknowledged by many. The Group will continue to develop and improve this technology, as it represents a competitive edge for the Company.

For treatment of contaminated water, the Group offers its market leading Slop Treatment Technology® ("**STT**"). In Norway, the STT is installed on 10 out of 17 mobile rigs, equal to a 59% market share.¹³

The STT is a mechanical technology which is used on location, treating water contaminated with oil and particles, with a capacity of 20m³/hr. Utilizing the STT, the Group has of date treated 650 000 m³ (4,100,000 bbls) of oily water/slop/sludge from drilling operations.¹⁴

Instead of using chemicals, which is the most common way in the industry, the Company uses a mechanical system to treat the contaminated water. When chemicals are used in the treatment process, they can create a secondary waste stream with unknown properties, which may be highly hazardous. Although the oil and particles may be removed from the water, the resulting "new" waste stream could pose significant hazards to the environment. The combination of chemicals from the original waste stream with the newly introduced chemicals could result in a secondary waste stream with potentially harmful properties.

¹² Source: Company information

¹³ Source: Company and Fearnley Securities (August 2024)

¹⁴ Source: Company information

The STT is provided in terms of a 20-foot container which is placed on the rig, at a designated location. The water treatment equipment is installed inside the container. The contaminated water is pumped to the STT unit where the contaminated water is separated into three separate waste streams: oil, water and solids waste. After treatment, the oil is sent back to the rig for reuse, the cleaned water is discharged to sea within the prevailing discharge parameters or returned to the rig for reuse, whereas the solids waste is sent to shore on supply boat for disposal. The wastewater is reduced with up to 95%, compared to sending the contaminated water to shore for treatment and disposal.¹⁵ The treated wastewater is discharged to sea in accordance with discharge regulations. The waste reduction is measured as the waste volume treated / total available waste volume on the rig. The measurement is made by the Company's personnel on the rig daily and recorded in the Company's management system. The statistics are sent to the client on request.



Slop treatment technology (STT)

8.3.2 Cuttings handling

During drilling operations, drilling is performed through various subsea formations, typically consisting of clay, limestone or slate. The diameter of the borehole sections typically varies between 8.5" – 26" in diameter. The crushed rock (drill cuttings) is contaminated with drilling fluids and is brought to the surface and placed in containers and tanks for intermediate storage on the rig, before transport to shore with supply boat for treatment.

The Group offers a complete cutting handling system on the rig which is designed to handle large amounts of cuttings in the most efficient and safe manner.

To effectively transfer and pump the drilling cuttings on the rig into intermediate storage tanks on the rig, and from there to receiving tanks on the supply boat, the Group uses a high-capacity cuttings blower which is a multi-purpose blower unit with gravity feed. This is a proven and versatile cuttings blower operated by air for transferring the drill cuttings. The unit can transfer cuttings over long distances, up to 400m, on the rig.

The drill cuttings may also be placed in smaller waste carriers (cutting skips) on the rig which are then lifted onto the supply boat by the rig's cranes for transport to shore. The Group has developed a modular-based skip working station with no limitation to the number of skips. The skip working station can be used as a singular working station or in a combined setup. The skip working station is fitted with a two-level setup for the safety of the operator and personnel around the working area.

The company has developed a remote-control system for cuttings handling. The system can be remotely operated from the rig's control room and onshore monitoring is under installation. The remote system controls the transfer, volume and weight of drill cuttings from receipt on rig to the rig storage tanks or skips, and from there transfer of the cuttings to the receiving tanks on the supply boat.



Skip working station

Cuttings blower

Cuttings storage tanks

¹⁵ Source: Company data

8.3.3 *Cleaning services*

During drilling operations tanks, or pits, as they may sometimes be called, are used for temporary storage of contaminated water. These rig tanks need to be cleaned regularly.

The Group delivers high quality tank, pit and rig cleaning services that follow strict procedures regarding personal protective equipment to ensure safety, integrity and the environment. As a part of its delivery, the Group offers an automated tank cleaning service, which entails that tanks may be cleaned without physical entry of personnel. This improves the safety in these operations. Combining the handling of the waste collected from tank cleaning with the STT, enables waste reduction and treatment and discharge to sea of the volume generated, according to discharge regulations, thereby reducing the need for backload to shore.



Remote Operated Robot Cleaner

8.3.4 *Associated services*

The Group provides a wide range of equipment to complement its service, including:

- **STT Purifier:** The Group offers technologies for treating produced water which is water produced as a biproduct during oil and natural gas development. Produced water contains soluble and non-soluble oil/organics, suspended solids, dissolved solids, and various chemicals used in the production process. The STT Purifier is a technology developed by the Group which is used to reduce total hardness, chlorides and total dissolved solids in the water. The STT Purifier is also suitable for applications aiming at reducing the content of arsenic, barium, cadmium, chromium, lead, mercury, selenium and silver in water.



STT Purifier

- **Swarf removal:** The Group's Swarf removal system is assumed to be a field proven technology for optimized processing and minimizing exposure and personnel onboard. The unit handles all drilling fluids and swarf (steel particles) from milling operations, enabling the drilling fluids to be reused in the drilling process.

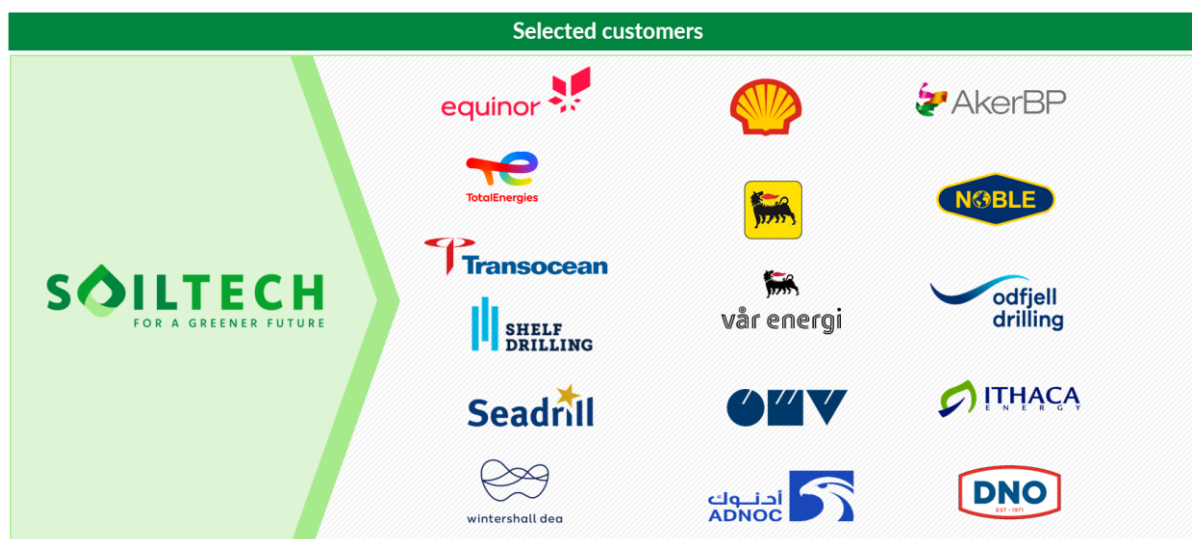


Swarf removal system

The Group also offers other services such as rental of cutting skips, filter units and mud centrifuges.

8.4 Clients

The Group's clients typically consist of oil and gas companies and drilling contractors. While contracts may vary between oil and gas companies and drilling companies, it is always the 'end-user', i.e. oil and gas companies that make the final decision on the waste management solution for the rig. The Company has ongoing contracts with the clients listed below, which are typically large and solid companies. The Group's largest client is Equinor, with contracts on several installations.



The Group's revenue mainly derives from the sale of services related to treatment of contaminated water (i.e. slop), cuttings handling, cleaning services and other related services, for customers within the oil & gas industry. The key element of the service deliveries is the deployment of and supervision of treatment and handling equipment at the client's site, to meet the specific purification targets defined in the contracts.

The contract consideration is composed mainly of agreed daily rates for equipment and personnel, respectively, and reimbursement of costs plus a markup. Rates vary depending on whether the equipment is in active use during ongoing operations or in standby, for example when the equipment is on location but not in operation. Typically, the contract deliveries follow the operation of the rig.

The Company's existing contracts with clients are frame agreements with a typical duration of three to five years with extension options. Under these frame agreements, the clients issue purchase orders or work orders for specific projects, typically with a duration subject to the duration of the rig's drilling program. In line with industry standards, the clients may terminate purchase orders and work orders for convenience. In case of termination, the Company shall typically be compensated for services performed to date plus any demobilization costs.

The Company's current contracts include:

Norway:

- A long-term frame agreement with Equinor as further described in Section 8.11 "Contracts of importance"
- Contracts with Equinor for the provision of drilling waste management services on the fixed installations Askeladden, Askepott, Oseberg B, Oseberg Sør, Heidrun, and Visund
- A contract with Equinor for the treatment of contaminated water (STT) on the floating storage unit Njord Bravo
- Contracts with Noble Drilling for the treatment of contaminated water (STT) on the rigs Noble Invincible and Noble Voyager
- Contracts with Odfjell Drilling for the treatment of contaminated water (STT) on the rigs Deepsea Aberdeen, Deepsea Atlantic, and Deepsea Stavanger
- A contract with Transocean for drilling waste management services on the rigs Transocean Spitsbergen, and Transocean Enabler
- A contract with COSL Drilling for the treatment of contaminated water (STT) on the rig COSLPromoter
- A contract with Shelf Drilling for the treatment of contaminated water (STT) on the rig Shelf Drilling Barsk
- A contract with Odfjell Technology for the treatment of contaminated water (STT) on the fixed installation Brage
- A contract with Well Expertise for drilling waste management services on the rig Deepsea Yantai








- A contract for fluid treatment from pipe cleaning at an oil refinery in Europe

International:

- Contracts with Harbour Energy for the treatment of contaminated water (STT) on the rigs Swift 10 in the Netherlands and on Ran in Mexico
- A contract with Petrogas E&P for the treatment of contaminated water (STT) on Noble Resolute in the Netherlands
- Contracts with Shell (via TMWA) for the treatment of contaminated water (STT) on the rigs Ocean Endeavor and Valaris 121 in the UK
- A contract with Odfjell Technology for the treatment of contaminated water (STT) on the fixed installation Mariner in the UK
- A contract with Petrogas for the provision of drilling waste management services on the rig Noble Resilient in the UK
- A contract with Tullow Oil for the treatment of contaminated water (STT) on the rig Island Innovator in Mauritania
- A contract with Pipetech for fluid treatment from pipe cleaning on the Fawley oil refinery in the UK

8.5 Competition and competitive strength

The Group offers a complete range of technologies and services for waste reduction, recovery and reuse in the geo-markets in which it operates. The Group has identified other companies which also offers waste management services to the oil and gas industry, of which the main competitors are SLB (Schlumberger) and Halliburton. Other competitors in the geo-markets where the Group Operates include Baker Hughes, TWMA, Onsite Treatment Services (OTS) and Norwegian Technology. As far as the Group is aware, the technologies these companies possess are listed below:¹⁶

								
WATER & FLUID TREATMENT	Slop treatment	Mechanical	Chemical	Chemical	✗	✗	Mechanical	Chemical
	Brine recovery	Mechanical	Filter	Filter	Filter	✗	✗	✗
	Removal of salts & metals	✓	✗	✗	✗	✗	✗	✗
	Swarf removal	✓	✓	✓	✓	✗	✓	✗
	Cleaning services	✓	✓	✓	✓	✓	✓	✗
SOLIDS HANDLING	Cuttings handling	✓	✓	✓	✓	✓	✓	✗

The Group has a perceived competitive strength due to its ability to provide a full-service offering, including treatment of contaminated water, cleaning services, and handling of solid waste (cuttings handling), in addition to environmentally friendly solutions by avoiding the use of chemicals in the water treatment process. The Group aims to remain competitive by capitalizing on its experience within the waste management market, and in particular towards the oil and gas industry.

The Group is continuously working to develop and improve current and new technologies and services, including onshore cuttings treatment. For information about the Group's technology initiatives, refer to Section 8.12 "Research and development".

8.6 Sustainability, environment and social responsibility

The Company will strive to listen to stakeholders and continue to shape its business in a sustainable direction. The Company acknowledges UN's 17 Sustainable development goals and will contribute to reach them by fostering innovation within the Group to further develop its technologies.


The Company has specifically identified **Industry, Innovation and Infrastructure** and **Climate Action** as two of the sustainable goals where it can make a difference.

¹⁶ Source: Company information



Key Performance Indicators (KPIs) related to Industry, innovation, infrastructure and Climate action are included in the Company's HSEQ Key Performance Program. Please see a relevant section of the Company's HSEQ objectives for 2024 below. The program is a cornerstone of the Group's management system. Quarterly KPI results are communicated to the management and organization. For example, targets for waste reduction are informed to onshore project managers and offshore field personnel and the results related to waste reduction and waste recovery are measured and reported daily and communicated by the Company to the client. The KPI results and any deviations from targets are reviewed in operational meetings and top management meetings. Corrective actions, if any, are discussed and implemented.¹⁷

Soiltech's HSEQ objectives 2024

Strategic objective	HSEQ Key Performance Indicators (KPI)						Measures and Controls in place to achieve objectives	UN Sustainable Development Goals
	Description of KPI	Yearly Objective	Result Q1	Result Q2	Total end year	Last year result		
Environment								
Zero damage to environment	Oil In Water (OIW) above discharge limit	0 (per 1000 h)	0.00	0.00	0.00	0.00	<ul style="list-style-type: none"> * According to law and discharge permits * Perform measurements of treated fluids * Risk Management * Plan jobs to achieve desired result * Focus on proper training * Pre-job meetings * Scheduled HSEQ Meetings to communicate lesson learned and improvements With reference to ISO 14001 Environmental Management Systems (EMS)	
	Spill to environment -Air -Soil -Water	0 (per 1000 h)	0.00	0.00	0.00	0.00		
Waste Management	Waste Sorting Company headoffice, yard and warehouse	>80 %	78 %	82 %	80 %	76 %		
Quality								
Improve product design and optimise process	Improvement suggestions / opportunities	>1.5 (per 1000 h)	1.76	1.48	1.62	1.19	<ul style="list-style-type: none"> * Encourage all employees to suggest improvements and opportunities * Agree goals related to improvement suggestions in check-in conversations between employee and line manager With reference to ISO 9001:2015 Quality management systems	
Be flexible and effective	Optimization of offshore resources	90% (of FTEs)	90 %	90 %	90 %	95 %	<ul style="list-style-type: none"> * Ensure optimization of internal resources by planning * Overview of "man-year" hours regards schedule * According to law and compliance (AML) With reference to ISO 9001:2015 Quality management systems	

8.6.1 Industry, Innovation and Infrastructure

The Company has a focus on innovation and continuous improvement of its technologies for waste treatment, with an emphasis on waste reduction, recovery and reuse, and intend in this way to contribute to the sustainable waste management practices within the oil and gas industry. Much of the innovation is based on feedback and practical experience from the Company's operations. For example, the Company's technology for treating contaminated water (STT) has been improved and enhanced with respect to its treatment capacity (from 10 m³ to 20 m³/hr), with the same energy consumption. Furthermore, the technology's ability to treat water and recover waste fluids with higher content of oil and particles has been improved, resulting in less waste sent to shore for treatment and reduced CO₂ emissions due to less transport. The Cutting handling system has been enhanced with the ability to include remote operations on the rig, resulting in safer operation due to less manual work.¹⁸

8.6.2 Climate Action

The Company aims to utilize its competence and technology for water treatment to reduce emissions to sea and air. Through its on-rig-location technology for treatment of contaminated water (STT), emissions to air caused by transport to shore is reduced, thereby supporting the industry's efforts for decarbonization. The Group's mechanical water treatment process, without the use of chemicals, contributes to reduced emissions to the sea of potentially harmful pollutions.

8.7 History and important events

Table 9 below provides an overview of key milestones in the Group's history:

¹⁷ Source: Company internal report

¹⁸ Source: Company data

Table 9 – Overview of key milestones	
Year	Event
2011	Incorporation
2012	First commercial contract; for treatment of contaminated water (STT) with bp (now Aker BP)
2013	P&A operations; at Ekofisk
2016	First contract with Statoil (now Equinor) at Sleipner field
2019	First contract with ADNOC Drilling for treatment of contaminated water (STT) for operation on artificial islands
2021	International break-through, with clients like TotalEnergies, Wintershall Dea and Shell
2021	Listing of the Company at Euronext NOTC
2021	Company revenues exceed NOK 100 million
2022	First contract for cuttings handling with rig storage tanks for Shell on Ormen Lange in Norway
2023	Company reaches 100+ employees
2023	Signed frame agreement with Equinor in 2023 with duration until 2034 including options.
2023	Company revenues exceed NOK 200 million
2024	Completion of the Merger with Oceanteam
2024	Application for listing on Euronext Expand

8.8 Property, plant and equipment

Property, plant & equipment consists of slop treatment units, equipment for cuttings handling, cleaning services and swarf removal, skips and various equipment.

8.9 Material contracts

As at the date of this Prospectus, neither the Company nor any other Group company has entered into any material contracts, outside those entered into in the ordinary course of its business, or any other contracts entered into outside the ordinary course of business which contains any provision under which the Company or any other Group company has any obligation or entitlement which is material to the Group.

8.10 Legal and regulatory proceedings

The Group is not, nor has been, during the preceding twelve months, involved in any legal, governmental or arbitration proceedings which may have, or have had in the recent past, significant effects on the Group's financial position or profitability. The Company is not aware of any such proceedings which are pending or threatened.

8.11 Contracts of importance

The Company has a frame contract with Equinor entered in 2022, with a duration of up to 11 years until 2034, including options for extension. First options with a duration of two years were exercised in 2024. Under the contract, Soiltech provides its full technology portfolio of innovative and sustainable waste management solutions, including slop treatment, cuttings handling, swarf treatment and cleaning services. The technologies are installed and operated by Soiltech on Equinor's fixed installations, and on mobile drilling units working for Equinor. Although the frame contract is important for the Company, the Company is not dependent on it. The Company's various other customer contracts are further described in Section 8.4 "Clients".

No single industrial, commercial or financial contract, patent or license or new manufacturing process are deemed material to the Group's business or profitability.

8.12 Research and development

Although the Company does not undertake specific research or development activities, it has a strong focus on innovation and is continuously focusing on improving existing technologies and developing new solutions, based on experience from operations and market needs. The Group is currently executing several new technology initiatives which will support its strategy to increase the attractiveness of its offering, including:

Cuttings Treatment Technology (CTT): The Company has developed a new technology for treating drill cuttings contaminated with drilling fluids. The cuttings treatment technology (CTT) is a non-thermal, mechanical technology. The CTT will be introduced to the onshore market. The treatment process has no ignition sources and has a lower energy consumption, and reduced CO₂ emissions compared to existing thermal solutions. The treated cuttings may be reused in cement production or road fills. The treated water and oil may be recovered for reuse in the treatment process or for building new drilling fluids.¹⁹

¹⁹ Source: Company data



Cuttings Treatment Technology

Biodegradable chemicals: In connection with the acquisition of Sorbwater, the Company acquired patent rights for certain biodegradable chemicals. These biodegradable chemicals may be used in various applications for treating contaminated water, amongst other for cleaning produced water in the oil and gas industry. Produced water is water that comes out of the well together with the oil during production. Produced water contains soluble and non-soluble oil/organics, suspended solids, dissolved solids, and various chemicals used in the production process. The biodegradable chemicals may be delivered as a complementary service to the Company's Slop treatment technology (STT).

Other potential industries where biodegradable chemicals may be used for treatment of contaminated water includes mining, municipal and aquaculture.

The above technologies are ready for operation and in process of being commercialized to various clients. There is thus no further capital needed for development.

9 CAPITALISATION AND INDEBTEDNESS

9.1 Introduction

The financial information presented below has been extracted from the Interim Financial Statements and should be read in conjunction with the other parts of the Prospectus, in particular Section 10 "Selected Financial Information and Other Information" and Section 11 "Operating and Financial Review".

This Section 9 "Capitalisation and indebtedness" provides information about the unaudited consolidated capitalisation and net financial indebtedness on an actual basis as at 30 June 2024 and, in the "Adjustment amount" column, the estimated impact to the Group's consolidated capitalisation and net financial indebtedness of the events described below.

Adjustments for estimated effects of the following events:

- On 10 September 2024, the Company merged with Oceanteam, involving Oceanteam transferring all its assets, rights and obligations to the Company, as the acquiring company. The shareholders in Oceanteam received as consideration 0.01543 shares in the Company for each share in Oceanteam. In aggregate, 527,947 consideration shares were issued by Company as part of the Merger at a subscription price of approximately NOK 41.058 per share, each with a nominal value of NOK 0.10. For further information, see Section 4.3 "The Merger".
- Conditional upon the Merger, the Company has increased its share capital through bonus share issue to comply with the Norwegian Public Companies Act's minimum share capital requirement for public limited companies. The capital increase was carried out through an increase of the par value of the Company's shares by NOK 0.03 per share, from NOK 0.10 to NOK 0.13 per share. The share capital increased with NOK 238 thousand, from NOK 793 thousand to NOK 1,031 thousand. For further information, see Section 13.3 "Share capital and share capital history".

Other than as set forth above, there has been no material change to the Group's consolidated capitalisation and net financial indebtedness since 30 June 2024.

9.2 Capitalisation

The following Table 10 sets forth information about the Company's unaudited consolidated capitalisation as at 30 June 2024:

Table 10 - Capitalisation	As at 30 June 2024 ^(a)	Adjustment amount^(b)	As adjusted as of the date of the Prospectus
<i>(In NOK thousands)</i>			
<i>Total current debt:</i>			
Guaranteed	-	-	-
Secured	35,974 ⁽¹⁾	-	35,974
Unguaranteed / unsecured	43,443 ⁽²⁾	-	43,443
Total current debt:	79,417	-	79,417
<i>Total non-current debt:</i>			
Guaranteed	-	-	-
Secured	155,990 ⁽³⁾	-	155,990
Unguaranteed / unsecured	616 ⁽⁴⁾	-	616
Total non-current debt	156,607	-	156,607
Total indebtedness	236,024	-	236,024
Shareholders' equity			
Share capital	741 ⁽⁵⁾	291 ⁽⁷⁾	1,031
Legal reserve(s)	-	-	-
Other reserves	175,150 ⁽⁶⁾	21,386 ⁽⁸⁾	196,536

Total shareholders' equity	175,891	21,677	197,567
Total capitalisation	411,914	21,677	433,590

(a) The data set forth in this column are derived from the Interim Financial Statements for the six-month period ended 30 June 2024:

¹⁾ Secured current debt of NOK 35,974 thousand comprises the current financial statement line-item Borrowings of NOK 23,298 thousand secured in the Group's Property, plant & equipment and Trade receivables. The remaining part of NOK 12,676 thousand relates to the current financial statement line item Lease liabilities, which is secured in the underlying leased assets.

²⁾ Unguaranteed/unsecured current debt of NOK 43,443 thousand consists of the financial statement line-item Trade payables of NOK 20,271 thousand and Other current liabilities of NOK 23,172 thousand.

³⁾ Secured non-current debt of NOK 155,990 thousand comprises the non-current financial statement line-item Borrowings of NOK 94,822 thousand, secured in the Group's Property, plant & equipment and Trade receivables, and the non-current financial statement line item Lease liabilities of NOK 61,168 thousand, secured in the underlying leased assets.

⁴⁾ Unguaranteed/unsecured non-current debt of NOK 616 thousand consists of the financial statement line-item Other non-current liabilities.

⁵⁾ Share capital of NOK 741 thousand represents the share capital of the Company.

⁶⁾ Other reserves of NOK 175,150 thousand comprises the financial statement line items Other paid-in equity of NOK 83,948 thousand, Other reserves of NOK 2,416 thousand and Retained earnings of NOK 88,786 thousand.

(b) Adjustment amount:

⁷⁾ The adjustment amount of NOK 291 thousand comprises (i) the increase in share capital following the Merger of NOK 53 thousand and (ii) the increase in share capital of NOK 238 thousand following the bonus share issue. The latter was carried out through an increase of the par value of the Company's shares by NOK 0.03 per share, from NOK 0.10 to NOK 0.13 per share.

⁸⁾ The adjustment amount of NOK 21,386 thousand comprises (i) the increase in share premium following the Merger of NOK 21,624 thousand, as well as (ii) the transfer of NOK 238 thousand from the Company's unrestricted equity to share capital following the bonus share issue.

9.3 Net financial indebtedness

The following Table 11 set forth information about the Company's consolidated net financial indebtedness as at 30 June 2024:

Table 11 – Net financial indebtedness			
	As at 30 June 2024 ^(a)	Adjustment amount ^(b)	As adjusted as of the date of the Prospectus
<i>(In NOK thousands)</i>			
(A) Cash	25,477 ⁽¹⁾	21,398 ⁽⁵⁾	46,875
(B) Cash equivalents.....	-	-	-
(C) Other current financial assets.....	-	-	-
(D) Liquidity (A)+(B)+(C).....	25,477	21,398	46,875
(E) Current financial debt (including debt instruments, but excluding current portion of non-current financial debt).....	2,810 ⁽²⁾	-	2,810
(F) Current portion of non-current financial debt.....	35,974 ⁽³⁾	-	35,974
(G) Current financial indebtedness (E + F).....	38,784	-	38,784
(H) Net current financial indebtedness (G – D).....	13,307	(21,398)	(8,091)
(I) Non-current financial debt (excluding current portion and debt instruments).....	155,990 ⁽⁴⁾	-	155,990
(J) Debt instruments.....	-	-	-
(K) Non-current trade and other payables.....	-	-	-

Table 11 – Net financial indebtedness			
	As at 30 June 2024 ^(a)	Adjustment amount ^(b)	As adjusted as of the date of the Prospectus
<i>(In NOK thousands)</i>			
(L) Non-current financial indebtedness (I+J+K).....	155,990	-	155,990
(M) Total financial indebtedness (H+L).....	169,297	(21,398)	147,899

(a) The data set forth in this column are derived from the Interim Financial Statements for the six-month period ended 30 June 2024:

¹⁾ Cash of NOK 25,477 thousand consists of the financial statement line-item Cash and cash equivalents. Cash and cash equivalents comprises ordinary bank deposits of NOK 23,573 thousand and restricted cash of NOK 1,904 thousand.

²⁾ Current financial debt of NOK 2,810 thousand comprises the portion of the financial statement line-item Other current liabilities related to Currency forward contracts.

³⁾ Current portion of non-current financial debt of NOK 35,974 thousand comprises the current financial statement line items Borrowings of NOK 23,298 thousand and Lease liabilities of NOK 12,676 thousand.

⁴⁾ Non-current financial debt (excluding current portion and debt instruments) of NOK 155,990 thousand comprises the non-current financial statement line items Borrowings of NOK 94,822 thousand and Lease liabilities of NOK 61,168 thousand.

(b) Adjustments:

⁵⁾ The adjustment amount of approximately NOK 21,398 thousand represents the increase in cash following the Merger (as further described in Section 4.3 "The Merger").

9.4 Working capital statement

The Company is of the opinion that the working capital available to the Group is sufficient for the Group's present requirements, for the period covering at least 12 months from the date of this Prospectus.

9.5 Contingent and indirect indebtedness

As of the date of this Prospectus, the Group had the following material contingent or indirect indebtedness not presented in Section 9.3 "Net financial indebtedness":

- The Group has entered into lease agreements for equipment not yet delivered. Hence the liability is not recognised in the Company's consolidated financial statements. The lease agreements amount to NOK 54 million. The equipment is expected to be delivered in Q4 2024.

Other than set out above, the Group does not have any material contingent or indirect indebtedness.

10 SELECTED FINANCIAL INFORMATION AND OTHER INFORMATION

10.1 Introduction and basis for preparation

The Company has prepared the audited annual consolidated financial statements for the financial year ended 31 December 2023 in accordance with IFRS, with unaudited comparative figures for the financial year ended 31 December 2022. Further, the Company has prepared audited annual consolidated financial statements for the financial years ended 31 December 2022 and 2021 in accordance with NGAAP.

Moreover, the Company has prepared unaudited consolidated financial statements for the six-month period ended 30 June 2024 in accordance with IAS 34, which has been subject to a limited audit review by PwC.

The IFRS Financial Statements is included as Appendix C, the 2022 NGAAP Financial Statements for the financial year ended 31 December 2022 is included as Appendix D, and the 2021 NGAAP Financial Statements for the financial year ended 31 December 2021 is included as Appendix E to this Prospectus. The IFRS Financial Statements and the 2022 NGAAP Financial Statements have been audited by PwC. The 2021 NGAAP Financial Statements have been audited by Revisjon Ryfylke. The auditor's reports do not contain any modifications of emphasis on matters.

10.2 Summary of accounting policies and principles

For information regarding accounting policies and principles, see the individual notes of the IFRS Financial Statements, attached hereto as Appendix C.

For the IFRS Financial Statements for the year ended 31 December 2023 the Company converted from NGAAP to IFRS. Date of transition is 1 January 2022, and all comparative figures have been restated accordingly. The primary effect of the transition relates to implementation of IFRS 16 – Leasing. For further details of effects of the transition per transition date and for the financial year ended 31 December 2022 please refer to note 26 in the IFRS Financial Statements, attached hereto as Appendix C.

10.3 Consolidated statement of profit and loss

Table 12 below sets out selected data from the Company's consolidated profit and loss for the six-month period ended and the three-month period ended 30 June 2024 and 2023, derived from the Interim Financial Statements, as well as the Company's consolidated profit or loss for the years ended 31 December 2023 and 2022, derived from the IFRS Financial Statements.

Table 12 – Consolidated statement of profit or loss <i>(Amounts in NOK thousands)</i>	Three-month period ended 30 June		Six month period ended 30 June		Year ended 31 December	
	2024	2023	2024	2023	2023	2022
	IAS 34 Unaudited	IAS 34 Unaudited	IAS 34 Unaudited	IAS 34 Unaudited	IFRS Audited	IFRS Unaudited
Revenue	69 667	64 149	125 662	104 524	229 112	177 073
Other operating income	21	321	53	363	167	1 097
Total operating income	69 688	64 470	125 715	104 887	229 279	178 170
Costs of materials	(14 648)	(16 324)	(20 314)	(23 780)	(39 696)	(33 499)
Personnel expenses	(33 136)	(27 830)	(66 558)	(49 853)	(115 990)	(90 104)
Depreciation and amortization	(5 265)	(4 663)	(9 936)	(8 744)	(17 930)	(16 032)
Impairment	-	-	-	-	(5 050)	-
Other operating expenses	(9 865)	(6 250)	(17 426)	(10 473)	(25 442)	(15 857)
Total operating expenses	(62 914)	(55 067)	(114 233)	(92 850)	(204 109)	(155 492)
Other gains	-	-	-	-	15 000	-
Operating profit	6 774	9 403	11 482	12 037	40 170	22 678
Net foreign exchange gains (losses)	(423)	138	722	946	186	(138)
Financial income	17	112	-	262	296	539
Financial expenses	(3 655)	(1 998)	(6 460)	(3 985)	(8 371)	(4 277)
Net financial items	(4 061)	(1 748)	(5 688)	(2 777)	(7 890)	(3 876)
Profit before tax	2 713	7 655	5 794	9 260	32 280	18 803
Income tax expense	(326)	(2 037)	1 058	(2 037)	(4 869)	(4 146)
Profit for the period	2 388	5 618	4 735	7 222	27 411	14 657

Table 13 below sets out selected data from the Company's consolidated profit or loss for the years ended 31 December 2022 and 2021, derived from the 2022 NGAAP Financial Statements.

Table 13 – Consolidated statement of profit or loss, NGAAP	Year ended	
	31 December	
	2022	2021
<i>(Amounts in NOK thousands)</i>	<i>NGAAP</i>	<i>NGAAP</i>
	<i>Audited</i>	<i>Unaudited</i>
Revenue from contracts with customers	177 073	136 545
Other revenue	1 097	101
Total revenue	178 170	136 646
Raw materials and consumables used	(35 220)	(30 340)
Employee benefits	(88 383)	(62 210)
Depreciation and amortization	(14 799)	(11 791)
Impairment	-	1 205
Other operating expenses	(17 372)	(17 954)
Total operating expenses	(155 775)	(121 089)
Operating profit	22 396	15 557
Interest income	539	191
Interest expenses	(3 950)	(1 564)
Other financial income	675	270
Other financial expenses	(869)	(179)
Net financial items	(3 604)	(1 282)
Profit before tax	18 791	14 275
Income tax expense	(4 143)	(3 388)
Profit for the period	14 648	10 888

10.4 Statement of financial position

Table 14 below sets out selected data from the Company's unaudited consolidated statement of financial position as at 30 June 2024, derived from the Interim Financial Statements, as well as the Company's consolidated statement of financial position as at 31 December 2023 and 2022, derived from the IFRS Financial Statements. The development in the balance sheet is commented further in Section 11 "Operating and financial review".

Table 14 – Consolidated statement of financial position, IFRS	As at 30 June		As at 31 December	
	2024	2023	2022	
	<i>IAS 34</i>	<i>IFRS</i>	<i>IFRS</i>	
<i>(Amounts in NOK thousands)</i>	<i>Unaudited</i>	<i>Audited</i>	<i>Unaudited</i>	
ASSETS				
Non-current assets				
Deferred tax assets	10 325	10 403	15 272	
Intangible assets	2 412	1 811	6 795	
Property, plant & equipment	199 880	181 117	130 300	
Right-of-use assets	98 431	71 140	40 352	
Investments in subsidiaries	-	-	-	
Other non-current assets	797	762	738	
Total non-current assets	311 844	265 234	193 457	
Inventories	159	159	238	
Trade receivables	56 764	44 195	29 244	
Cash and cash equivalents	25 477	26 783	38 832	
Other current assets	17 670	14 310	8 047	
Total current assets	100 070	85 447	76 362	
TOTAL ASSETS	411 914	350 681	269 818	
EQUITY AND LIABILITIES				
Equity				
Share capital	741	741	741	
Other paid-in equity	83 948	83 948	83 948	

Table 14 – Consolidated statement of financial position, IFRS <i>(Amounts in NOK thousands)</i>	As at 30 June		As at 31 December	
	2024	2023	2022	2022
	<i>IAS 34 Unaudited</i>	<i>IFRS Audited</i>	<i>IFRS Unaudited</i>	<i>IFRS Unaudited</i>
Other reserves	2 416	1 826		1 132
Retained earnings	88 786	84 050		56 639
Total equity	175 890	170 565		142 460
Non-current liabilities				
Borrowings	94 822	68 913		38 892
Lease liabilities	61 168	41 847		16 742
Deferred tax liabilities	-	-		-
Other non-current liabilities	616	669		15 796
Total non-current liabilities	156 606	111 429		71 430
Current liabilities				
Trade payables	20 271	13 153		9 017
Borrowings	23 298	16 860		13 325
Lease liabilities	12 676	10 409		8 820
Tax payable	-	-		-
Other current liabilities	23 172	28 265		24 767
Total current liabilities	79 417	68 687		55 929
Total liabilities	236 023	180 116		127 359
TOTAL EQUITY AND LIABILITIES	411 914	350 681		269 818

Table 15 below sets out selected data from the Company's consolidated statement of financial position as at 31 December 2022 and 2021, derived from the 2022 NGAAP Financial Statements.

Table 15 – Consolidated statement of financial position, NGAAP <i>(Amounts in NOK thousands)</i>	As at 31 December	
	2022	2021
	<i>NGAAP Audited</i>	<i>NGAAP Unaudited</i>
ASSETS		
Non-current assets		
<i>INTANGIBLE ASSETS</i>		
Patents/other intangible assets	1 745	461
Deferred tax assets	15 133	-
Goodwill	5 090	-
Total intangible assets	21 968	461
<i>TANGIBLE FIXED ASSETS</i>		
Leased assets	47 126	33 508
Property, plant and equipment	110 584	84 700
Newbuilds	19 716	4 268
Total intangible assets	177 426	122 476
<i>FINANCIAL ASSETS</i>		
Investments in subsidiaries	-	-
Restricted cash	738	171
Other assets	-	123
Total financial assets	738	294
Total non-current assets	200 132	123 231
Current assets		
<i>RECEIVABLES</i>		
Trade receivables	22 288	28 945
Other current assets	15 003	21 435

Table 15 – Consolidated statement of financial position, NGAAP	As at 31 December	
	2022	2021
	<i>NGAAP Audited</i>	<i>NGAAP Unaudited</i>
<i>(Amounts in NOK thousands)</i>		
Trade receivables Group	-	-
<i>Total receivables</i>	<i>37 291</i>	<i>50 381</i>
INVENTORIES		
Inventories	238	-
<i>Total inventories</i>	<i>238</i>	<i>-</i>
CASH AND CASH EQUIVALENTS		
Cash and cash equivalents	38 832	39 232
<i>Total cash and cash equivalents</i>	<i>38 832</i>	<i>39 232</i>
Total current assets	76 362	89 613
TOTAL ASSETS	276 492	212 844
EQUITY AND LIABILITIES		
Equity		
PAID-IN CAPITAL		
Share capital	741	720
Share premium	83 948	68 914
Other paid-in equity	1 132	1 131
<i>Total Paid-in capital</i>	<i>85 820</i>	<i>70 675</i>
RETAINED EARNINGS		
Retained earnings	57 132	42 485
<i>Total retained earnings</i>	<i>57 132</i>	<i>42 485</i>
TOTAL EQUITY	142 953	113 249
Liabilities		
PROVISIONS		
Deferred tax	-	6 040
Other provisions	796	911
<i>Total provisions</i>	<i>796</i>	<i>6 951</i>
NON-CURRENT LIABILITIES		
Liabilities to financial institution	61 795	40 106
Other non-current liabilities	18 081	55
<i>Total non-current liabilities</i>	<i>79 876</i>	<i>40 161</i>
CURRENT LIABILITIES		
Trade payables	9 178	13 321
Trade payable Group	-	-
Tax payable	-	931
Public duties payable	7 896	7 293
Current portion of long-term debt	21 254	16 418
Other current liabilities	14 541	14 520
<i>Total current liabilities</i>	<i>52 868</i>	<i>52 483</i>
TOTAL LIABILITIES	133 593	99 594
TOTAL EQUITY AND LIABILITIES	276 492	212 844

10.5 Statement of cash flow

Table 16 below sets out selected data from the Company's consolidated statement of cash flows for the six-month period ended 30 June 2024 and 2023, derived from the Interim Financial Statements, as well as the Company's

consolidated statement of cash flows for the years ended 31 December 2023 and 2022, derived from the IFRS Financial Statements.

Table 16 – Consolidated statement of cash flows <i>(Amounts in NOK thousands)</i>	Six-month period ended 30 June		Year ended 31 December	
	2024	2023	2023	2022
	<i>IAS 34</i> <i>Unaudited</i>	<i>IAS 34</i> <i>Unaudited</i>	<i>IFRS</i> <i>Audited</i>	<i>IFRS</i> <i>Unaudited</i>
Cash flows from operating activities				
Profit before tax	5 794	9 260	32 280	18 803
Income taxes paid	(980)	-	-	(933)
Depreciation, amortization and impairment	9 936	8 744	22 980	16 032
Interest expense	5 883	3 013	7 757	4 221
Other gains	-	-	(15 000)	-
Profit/(loss) on investing activities	-	-	-	(982)
Changes in trade receivables, contract assets/liabilities	(12 725)	(15 872)	(14 533)	6 555
Changes in trade payables	13 203	6 523	2 186	(4 596)
Changes in other accruals and prepayments	(13 889)	(6 540)	1 078	6 617
Net cash flow from operating activities	7 221	5 128	36 748	45 716
Cash flow from investing activities				
Purchase of property, plant & equipment & Intangible assets	(27 508)	(28 754)	(64 028)	(49 900)
Sale of property, plant and equipment	-	-	-	1 250
Investment in subsidiary net of cash acquired	-	-	-	(467)
Net cash flow from investing activities	(27 508)	(28 754)	(64 028)	(49 117)
Cash flow from financing activities				
Proceeds from new borrowings	39 700	15 200	45 561	25 301
Repayments on borrowings	(8 105)	(6 649)	(13 226)	(10 371)
Payment of principle portion of lease liabilities	(7 487)	(5 306)	(10 567)	(7 518)
Interest paid	(5 131)	(3 041)	(6 537)	(4 448)
Proceeds from capital increase	-	-	-	55
Net cash flow from financing activities	18 981	204	15 231	3 019
NET CASH FLOW FOR THE PERIOD	(1 306)	(23 422)	(12 049)	(400)
Cash and Cash equivalents 31.12	25 477	15 410	26 783	38 832

Table 17 below sets out selected data from the Company's consolidated statement of cash flows for the years ended 31 December 2022 and 2021, derived from the 2022 NGAAP Financial Statements.

Table 17 – Consolidated statement of cash flows, NGAAP <i>(Amounts in NOK thousands)</i>	Year ended 31 December	
	2022	2021
	<i>NGAAP</i> <i>Audited</i>	<i>NGAAP</i> <i>Unaudited</i>
Cash flows from operating activities		
Profit before tax	18 791	14 275
Income taxes paid	(933)	-
Ordinary depreciation/impairment fixed assets	14 799	10 585
Profit & loss on investing activities	(982)	-
Interest expense	3 950	1 564
Change in restricted cash	(499)	-
Changes in trade receivables	6 555	(18 647)
Changes in trade creditors	(4 596)	19 778

Table 17 – Consolidated statement of cash flows, NGAAP	Year ended	
	31 December	
	2022	2021
<i>(Amounts in NOK thousands)</i>	<i>NGAAP Audited</i>	<i>NGAAP Unaudited</i>
Changes in other current balance sheet items	6 889	(14 954)
Net cash flow from operating activities	43 974	12 599
Cash flow from investing activities		
Sale of property, plant and equipment	1 250	-
Purchase of property, plant & equipment	(49 900)	(24 440)
Loans to related party	-	-
Investment in subsidiary net of cash acquired	(467)	-
Net cash flow from investing activities	(49 117)	(24 440)
Cash flow from financing activities		
New long-term debt	25 301	11 200
Net proceeds from issue of shares	55	9 339
Repayments of long-term debt	(10 371)	(6 115)
Payment of lease liabilities	(6 047)	(2 487)
Payment of interest	(4 117)	(1 561)
Net cash flow from financing activities	4 761	10 375
NET CASH FLOW FOR THE PERIOD	(401)	(1 465)
Cash and cash equivalents 01.01	39 232	40 696
Cash and Cash equivalents 31.12	38 832	39 232

10.6 Statement of changes in equity

Table 18 below sets out selected data from the Company's unaudited consolidated statement of changes in equity for the six-month period ended 30 June 2024, derived from the Interim Financial Statements, as well as the Company's audited consolidated statement of changes in equity for the years ended 31 December 2023 and 2022, derived from the IFRS Financial Statements.

Table 18 – Consolidated statement of changes in equity	Share capital	Other paid-in equity	Other reserves	Retained earnings	Total equity
<i>(Amounts in NOK thousands)</i>					
Balance at 1 January 2024	741	83 948	1 826	84 051	170 566
Profit for the period	-	-	-	4 735	4 735
Other comprehensive income	-	-	-	-	-
Total comprehensive income	741	83 948	1 826	4 735	4 735
<i>Transactions with owners</i>					
Share-based payment	-	-	590	-	590
Contribution of equity	-	-	-	-	-
Balance at 30 June 2024	741	83 948	2 416	88 785	175 890
Balance at 31 December 2022 (NGAAP)	741	83 948	1 132	57 132	142 953
Effects of transition to IFRS	-	-	-	(493)	(493)
Balance at 1 January 2023	741	83 948	1 132	56 639	142 460
Profit for the period	-	-	-	27 411	27 411
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	27 411	27 411
<i>Transactions with owners</i>					
Share-based payment	-	-	694	-	694
Contribution of equity	-	-	-	-	-

Table 18 – Consolidated statement of changes in equity					
<i>(Amounts in NOK thousands)</i>	Share capital	Other paid-in equity	Other reserves	Retained earnings	Total equity
Balance at 31 December 2023	741	83 948	1 826	84 051	170 565
Balance at 31 December 2021 (NGAAP)	720	68 914	1 131	42 485	113 249
Effects of transition to IFRS	-	-	-	(502)	(502)
Balance at 1 January 2022	720	68 914	1 131	41 983	112 747
Profit for the period	-	-	-	14 657	14 657
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	14 657	14 657
<i>Transactions with owners</i>					
Exercise of share options	1	55	-	-	55
Share-based payment	-	-	1	-	1
Consideration shares business combination	20	14 980	-	-	15 000
Balance at 31 December 2022	741	83 948	1 132	56 639	142 460

Table 19 below sets out selected data from the Company's consolidated statement of changes in equity for the years ended 31 December 2022, derived from the 2022 NGAAP Financial Statements.

Table 19 – Consolidated statement of changes in equity, NGAAP					
<i>(Amounts in NOK thousands)</i>	Share capital	Share premium	Other paid-in equity	Retained earnings	Total equity
Balance at 1 January 2022	720	68 914	1 131	42 485	113 249
Increase in share capital	21	15 035	-	-	15 055
Other paid-in capital – option program	-	-	1	-	1
Profit for the year	-	-	-	146 48	14 648
Balance at 31 December 2022	741	83 948	1 132	57 132	142 953

Table 20 below sets out selected data from the Company's consolidated statement of changes in equity for the years ended 31 December 2021, derived from the 2021 NGAAP Financial Statements.

Table 20 – Consolidated statement of changes in equity, NGAAP				
<i>(Amounts in NOK thousands)</i>	Share capital	Share premium	Other paid-in equity	Total equity
Balance at 1 January 2021	660	60 766	31 597	93 023
Increase in share capital	60	8 148	-	8 208
Other paid-in capital – option program	-	-	-	1 131
Profit for the year	-	-	10 888	10 888
Balance at 31 December 2021	720	68 914	42 485	113 249

11 OPERATING AND FINANCIAL REVIEW

This operating and financial review should be read together with Section 0 "General Information", Section 8 "Business of the Group", Section 10 "Selected Financial and Other Information" and the Financial Statements, including related notes, included in Appendix B (IAS 34 2024 and 2023), Appendix C (IFRS 2023 and 2022), Appendix D (NGAAP 2022) and Appendix E (NGAAP 2021) of this Prospectus. This operating and financial review contains forward-looking statements. These forward-looking statements are not historical facts, but are rather based on the Group's current expectations, estimates, assumptions and projections about the Group's industry, business, strategy and future financial results. Actual results could differ materially from the results contemplated by these forward-looking statements because of a number of factors, including those discussed in Section 2 "Risk factors" and Section 4.5 "Cautionary note regarding forward-looking statements" of this Prospectus, as well as other sections of this Prospectus.

11.1 Key factors affecting the Group's results of operations and financial performance

The Group's results of operations and financial performance have been, and are expected to continue to be, influenced by several key factors. These factors have varying degrees of impact on the Group's operations, and in some instances, they may counterbalance each other. The key factors that Management believes have had a material effect on the Group's results of operations during the period under review, as well as those considered likely to have a material effect on its results of operations in the future, are described below.

11.1.1 Oil and gas market conditions

The Group's financial performance is influenced by the conditions in the oil and gas market. The Group's technologies and services are primarily targeted towards clients in the oil and gas sector, making the Group's revenues sensitive to changes in oil and gas prices and investment levels in the industry. World economic growth rates and geopolitical events may influence the oil and gas prices. For instance, the recent invasion of Ukraine led to increased volatility in the prices. When oil and gas prices are high, oil and gas companies are more likely to invest in exploration and production activities. This may lead to higher revenues and potentially improved profitability for the Group. Conversely, a downturn in the oil and gas market, characterized by low oil and gas prices and reduced investments, could lead to a decrease in demand for the Group's technologies and services, negatively impacting its revenues and profitability.

11.1.2 Environmental regulations

As a provider of drilling waste management services with a focus on providing environmentally friendly solutions, the Group's operations and financial performance are significantly influenced by environmental regulations. Stricter regulations to carbon emissions and requirements for waste reduction, waste recovery and reuse may increase the demand for the Group's technologies and services. For example, regulations that impose penalties for pollution and carbon emission could incentivize oil and gas companies to utilize the Group's technologies and services, thereby increasing the Group's revenues. However, stricter regulations may also lead to increased investments and higher operational costs, since the Group must continue to develop and invest in technologies and processes to ensure compliance and meeting the customers' demand for sustainable waste treatment solutions.

11.1.3 Attracting and retaining key personnel

The Group's ability to attract and retain skilled personnel is important for its operations and financial performance as the cost of personnel is the most significant operating expense for the Group. Historically, the Group has invested in personnel for future growth, while increasing the average number of employees from 67 in 2021 to 125 in 2023. If the Group succeeds to attract and retain such personnel, the Group may maintain operational efficiency, in terms of consistent service delivery and customer satisfaction, and potentially, as a result, growth in revenues. Should the Group fail to attract and retain skilled personnel, the Group may experience operational inefficiencies, which could lead to reduced customer satisfaction, lower demand for its services, and ultimately, decreased revenues.

11.1.4 Technology development

Technology development is a key factor that affects the Group's financial performance. The Group's ability to develop and implement innovative technologies gives the Group a competitive edge and have contributed to its financial performance. For instance, the Group's STT and cuttings handling system have enabled the Group to offer competitive solutions to its clients, leading to increased market share and higher revenues.²⁰ However, rapid technological advancements are expected in the sector. If the Group is unable to keep pace with these advancements, it could lose its competitive edge, leading to decreased demand for its services and lower revenues.

11.1.5 Customer concentration

²⁰ Company information.

The Group's financial performance is influenced by its customer concentration. The Group's top four customers account for approximately 63% of its revenue based on Q2 2024 figures. For each of these customers, the Group has several ongoing contracts. The customer concentration has provided steady revenue growth for the Group. However, it may also expose the Group to risk. Should one of these customers reduce their orders or terminate their relationship with the Group, the Group will experience a reduction in revenues. The Group's ability to maintain strong relationships with its key customers and continue the diversification of its customer base, is a key factor for the Group's financial performance.

11.2 Recent developments and trends

The Company is not aware of any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Company's prospects for the current financial year.

11.3 Segment and revenue information

The Group has only one operating and reportable segment in accordance with IFRS 8, being the Group as a whole.

The Group generates revenues in the following main geo-markets: Norway, Europe (excluding Norway) and Rest of the World. Europe primarily consist of United Kingdom, Netherlands, Romania and Cyprus.

Table 21 below presents revenues for each of the Group's geographic areas of activity for the six-month periods ended 2024 and 2023 and the years ended 31 December 2023, 2022 and 2021.

Table 21 – Consolidated revenue by geographic area	Six-month period ended 30 June		Year ended 31 December			
	2024	2023	2023	2022	2022	2021
	IAS 34 Unaudited	IAS 34 Unaudited	IFRS Unaudited	IFRS Unaudited	NGAAP Unaudited	NGAAP Unaudited
(Amounts in NOK thousands)						
Norway	91 275	80 944	167 007	147 289	147 289	118 945
Europe (excl. Norway)	33 671	19 193	49 965	27 775	27 775	16 011
Rest of the world	769	4 750	12 307	3 106	3 106	1 690
Total operating income	125 715	104 887	229 279	178 170	178 170	136 646

11.4 Results of operations

11.4.1 Results of operations for the six-month period ended 30 June 2024 compared to the six-month period ended 30 June 2023

Table 22 and the descriptions below set forth the results of operations for the six-month period ended 30 June 2024 prepared in accordance with IAS 34, compared to the results of operations for the six-month period ended 30 June 2023 prepared in accordance with IAS 34 derived from the Interim Financial Statements.

Table 22 – Consolidated statement of profit or loss	Six-month period ended 30 June		
	2024		2023
	IAS 34 Unaudited	Change in %	IAS 34 Unaudited
(Amounts in NOK thousands)			
Revenue	125 662	20 %	104 524
Other operating income	53	(85) %	363
Total operating income	125 715	20 %	104 887
Costs of materials	(20 314)	(15) %	(23 780)
Personnel expenses	(66 558)	34 %	(49 853)
Depreciation and amortization	(9 936)	14 %	(8 744)
Impairment	-	n.m.	-
Other operating expenses	(17 426)	66 %	(10 473)
Total operating expenses	(114 233)	23 %	(92 850)
Operating profit	11 482	(5) %	12 037
Net foreign exchange gains (losses)	772	(18) %	946
Financial income	-	(100) %	262
Financial expenses	(6 460)	62 %	(3 985)
Net financial items	(5 688)	105 %	(2 777)
Profit before tax	5 794	(37) %	9 260

Table 22 – Consolidated statement of profit or loss (Amounts in NOK thousands)	Six-month period ended 30 June		
	2024	Change in %	2023
	IAS 34 Unaudited		IAS 34 Unaudited
Income tax expense	(1 058)	(48) %	(2 037)
Profit for the period	4 735	(34) %	7 222

Revenue

Revenue for the six-month period ended 30 June 2024 was NOK 125.7 million compared to NOK 104.5 million for the six-month period ended 30 June 2023. The increase was primarily due to higher activity, with an increase in the number of projects from the treatment of contaminated water and cuttings handling services. The Group succeeded in selling more of its technology portfolio to several clients with projects for both treatment of contaminated water and cuttings handling. The Group experienced increased international activity for the first half of 2024 compared to the first half of 2023, particularly in Europe.

Total operating expenses

Total operating expenses for the six-month period ended 30 June 2024 were NOK 114.2 million compared to NOK 92.9 million for the six-month period ended 30 June 2023. The increase was primarily due to increase in personnel expenses and increase in other operating expenses. The increase in personnel expenses was primarily due to increased activity mainly as the number of employees increased to approximate 129 compared to 100. In addition, the increase in other operating expenses was primarily due to legal and advisors' costs related to the listing process on Euronext Expand, and an increase in cost due to implementation of new software solutions. The increase in operating expenses was partly offset by a decrease in cost of materials primarily due to a shift in the Group's use of labour as the Group utilized more hired employees, as explained above, which resulted in less reliance on contracted labour.

The increase in depreciation and amortisation was a result of the addition of property, plant and equipment during the first half of 2024, primarily related to investment in equipment for the treatment of contaminated water and cuttings handling equipment.

Operating profit/(loss)

The Operating profit/(loss) for the six-month period ended 30 June 2024 was NOK 11.5 million compared to NOK 12.0 million for the six-month period ended 30 June 2023. The change in Operating profit/(loss) was primarily due to the factors described above.

Net financial items

Net financial items for the six-month period ended 30 June 2024 were NOK (5.7) million compared to NOK (2.8) million for the six-month period ended 30 June 2023. The change was mainly due to an increase in interest expenses due to an increase in borrowings and increased interest rates.

Income tax expense

Income tax expense for the six-month period ended 30 June 2024 was NOK 1.1 million compared to NOK 2.0 million for the six months period ended 30 June 2023.

11.4.2 Results of operations for the year ended 31 December 2023 compared to the year ended 31 December 2022

Table 23 and the descriptions below set forth the results of operations for the financial year ended 31 December 2023 prepared in accordance with IFRS, compared to the results of operations for the financial year ended 31 December 2022 prepared in accordance with IFRS derived from the IFRS Financial Statements.

Table 23 – Consolidated statement of profit or loss (Amounts in NOK thousands)	Year ended 31 December		
	2023	Change in %	2022
	IFRS Audited		IFRS Unaudited
Revenue	229 112	29 %	177 073
Other operating income	167	(85) %	1 097
Total operating income	229 279	29 %	178 170
Costs of materials	(39 696)	18 %	(33 499)
Personnel expenses	(115 990)	29 %	(90 104)
Depreciation and amortization	(17 930)	12 %	(16 032)
Impairment	(5 050)	0 %	-

Table 23 – Consolidated statement of profit or loss	Year ended 31 December		
	2023	Change in %	2022
	<i>IFRS Audited</i>		<i>IFRS Unaudited</i>
<i>(Amounts in NOK thousands)</i>			
Other operating expenses	(25 442)	60 %	(15 857)
Total operating expenses	(204 109)	31 %	(155 492)
Other gains	15 000	-	-
Operating profit	40 170	77 %	22 678
Net foreign exchange gains (losses)	186	(235) %	(138)
Financial income	296	(45) %	539
Financial expenses	(8 371)	(96) %	(4 277)
Net financial items	(7 890)	(104) %	(3 876)
Profit before tax	32 280	(72) %	18 803
Income tax expense	(4 869)	17 %	(4 146)
Profit for the period	27 411	87 %	14 657

Revenue

Revenue for the year ended 31 December 2023 were NOK 229.1 million compared to NOK 177.1 million for the year ended 31 December 2022. The increase was primarily due to higher activity, with an increase in the number of projects for the treatment of contaminated water and cuttings handling services. The Group succeeded in selling in more of its technology portfolio to several clients. The Group experienced increased higher international activity in 2023 compared to 2022, particularly in Europe, with projects for both treatment of contaminated water and cuttings handling.

Other operating income

Other operating income for the year ended 31 December 2023 were NOK 0.2 million compared to NOK 1.1 million for the year ended 31 December 2022. The decrease was primarily due to the sale of certain equipment to a customer in 2022, which is not deemed as part of the ordinary business.

Total operating expenses

Total operating expenses for the year ended December 2023 were NOK 204.1 million compared to NOK 155.5 million for the year December 2022. The increase was primarily due to an increase in Personnel expenses and Cost of materials, primarily due to the increased activity. The number of employees increased to 125 as of 31 December 2023 compared to 94 as of 31 December 2022 contributing to the increase.

The increase in Other operating expenses is mainly due to an increase in travel expenses, partly re-chargeable to clients, and legal advisor costs. In 2023, the Group incurred cost related to the listing process on Euronext Expand, including cost for legal and financial advisors, and an increase in cost due to the implementation of new software solutions. The increase in depreciation and amortization was a result of the addition of property, plant and equipment during 2023, primarily related to investment in equipment for the treatment of contaminated water and cuttings handling equipment.

In 2023, the Group made an impairment related to goodwill of NOK 5.0 million. The goodwill was recognised in 2022 in connection with the acquisition of Sorbwater, see note 22 in the IFRS Financial Statements for further information. The impairment was related to a delay in the expected synergies from the Sorbwater transaction and a subsequent revision of the business plan. Since the timing of the realization of such synergies is uncertain, the goodwill was impaired in full.

Other gains

Other gains for the year ended 31 December 2023 were NOK 15 million compared to zero for the year ended 31 December 2022. A contingent consideration of NOK 15 million was recognized as part of the consideration when acquiring Sorbwater in 2022. The expected synergies from Sorbwater's patented biodegradable chemicals are delayed and the business plan was therefore revised. Since achieving certain thresholds under the Sorbwater share purchase agreement is uncertain, the contingent consideration of NOK 15 million that was recognized as part of the consideration in 2022 has been reversed and recognized as other gain in 2023.

Operating profit/(loss)

The Operating profit/(loss) for the year ended 31 December 2023 was NOK 40.2 million compared to NOK 22.7 for the year ended 31 December 2022. The change in Operating profit (loss) was primarily due to the factors described above.

Net Financial items

Net Financial items for the period ended 31 December 2023 were net NOK (7.9) million, compared to NOK (3.9) million for the year ended December 2022. The change was mainly due to an increase in interest expense due to an increase in borrowings and increased interest rates.

Income tax expense

Income tax for the year ended December 2023 was NOK 4.9 million compared to NOK 4.1 million for the year ended 31 December 2022 of NOK 4.9 million.

11.4.3 Results of operations for the year ended 31 December 2022 compared to the year ended 31 December 2021

Table 24 and the descriptions below set forth the results of operations for the financial year ended 31 December 2022 prepared in accordance with NGAAP, compared to results of operations for the financial year ended 31 December 2021 prepared in accordance with NGAAP derived from the 2022 NGAAP Financial Statements.

Table 24 – Consolidated statement of profit or loss, NGAAP (Amounts in NOK thousands)	Year ended 31 December		
	2022 NGAAP Audited	Change in %	2021 NGAAP Unaudited
	Revenue from contracts with customers	177 073	30 %
Other revenue	1 097	986 %	101
Total revenue	178 170	30 %	136 646
Raw materials and consumables used	(35 220)	16 %	(30 340)
Employee benefits	(88 383)	42 %	(62 210)
Depreciation and amortization	(14 799)	26 %	(11 791)
Impairment	-	(100) %	1 205
Other operating expenses	(17 372)	(3) %	(17 954)
Total operating expenses	(155 775)	(29) %	(121 089)
Operating profit	22 396	44 %	15 557
Interest income	539	313 %	191
Interest expenses	(3 950)	182 %	(1 564)
Other financial income	675	153 %	270
Other financial expenses	(869)	181 %	(179)
Net financial items	(3 604)	44 %	(1 282)
Profit before tax	18 791	32 %	14 275
Income tax expense	(4 143)	22 %	(3 388)
Profit for the period	14 648	35 %	10 888

Revenue from contracts with customers

Revenue from contracts with customers for the year ended 31 December 2022 were NOK 177.1 million compared to NOK 136.5 million for the year ended 31 December 2021. The increase was primarily due to higher activity, with an increase in the number of projects for the treatment of contaminated water and cuttings handling services. The Group experienced a minor increase in international activity in 2022 compared to 2021, due to increased activity in Europe, both for the treatment of contaminated water and cuttings handling.

Other revenue

Other revenue for the year ended 31 December 2022 were NOK 1.1 million compared to NOK 0.1 million for the year ended 31 December 2021. The increase was primarily due to the sale of certain equipment to a customer in 2022, which is not deemed as part of the ordinary business.

Total operating expenses

Total operating expenses for the year ended 31 December 2022 were NOK 155.8 million compared to NOK 121.1 million for the year ended 31 December 2021. The increase was primarily due to increase in Employee benefits and Raw materials and consumables used due to increased activity. The number of employees increased to 72 as of 31 December 2022 compared to 52 as of 31 December 2021.

Other operating expenses for the year ended 31 December 2022 was mostly in line with the year ended 31 December 2021.

The increase in depreciation and amortization was a result of the addition of property, plant and equipment during 2022, primarily related to investment in equipment for the treatment of contaminated water and cuttings handling equipment.

Operating profit

The Operating profit for the year ended 31 December 2022 was NOK 22.4 million compared to NOK 15.5 as of 31 December 2021. The change in Operating profit was primarily due to the factors described above.

Net financial items

Net financial items for the period ended 31 December 2022 were NOK (3.6) million, compared to NOK (1.3) million for the year ended 31 December 2021. The change is mainly due to an increase in interest expenses due to increased amount of borrowings and increased interest rates. The Group entered into the Loan Facility in 2022 and made an initial drawing under tranche 1. Please refer to Section 11.7.5 "Financing arrangements" for more information.

Income tax expense

Income tax for the year ended December 2022 was NOK 4.1 million compared to NOK 3.3 million for the year ended 31 December 2021.

11.5 Alternative Performance Measures

Table 25, Table 26, Table 27, Table 28, Table 29, and Table 30 below set out certain APMs presented by the Group in this Prospectus. Table 25, Table 26, Table 27, Table 28, Table 29, and Table 30 below show the relevant APMs on a reconciled basis, to provide investors with an overview of the basis of calculation of such APMs.

Table 25 (Amounts in NOK thousands)	Three-month period ended 30 June		Six-month period ended 30 June		Year ended 31 December	
	2024	2023	2024	2023	2023	2022
	IAS 34	IAS 34	IAS 34	IAS 34	IFRS	IFRS
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
Cost of materials	14 648	16 324	20 314	23 780	39 696	33 499
Personnel expenses	33 136	27 830	66 558	49 853	115 990	90 104
Other operating expenses	9 865	6 250	17 426	10 473	25 442	15 857
Less:						
Onshore expenses	12 051	10 960	24 163	20 629	42 929	33 904
Share incentive program	(1 380)	(31)	(1 340)	1 096	1 500	865
Severance payment	-	-	-	-	-	5 763
Legal costs – IPO	3 518	-	3 968	-	1 542	-
Operating cost	43 460	39 475	77 507	62 380	135 157	98 928

Table 26 (Amounts in NOK thousands)	Three-month period ended 30 June		Six-month period ended 30 June		Year ended 31 December	
	2024	2023	2024	2023	2023	2022
	IAS 34	IAS 34	IAS 34	IAS 34	IFRS	IFRS
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
Cost of materials	14 648	16 324	20 314	23 780	39 696	33 499
Personnel expenses	33 136	27 830	66 558	49 853	115 990	90 104
Other operating expenses	9 865	6 250	17 426	10 473	25 442	15 857
Less:						
Operating cost	43 460	39 475	77 507	62 380	135 157	98 928
Share incentive program	(1 380)	(31)	(1 340)	1 096	1 500	865
Severance payment	-	-	-	-	-	5 763
Legal cost IPO	3 518	-	3 968	-	1 542	-
SG&A	12 051	10 955	24 163	20 625	42 929	33 904

Table 27 (Amounts in NOK thousands)	Three-month period ended 30 June		Six-month period ended 30 June		Year ended 31 December	
	2024	2023	2024	2023	2023	2022
	IAS 34	IAS 34	IAS 34	IAS 34	IFRS	IFRS
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited

	<i>Unaudited</i>	<i>Unaudited</i>	<i>Unaudited</i>	<i>Unaudited</i>	<i>Unaudited</i>	<i>Unaudited</i>
(a) Total operating income	69 688	64 470	125 715	104 877	229 279	178 170
Operating cost	(43 460)	(39 475)	(77 507)	(62 380)	(135 157)	(98 928)
(b) Gross profit	26 228	24 995	48 208	42 506	94 122	79 242
(b/a) Gross profit margin	38 %	39 %	38 %	41 %	41 %	44 %

Table 28	Three-month period ended		Six-month period ended		Year ended 31 December	
	30 June		30 June		2023	2022
	2024	2023	2024	2023	IFRS	IFRS
	<i>IAS 34</i>	<i>IAS 34</i>	<i>IAS 34</i>	<i>IAS 34</i>	<i>IFRS</i>	<i>IFRS</i>
<i>(Amounts in NOK thousands)</i>	<i>Unaudited</i>	<i>Unaudited</i>	<i>Unaudited</i>	<i>Unaudited</i>	<i>Unaudited</i>	<i>Unaudited</i>
Operating profit	6 774	9 409	11 481	12 042	40 170	22 678
Other gains	-	-	-	-	(15 000)	-
Impairment	-	-	-	-	5 050	-
Depreciation and amortization	5 265	4 662	9 936	8 744	17 930	16 032
(a) EBITDA	12 039	14 072	21 417	20 786	48 150	38 710
<i>Adjusted for:</i>						
Share incentive program	(1 380)	(31)	(1 340)	1 096	1 500	865
Severance payment	-	-	-	-	-	5 763
Legal cost – IPO	3 518	-	3 968	-	1 542	-
(b) Adjusted EBITDA	14 177	14 040	24 045	21 882	51 192	45 338
(c) Total operating income	69 688	64 470	125 715	104 887	229 279	178 170
(a/c) EBITDA margin	17 %	22 %	17 %	20 %	21 %	22 %
(b/c) Adjusted EBITDA Margin	20 %	22 %	19 %	21 %	22 %	25 %

Table 29	As at 30 June		As at 31 December	
	2024		2023	2022
	<i>IAS 34</i>		<i>IFRS</i>	<i>IFRS</i>
	<i>Unaudited</i>		<i>Unaudited</i>	<i>Unaudited</i>
<i>(Amounts in NOK thousands)</i>				
Non-current Borrowings		94 822	68 913	38 892
Non-current Lease liabilities		61 168	41 847	16 742
Current Borrowings		23 298	16 860	13 325
Current Lease liabilities		12 676	10 409	8 820
Cash and cash equivalents		(25 477)	(26 783)	(38 832)
Net interest-bearing debt		166 487	111 246	38 947

Table 30	As at 30 June		As at 31 December	
	2024		2023	2022
	<i>IAS 34</i>		<i>IFRS</i>	<i>IFRS</i>
	<i>Unaudited</i>		<i>Unaudited</i>	<i>Unaudited</i>
<i>(Amounts in NOK thousands)</i>				
(a) Total equity		175 890	170 565	142 460
(b) Total assets		411 914	350 681	269 818
(a/b) Equity ratio		43 %	49 %	53 %

See Section 4.2.4 "Alternative performance measures" above for a further description of the APMs presented below.

11.6 Financial position

11.6.1 Financial position as of 30 June 2024 compared to 31 December 2023

Table 31 and the descriptions below set forth the financial position as of 30 June 2024 prepared in accordance with IAS 34, compared to the financial position as of 31 December 2023 prepared in accordance with IFRS derived from the Interim Financial Statements.

Table 31 – Compare financial position 30 June 2024 vs 31 December 2023 (Amounts in NOK thousands)	As at 30 June		As at 31 December	
	2024	Change in %	2023	Audited
	IAS 34 Unaudited		IFRS	
ASSETS				
Total non-current assets	311 844	18%	265 234	
Total current assets	100 070	17%	85 447	
TOTAL ASSETS	411 914	17%	350 681	
EQUITY AND LIABILITIES				
Total equity	175 890	3%	170 565	
Total non-current liabilities	156 606	41%	111 429	
Total current liabilities	79 417	16%	68 687	
Total liabilities	236 023	31%	180 116	
TOTAL EQUITY AND LIABILITIES	411 914	17%	350 681	

Total non-current assets

As of 30 June 2024, the Group's total non-current assets were NOK 311.8 million compared to NOK 265.2 as of 31 December 2023. The increase was primarily due to additions of property, plant and equipment and right-of-use assets. The additions were related to slop treatment equipment, cuttings handling equipment and other waste management equipment.

Total current assets

As of 30 June 2024, the Group's total current assets were 100.1 million compared to NOK 85.4 million as of 31 December 2023. The increase was primarily due to an increase in trade receivables of NOK 12.6 million mainly due to increased operating activity.

Total equity

As of 30 June 2024, the Group's total equity was NOK 175.9 million compared to NOK 170.6 million as of 31 December 2023. The increase was primarily due to profit for the period of NOK 4.7 million. Please refer to discussions in section 11.4.1 "Results of operations for the six-month period ended 30 June 2024 compared to 31 December 2023" for more information.

Non-current liabilities

As of 30 June 2024, total non-current liabilities were NOK 156.6 million compared to NOK 111.4 million as of 31 December 2023. The increase is primarily due to proceeds from borrowings of NOK 39.7 million as part of the financing of the investments in the Group's property, plant and equipment. In addition, the Group experienced an increase in lease liabilities of NOK 29.1 million related to new lease agreements. The increase in borrowings was partly offset by repayments on borrowings of NOK 8.1 million and the increase in lease liabilities was partly offset by lease payments of NOK 7.5 million.

Current liabilities

As of 30 June 2024, total current liabilities were NOK 79.4 million compared to NOK 68.7 million as of 31 December 2023. The increase is primarily due to increase in trade payables of NOK 7 million due to increased operational activity and increase in current portion of borrowings of NOK 6.4 million as a result of increased draw up on the borrowing facility with Rogaland Sparebank. The increase is partly offset by decrease in other current liabilities of NOK 5.1 million.

11.6.2 Financial position as of 31 December 2023 compared to 31 December 2022

Table 32 and the descriptions below set forth the financial position as of 31 December 2023 prepared in accordance with IFRS, compared to the financial position as of 31 December 2022 prepared in accordance with IFRS derived from the IFRS Financial Statements.

Table 32 – Compare financial position 2024 vs 2023 (Amounts in NOK thousands)	As at 31 December	
	2023	2022
	IFRS Audited	IFRS Unaudited
Assets:		
	Change in %	

Table 32 – Compare financial position 2024 vs 2023 (Amounts in NOK thousands)	As at 31 December		
	2023	Change in %	2022
	IFRS Audited		IFRS Unaudited
Total non-current assets	265 234	37%	193 457
Total current assets	85 447	12%	76 362
Total assets	350 681	30%	269 818
Equity and liabilities			
Total equity	170 565	20%	142 460
Total non-current liabilities	111 429	56%	71 430
Total current liabilities	68 687	23%	55 929
Total liabilities	180 116	41%	127 359
Total equity and liabilities	350 681	30 %	269 818

Total non-current assets

As of 31 December 2023, the Group's total non-current assets were NOK 265.2 million compared to NOK 193.5 million as of 31 December 2022. The increase was primarily due to additions of property, plant and equipment and right-of-use assets of NOK 63.8 million and NOK 36.3 million respectively. The additions were related to slop treatment equipment, cuttings handling equipment and other waste management equipment. The additions were partly offset by depreciation of property, plant and equipment and right of use assets of NOK 12.0 million and NOK 5.8 million respectively. In addition, the Group made an impairment of goodwill of NOK 5.0 million related to Sorbwater.

Total current assets

As of 31 December 2023, the Group's total current assets were NOK 85.5 million compared to NOK 76.4 million as of 31 December 2022. The increase was primarily due to an increase in trade receivables of NOK 14.9 million mainly due to increase in operating activity and minor delays in payments which were settled in 2024. In addition, other current assets increased by NOK 6.3 million primarily due to an increase in accrued mobilization cost to fulfill a customer contract of NOK 4.0 million and a tax refund related to research and development on various projects of NOK 1.9 million. The increase was offset by a decrease in cash of NOK 12.0 million, refer to section 11.8.3 for more information.

Total equity

As of 31 December 2023, the Group's total equity was NOK 170.6 million compared to NOK 142.5 million as of 31 December 2022. The increase was primarily related to profit for the period of NOK 27.4 million. Please refer to discussion in section 11.5.2 for more information.

Non-current liabilities

As of 31 December 2023, Total non-current liabilities were NOK 111.4 million compared to NOK 71.4 million as of 31 December 2022. The increase was primarily due to increase in borrowings of NOK 45.6 million as part of the financing of the investments in the Group's property, plant and equipment. In addition, the Group experienced an increase in lease liabilities of NOK 36.3 million related to new lease agreements of slop treatment equipment and office space. The increase in borrowings was partly offset by repayments on borrowings of NOK 13.2 million and the increase in lease liabilities was partly offset by lease payments of NOK 13.5 million. Furthermore, Other non-current liabilities decreased by NOK 15 million, due to a reversal of contingent consideration of NOK 15 million being recognized as part of the consideration when acquiring Sorbwater. The expected synergies from Sorbwater's patented biodegradable chemicals were delayed and it was uncertain whether certain thresholds under the share purchase agreement would be met, and consequently, this contingent consideration were reversed and recognized as other gains in 2023.

Current liabilities

As of 31 December 2023, total current liabilities were NOK 68.7 million compared to NOK 55.9 million as of 31 December 2022. The increase was primarily due to increase in trade payables and other current liability mainly due to increased operational activity.

11.6.3 Financial position as of 31 December 2022 compared to 31 December 2021

Table 33 and the descriptions below set forth the financial position as of 31 December 2022 prepared in accordance with NGAAP, compared to the financial position as of 31 December 2021 prepared in accordance with NGAAP derived from the 2022 NGAAP Financial Statements.

Table 33 – Compare financial position 2024 vs 2023	As at 31 December		
	2022	Change in %	2021
	NGAAP Audited		NGAAP Audited
(Amounts in NOK thousands)			
Assets:			
Total non-current assets	200 132	62%	123 231
Total current assets	76 362	(15)%	89 613
Total assets	276 492	30%	212 844
Equity and liabilities			
Total equity	142 953	26%	113 249
Total non-current liabilities	79 876	96%	40 161
Total current liabilities	52 868	(10)%	52 483
Total liabilities	133 539	34%	99 594
Total equity and liabilities	276 492	30 %	212 844

Total non-current assets

As of 31 December 2022, the Group's total non-current assets were NOK 200.1 million compared to NOK 123.2 million as of 31 December 2021. The increase was primarily due to additions of property, plant and equipment and newbuilds of NOK 29.6 million and NOK 19.7 million respectively. The additions were related to slop treatment equipment, cuttings handling equipment and other waste management equipment. The additions were partly offset by depreciation of property, plant and equipment of NOK 10.9 million. In connection with the acquisition of Sorbwater in 2022, the Group recognized property, plant and equipment of NOK 3.2 million, deferred tax assets of NOK 25.3 million (which is recognized net of deferred tax liability) and goodwill of NOK 5.3 million as of the transaction date.

Total current assets

As of 31 December 2022, total current assets were 76.4 million compared NOK 89.6 million as of 31 December 2021. The decrease was primarily due to decrease in Trade receivables of NOK 6.6 million that relate mainly to delay of payments related to 2021 which was settled in 2022 and a decrease in Other current assets of NOK 6.4 million was related to a prepayment in 2021.

Total equity

As of 31 December 2022, the Group's total equity was NOK 143.0 million compared to NOK 113.2 million as of 31 December 2021. The increase is due to the issuance of consideration shares related to the acquisition of Sorbwater of NOK 15.1 million and the profit for the year of NOK 14.6 million (Please refer to discussion in section 11.5.3 for more information).

Non-current liabilities

As of 31 December 2022, Total non-current liabilities were NOK 79.8 million compared to NOK 40.2 million as of 31 December 2021. The increase is primarily due to increase in borrowings of NOK 25.3 million as part of the financing of investments in the Group's property, plant and equipment which was partly offset by repayment of borrowings of NOK 10.4 million. In addition, the Group recognized a non-current liability related to the contingent consideration of NOK 15.0 million as part of the acquisition of Sorbwater.

Current liabilities

As of 31 December 2022, the Group's total current liabilities were mostly in line with as of 31 December 2021 with NOK 52.9 million and NOK 52.5 million respectively.

11.7 Liquidity and capital resources

11.7.1 Sources of liquidity

The Group manages its financing structure and cash flow requirements in response to the Group's strategy and objectives, deploying financial and other resources related to those objectives. The Group's main sources of liquidity are through borrowings, cash and cash equivalents and revenues from operating activities. As of 31 August 2024, the Group has NOK 30.2 million in cash or cash equivalents whereas NOK 6.8 million is restricted and NOK 39.6 million unused on its loan facility with Rogaland Sparebank (the "**Loan Facility**"). The cash and cash equivalents are primarily held in NOK, USD and GBP. Under the Loan Facility, any group contribution or dividend payment requires approval from Rogaland Sparebank. The Group's liquidity requirements arise primarily from the requirement to fund operating expenses, working capital, capital expenditures and to service debt.

As of 30 June 2024, the Group's Net interest-bearing debt was NOK 166.5 million. Please see Section 4.2.4 "*Alternative Performance Measures*" for a description of the Company's net interest-bearing debt.

The Group's ability to generate cash from operations depends on its future operating performance, which is in turn dependent on general macroeconomic, financial, competitive and market regulatory conditions, many of which are

beyond the Group's control, as well as other factors described in Section 2 "Risk Factors" and Section 11.1 "Key factors affecting the Group's results of operations and financial performance" above.

11.7.2 Cash flow for the six-month period ended 30 June 2024 compared to the same period ended 2023

Table 34 and the descriptions below set forth the cash flows for the six-month period ended 30 June 2024 prepared in accordance with IAS 34, compared to the cash flows for the six-month period ended 30 June 2023 prepared in accordance with IAS 34, derived from the Interim Financial Statements.

Table 34 (Amounts in NOK thousands)	Six-month period ended 30 June	
	2024	2023
	IAS 34 Unaudited	IAS 34 Unaudited
Net cash flow from operating activities	7 221	5 128
Net cash flow from investing activities	(27 508)	(28 754)
Net cash flow from financing activities	18 981	204
NET CASH FLOW FOR THE PERIOD	(1 306)	(23 422)
Cash and Cash equivalents 30.06	25 477	15 410

Cash flow from operating activities

Net cash flows from operating activities increased by NOK 2.1 million, to an inflow of NOK 7.2 million for the six-month period ended 30 June 2024 from an inflow of 5.1 million for the six-month period ended 30 June 2023. The increase in operating cash flow is mainly due to favourable movements in the working capital as the Group experienced some delays in payments of trade receivables from year end 2023 which was settled in early 2024.

Cash flow from investing activities

Net cash flows from investing activities decreased by NOK 1.2 million, to an outflow of NOK 27.5 million for the six-month period ended 30 June 2024 from an outflow of NOK 28.8 million for the six-month period ended 30 June 2023. There is no material change. Please see Section 11.9.1 "Historical investments for more information".

Cash flow from financing activities

Net cash flows from financing activities increased by NOK 18.7 million, to an inflow of NOK 19.0 million for the six-month period ended 30 June 2024 from an outflow of NOK 0.2 million for the six-month period ended 30 June 2023. The increase in cash flow from financing activities is mainly due to proceeds from borrowings for the purposes of the Group as part of the financing of investments in cuttings handling equipment, equipment for the treatment of contaminated water and equipment for cleaning services. The increase is partly offset by repayments on borrowings and lease liabilities.

11.7.3 Cash flow for the year ended 31 December 2023 compared to the year ended 31 December 2022

Table 35 and the descriptions below set forth the cash flows for the financial year ended 31 December 2023 prepared in accordance with IFRS, compared to the cash flows for the financial year ended 31 December 2022 prepared in accordance with IFRS, derived from the IFRS Financial Statements.

Table 35 (Amounts in NOK thousands)	Year ended 31 December	
	2023	2022
	IFRS Audited	IFRS Unaudited
Net cash flow from operating activities	36 748	45 716
Net cash flow from investing activities	(64 028)	(49 117)
Net cash flow from financing activities	15 231	3 019
NET CASH FLOW FOR THE PERIOD	(12 049)	(400)
Cash and Cash equivalents 31.12	26 783	38 832

Cash flow from operating activities

Net cash flows from operating activities decreased by NOK 9.0 million, to an inflow of NOK 36.7 million for the year ended 31 December 2023 from an inflow of NOK 45.7 million for the year ended 31 December 2022. The decrease in operating cashflow is mainly due to some delays in payments from trade receivables which were settled in early 2024.

Cash flow from investing activities

Net cash flows from investing activities increased by NOK 14.9 million, to an outflow of NOK 64.0 million for the year ended 31 December 2023 from an outflow of NOK 49.1 million for the year ended 31 December 2022. The increase in investing activities is mainly due to increased investments in cuttings handling equipment, equipment for the treatment of contaminated water and equipment for cleaning services. Please see Section 11.10.1 Historical investments for more information.

Cash flow from financing activities

Net cash flows from financing activities increased by NOK 12.2 million, to an inflow of NOK 15.2 million for the year ended 31 December 2023 from an inflow of NOK 3.0 million for the year ended 31 December 2022. The increase in cash flow from financing activities is mainly due to proceeds from borrowings for the purposes of the Group as part of the financing of investments in cuttings handling equipment, equipment for the treatment of contaminated water and equipment for cleaning services.

11.7.4 *Cash flow for the year ended 31 December 2022 compared to the year ended 31 December 2021*

Table 36 and the descriptions below set forth the cash flows for the financial year ended 31 December 2022 prepared in accordance with NGAAP, compared to the cash flows for the financial year ended 31 December 2021 prepared in accordance with NGAAP, derived from the 2022 NGAAP Financial Statements.

Table 36 (Amounts in NOK thousands)	Year ended 31 December	
	2022 NGAAP Audited	2021 NGAAP Unaudited
Net cash flow from operating activities	43 974	12 599
Net cash flow from investing activities	(49 117)	(24 440)
Net cash flow from financing activities	4 761	10 375
NET CASH FLOW FOR THE PERIOD	(401)	(1 465)
Cash and Cash equivalents 31.12	38 832	39 232

Cash flow from operating activities

Net cash flows from operating activities increased by NOK 34.4 million, to an inflow of NOK 44.0 million for the year ended 31 December 2022 from an inflow of NOK 12.6 million for the year ended 31 December 2021. The increase in operating cashflow is primarily due to increased operating activity and minor delays in payments from trade receivables for 2021 that was settled in early 2022.

Cash flow from investing activities

Net cash flows from investing activities increased by NOK 24.7 million, to an outflow of NOK 49.1 million for the year ended 31 December 2022 from an outflow of NOK 24.4 million for the year ended 31 December 2021. The increase in investing activities is mainly due to increased investments in cuttings handling equipment, equipment for the treatment of contaminated water and equipment for cleaning services. Please see Section 11.9.1 "Historical investments" for more information.

Cash flow from financing activities

Net cash flows from financing activities decreased by NOK 5.6 million, to an inflow of NOK 4.8 million for the year ended 31 December 2022 from an inflow of NOK 10.4 million for the year ended 31 December 2021. The decrease in financing activities is primarily due to proceeds from issue of shares of NOK 9.4 million in 2021. In addition, the Group experienced increased interest payments and repayments of borrowings and lease liabilities in 2022. The increased cash outflow was offset by increased proceeds from borrowings in 2022 for the purposes of the Group as part of the financing of investments in cuttings handling equipment, equipment for the treatment of contaminated water and equipment for cleaning services.

11.7.5 *Financing arrangements*

The Group's financing agreements consist of the Loan Facility with Rogaland Sparebank, a loan with Innovasjon Norge, financial lease agreements with Sparebank1 SR-Bank, and a financial lease agreement with Nordea Finance Equipment. Further information regarding said financing arrangements have been included below.

The Loan Facility

The Loan Facility carries a floating interest of 3 months Norwegian Inter-Bank Borrowing Rate (NIBOR) plus a margin of 2.5% per annum.

The Loan Facility consist of three tranches: (i) NOK 75 million in 2022, (ii) NOK 73 million in 2023 and (iii) NOK 30 million in 2024. Each tranche of the Loan Facility has a maturity of 7 years with amortization over the loan period. As of 30 June 2024, the unused portion of the Loan Facility was NOK 45.6 million. The Group is not able to draw up tranches which are already utilized and paid.

The Loan Facility includes the following covenants that shall be tested at the end of each quarter:

- Net-interest bearing debt (NIBD)/Earnings before interest taxes, depreciation and amortization (EBITDA) 12 month rolling < 4²¹
- Book equity > 30 %
- Approval from the bank in the event of dividends/group contributions
- Approval from the bank in the event of sale of assets financed by the bank

The Group was not in breach of any of the above covenants as of 30 June 2024.

Loan with Innovasjon Norge

The loan with Innovasjon Norge carries a fixed interest rate of 7,7% p.a. and mature in full in 2025. As of 30 June 2024, NOK 2 583 thousand was outstanding under this loan.

The loan agreement regulating the loan with Innovasjon Norge contains a change of control clause, but the Company has received a written waiver stating that Soiltech may complete the Merger and Listing without triggering any rights to full redemption of the loan with Innovasjon Norge. The Loan Facility and the loan with Innovasjon Norge is subject certain cross-default clauses through an intercreditor agreement, but considering the aforementioned waiver, no cross default will thereto be triggered in relation to the Listing and Merger.

Financial lease with SpareBank 1 SR-Bank

The financial lease agreements with Sparebank1 SR-Bank totalled NOK 53 769 thousand as of 30 June 2024. The agreements carry floating interest rates of 3 months NIBOR+3.25% - 3.55%, with a term of 5–7 years, maturing in 2027-2031.

Financial lease with Nordea Finance Equipment

The financial lease agreement with Nordea Finance Equipment amounted to 2 219 thousand as of 30 June 2024. The agreement carries a floating interest rate of 3 months NIBOR+2.5%, with a term of 5–7 years, maturing in 2027-2031.

Table 37 below sets forth the Group's significant interest-bearing loans as of 30 June 2024:

Table 37 (Amounts in NOK thousands)	Outstanding amount as of 30 June 2024
Interest-bearing loans	
Innovasjon Norge	2 583
Rogaland Sparebank	115 537
Total interest-bearing loans	118 120

The maturity profile in Table 38 below shows contractual maturities of the main borrowings of the Group as of 30 June 2024:

²¹ Reported on a NGAAP-basis and thus deviates from the Company's APM Net interest-bearing debt

Table 38 (Amounts in NOK thousands)	Estimated payment profile			
	Next year	1-2 years	2-5 years	More than 5 years
Innovasjon Norge	2 763	-	-	-
Rogaland Sparebank	26 211	24 833	66 235	20 568
Lease liabilities	18 067	18 050	36 861	23 478
Total	47 041	42 883	103 096	44 046

For loans with floating interest rates, future amounts are estimated using prevailing interest rate at the balance sheet date.

11.8 Financial risk and capital management

For a description of the Group's management of credit, liquidity, interest rate and foreign exchange risk, see Note 18 of the IFRS Financial Statements, included as Appendix C to this prospectus.

11.9 Investments

11.9.1 Historical investments

An overview over the Group's investments in the jurisdictions it operates for the years indicated below (up to the date of this Prospectus) is set out in Table 39 below. Figures are in NOK thousands.

Table 39 (Amounts in NOK thousands)	Historical investments			
	YTD 2024 ^(a)	2023 ^(b)	2022 ^(c)	2021 ^(d)
Acquisition of Sorbwater Technology AS	-	-	30 000 ¹	-
Total acquisitions	-	-	30 000	-
Water treatment equipment	2 733	8 568	20 655	6 941
Cuttings handling equipment	19 237	46 713	23 890	13 536
Cleaning equipment	709	4 005	438	265
Associated equipment	4 829	4 742	4 917	3 698
Purchase of property, plant and equipment	27 508	64 028	49 900	24 440
Total	27 508	64 028	79 900	24 440

1) The acquisition of Sorbwater Technology AS did not have any cash outflow effect

(a) YTD 2024: The Group's investments consist mainly of payments related to cuttings handling equipment and a remote-control system which was ordered in 2023. The Group also invested in spare equipment for its slop treatment technology.

(b) 2023: In 2023, the Group ordered cuttings handling tanks, blowers and other cuttings handling equipment. The Group made its first investment in a remote-control system for remote control of cuttings handling concerning operations offshore. Also, the Group equipment for treatment of contaminated water

(c) 2022: The Group invested in various cuttings handling, tanks, cuttings skips, blowers and other cuttings handling equipment. Also, equipment for treatment of contaminated water were ordered. On 2 September 2022, the Group acquired 100% of the shares in Sorbwater. The total consideration was NOK 30 million out of which NOK 15 million consisted of share consideration and NOK 15 million in contingent consideration. In 2023, the Group assessed that the thresholds for the contingent consideration are uncertain to be met and the contingent consideration has been reversed and recognized as other gain. As part of the transaction, the Group recognized goodwill of NOK 5.1 million.

(d) 2021: On a general level this is the first year the Group starts investing in cuttings-handling equipment. Cuttings handling tanks (MDT) were ordered, this is used for intermediate storage of drilling waste. This investment constitutes an important part of Soiltech's strategy to expand delivery to existing clients. Cutting skips were ordered together with several blowers and other cuttings-handling equipment. In addition, equipment for treatment of contaminated water were ordered

11.9.2 Investments in progress or for which firm commitments have been made

As at the date of this Prospectus, the Group has no material investments in progress or for which firm commitments have been made.

11.9.3 *Joint venture and undertakings*

As of the date of the Prospectus, the Group does not hold any investments in any joint ventures or undertakings.

11.10 Financing, contractual cash obligations and other commitments

Please refer to Section 11.7.5 "*Financing arrangements*" for a description of the Group's financing arrangements.

The Group has no other significant cash obligations or other similar commitments.

11.11 Related party transactions

The Group's related parties include the related parties to the Company and its subsidiaries, as well as to the members of the Board of Directors, and the members of Management. Related parties also include companies in which the individuals mentioned in this paragraph have significant influence.

Other than with the members of the Board of Directors and the members of Management, the Group does not have any other related party transaction during the period covered by the historical financial information.

11.12 Trend information

The Group has experienced growth both in Norway and internationally for the last three years. Further growth is expected in Norway through offering increased technology scope to existing and new clients. International growth in both new and existing geographic areas is expected to continue, as the Management observe more and more countries tightening existing regulations relating to, inter alia, the amount of oil allowed to be discharged into the sea, serving as potential growth opportunities for the Group's STT as well as the other technologies.

Other than the stated above, the Group is not aware of any recent significant changes in the trends related to production, sales or inventory, costs or selling prices in the period between 31 December 2023 and the date of this Prospectus. Nor is the Group aware of any significant changes to the Group's financial performance in the period between 30 June 2024 and the date of this Prospectus.

11.13 Significant changes in the issuer's financial position

Other than with respect to the Merger as further described in Section 4.3 "*The Merger*", there has been no significant change in the Group's financial position which has occurred since 30 June 2024 to the date of this Prospectus.

11.14 Environmental issues affecting the Group's utilization of the tangible fixed assets

Other than as set out in Section 7.3.2 "*Permits and licenses needed for the Group's operations*", and as of the date of this Prospectus, the Company is not aware of any environmental issues that may have an effect on the utilization of any of the existing tangible fixed assets. Please refer to note 19 in the IFRS Financial Statement, included as Appendix C to this prospectus, for information regarding climate risk.

12 BOARD OF DIRECTORS, MANAGEMENT, EMPLOYEES AND CORPORATE GOVERNANCE

12.1 Introduction

The Company's highest decision-making authority is the general meeting of shareholders. All shareholders in the Company are entitled to attend or be presented by proxy and vote at general meetings of the Company and to table draft resolutions for items to be included on the agenda for a general meeting.

The overall management of the Company is vested in the Company's Board of Directors and the Management. In accordance with Norwegian law, the Board of Directors is responsible for, among other things, supervising the general and day-to-day management of the Company's business ensuring proper organization, preparing plans and budgets for its activities, ensuring that the Company's activities, accounts and assets management are subject to adequate controls and undertaking investigations necessary to perform its duties.

The Management is responsible for the day-to-day management of the Company's operations in accordance with Norwegian law and instructions set out by the Board of Directors. Among other responsibilities, the Company's CEO, is responsible for keeping the Company's accounts in accordance with prevailing Norwegian legislation and regulations and for managing the Company's assets in a responsible manner.

12.2 Board of Directors

12.2.1 Overview

The Company's Articles of Association provide that the Board of Directors shall consist of between 3 to 7 board members elected by the Company's shareholders. Please find details regarding the members of the Board of Directors in Table 40 below:

Name	Position	Served since	Term expires	Shares	Options
Gunnar Winther Eliassen	Chair	Dec. 2023	Dec. 2025	0	150 000
Mona Hodne Steensland Freuchen*	Board Member	Sept. 2024	Sept. 2026	541 380**	0
Eirik Flatebø	Board Member	Nov. 2015	Apr. 2025	230 961***	75 000
Olaf Skrivervik	Board Member	Nov. 2012	Apr. 2025	5 000	10 000
Karin Govaert****	Board Member	Sept. 2024	Sept. 2026	70 000*****	0
Glenn Åsland*****	Board Member	Nov. 2011	Sept. 2024	742,730***** **	86,130***** *

* With effect from completion of the Merger

**Indirectly through ownership in Skagenkaien Investering AS

***Directly and indirectly through Pima AS and Pharos Invest I AS.

**** With effect from completion of the Merger

***** The shares listed is owned by Rivermaas B.V., who in turn is ultimately owned 50% by Karin Govaert.

***** Upon completion of the Merger, Mr. Åsland will cease to be a Board Member

***** Shares and options held through Wellex AS, an investment company controlled by Mr. Glenn Åsland.

The Company's registered office at Koppholen 25, 4313 Sandnes, Norway, serves as the business address for the members of the Board of Directors in relation to their positions in the Company.

12.2.2 Brief biographies of the Board of Directors

The following sets out a brief introduction to each of the members of the Board of Directors set out in Table 40 above:

Gunnar Winther Eliassen – Chair

Mr. Eliassen has served as Chair of the Board of Directors of the Company since December 2023. From 2016 to 2023 Mr Eliassen served as an Investment Director with Seatankers Services (UK) LLP where he was responsible for overseeing and managing various public and private investments. Mr. Eliassen has also previously served as director of Valaris Ltd and KLX Energy Services. Mr. Eliassen has served as the Chief Executive Officer of ST Energy Transition I Ltd. (NYSE: STET), a special purpose acquisition company targeting energy transition and clean energy technology, until 2023. Prior experience also includes Director of Seadrill Ltd, Seadrill Partners Ltd, Northern Drilling Ltd, Quintana Energy Services Inc, Deep Sea Metro Ltd as well as CEO of Northern Drilling Ltd. Prior to joining Seatankers, Mr. Eliassen was a Partner at Pareto Securities in New York.

Mr. Eliassen holds a Master of Science from Norwegian School of Economics.

Current other directorships and management positions	Directorships: Prosafe SE, Deputy Chair Scana ASA, Chair KLX Energy Services, Director Vantage Drilling Ltd, Director Venture Offshore Holdings Ltd, Chair Management position(s): SNC Winther Holdings Ltd, Founder and Chair
Previous directorships and management positions held during the last five years	Directorships: Noram Drilling, Director Seadrill Partners Ltd, Director Seadrill Ltd, Director Northern Drilling Ltd, Director Quintana Energy Services, Director Management position(s): ST Energy Transition, CEO

Mona Hodne Steensland Freuchen – Board Member

Ms. Hodne Steensland Freuchen has been CEO and Chair of Skagenkaien Holding since 2019. She previously worked in Clarkson Platou as controller from 2015 to 2019. She has previous experience from Clarkson Norway and Boxtan Maritime AS.

Current other directorships and management positions	Directorships: Retail Office Stavanger AS, Director Skagenkaien Holding AS, Director Skagenkaien Investering AS, Director Skaenkaien Eiendom AS, Director Nøtterøy Helsesenter AS, Director Sørregaten 9 ANS, Director Tasta Brygge AS, Director Skagenkaien Finans AS, Director Olavskleivå DA, Director Nedre Standgate AS, Director Næringslivets Hus ANS, Director Nedre Strand Gate 33 ANS, Director
Previous directorships and management positions held during the last five years	Management position(s): Skagenkaien Investering AS, CEO Nøtterøy Helsesenter AS, CEO Sørregaten 9 ANS, CEO Directorships: MPS Bilskade Haugesund AS Management position(s): Skagenkaien Finans AS, CEO]

Eirik Flatebø – Board Member

Mr. Flatebø has 15 years of experience from equity sales at Pareto Securities. Founding partner at Pharos advisors investing in early growth companies, with more than 20 years of experience from the finance industry. His combined strategic, financial and industry experience facilitates value creation.

Current other directorships and management positions	Directorships: Greenphones AS, Chair Rørvik Eiendomsutvikling AS, Chair Pharos Invest i AS, Chair Skjell Invest AS, Chair Pharos Group AS, Chair Pharos Forvaltning AS, Chair Pharos Advisors AS, Chair Forte Fondsforvaltning AS, Chair Green Transition Holding AS, Chair Pima AS, Chair Norwegian Rig AS, Chair Aitos Gasification Technology AS, Director Ocean-Power AS, Director Carbon Circle Holding AS, Director Management position(s): N/A
Previous directorships and management positions held during the last five years	Directorships: Esgian AS, Director

Management position(s):
N/A

Olaf Skrivervik – Board Member

Mr. Skrivervik has 40 years of experience from the oil and gas industry. His previous experience includes 20 years as operation and rig manager for Transocean, establishment of Songa Offshore's offices in Stavanger and the role as country manager for Songa Offshore in Norway and UK.

Current other directorships and management positions	Directorships: N/A Management position(s): N/A
Previous directorships and management positions held during the last five years	Directorships: Norwegian Rig Company AS, Director Management position(s): N/A

Karin Govaert – Board Member

Ms. Govaert is a sector specialist with over 25 years of experience in the maritime and logistics sector. She is CEO and founder of Rivermaas, an investment firm in the maritime industry. She is board member of Samskip (NL), Marlow (CY) and a previous board member of Oceanteam.

Current other directorships and management positions	Directorships: Oceanteam, Director Management position(s): Rivermaas B.V., CEO Management position(s): N/A
Previous directorships and management positions held during the last five years	Directorships: N/A Management position(s): N/A

Glenn Åsland – Board Member

See Mr. Åsland's biography in Section 12.3.2 "Biographies of the members of Management" below.

12.2.3 Remuneration of the Board of Directors

The Board of Directors receive remuneration for the period between each annual general meeting of the Company, normally April to April for each period. In this period, the current Chair of the Board, Gunnar Winther Eliassen, who was appointed by the annual general meeting on 20 December 2023, received a cash remuneration of NOK 75,000. In the same period (i.e. from April 2023 to April 2024), current board members Eirik Flatebø and Olaf Skrivervik each received a remuneration of NOK 100,000.

12.3 Management

12.3.1 Overview

The Management of the Company consists of 3 individuals. Please find details regarding the Management, as at the date of this Prospectus, in Table 41 below:

Name	Position	Employed since	Shares	Options
Jan Erik Tveteraas	Chief executive officer ("CEO")	2012	700,325*	147,440
Glenn Åsland	Chief operating officer ("COO")	2012	742,730**	86,130**
Tove Vestlie	Chief financial officer ("CFO")	2022	18 000	100,000

* Shares held through Knatten I AS, an investment company controlled by Mr. Jan Erik Tveteraas.
** Shares and options held through Wellex AS, an investment company controlled by Mr. Glenn Åsland.

The Company's registered office, at Koppholen 25, 4313 Sandnes, Norway, serves as the business address for the members of the Management in relation to their positions in the Company.

12.3.2 Biographies of the members of Management

The following sets out a brief introduction to each of the members of the Management:

Jan Erik Tveteraas – CEO

Mr. Tveteraas is the CEO of the Company with around 40 years of experience from the oil & gas industry, including his strong experience within the drilling sector. He is a co-founder of Soiltech. His previous experience includes the role as CEO and co-founder of Sevan Marine ASA (now known as Magnora ASA), CEO and co-founder of Sevan Drilling ASA, CFO of Navis ASA and CFO at Transocean Drilling AS.

He holds a Master of Business Administration from the Norwegian School of Economics (NHH).

Current other directorships and management positions	Directorships: Soiltech Offshore Services AS, Chair Sorwater Technology AS, Chair Knatten I AS, Chair Norwegian Rig AS, Chair Coinsensus AS, Chair Ocean-Power AS, Chair Carbon Circle Holding AS, Director Management position(s): N/A
Previous directorships and management positions held during the last five years	Directorships: Soiltech AS, Chair Andraste AS, Chair Norwegian Rig Company AS, Chair Thorstvedt Industriservice AS, Director Management position(s): N/A

Glenn Åsland – COO

Mr. Åsland has 25 years of experience from the oil & gas industry and holds the role as chief operating officer (COO) of the Company. He is a co-founder of Soiltech. He has previously held the role as VP of sales & operations of the Company. Other previous experience includes operation manager at Baker Hughes within waste management, assistant rig manager at Dolphin Drilling, vice president at SAR AS, project manager at MI Swaco.

He is an educated electrician and chemical process technician.

Current other directorships and management positions	Directorships: N/A Management position(s): N/A
Previous directorships and management positions held during the last five years	Directorships: N/A Management position(s): N/A

Tove Vestlie – CFO

Ms. Vestlie has the role as CFO of the Company. Her previous experience includes more 6 years from auditing in Ernst and Young (EY) and 11 years from the oil and gas industry after that. Other previous experience includes the role as senior associate in Ernst and Young (EY), accounting and tax manager in Seadrill ASA/North Atlantic AS, accounting and tax manager in LOTOS E&P Norge AS.

Tove holds a Master of Finance from the Norwegian School of Economics (NHH).

Current other directorships and management positions	Directorships: Henriksen Oljetransport AS, Director Management position(s): Soiltech Offshore Services AS, CEO Sorwater, CEO
Previous directorships and management positions held during the last five years	Directorships: N/A Management position(s): N/A

12.3.3 Remuneration of the Management

Table 42 below sets forth the amount of remuneration paid by the Company to its Management for the financial year ended 31 December 2023.

Table 42 – Remuneration of the Management						
<i>(In NOK thousands)</i>						
Name and position	Position	Salary	Benefits in kind	Bonus	Pensions costs	Total remuneration
Jan Erik Tveteraas	CEO	2,131	162	-	93	2,386
Glenn Åsland	COO	2,119	162	-	93	2,374
Tove Vestlie	CFO	1,340	142	-	93	1,575

12.4 Employees

The Group had 125 direct employees as of 31 December 2023.

Table 43 below shows the development in the number of employees in the Group for the years ended 31 December 2023, 2022, and 2021. The Company does not report on full-time employees by category of activity.

Table 43 – Employees	As at 31 December 2023	As at 31 December 2022	As at 31 December 2021
Group	125	94	52

Table 44 below shows the number of full-time employees of the Group by geographic location.

Table 44 - Geographic location	As at 31 December 2023	As at 31 December 2022	As at 31 December 2021
Norway	106	81	42
UK	13	7	4
Other	6	6	6
Total	125	94	52

12.5 Share incentive programs

The Company has implemented a share option plan for employees and board members. The share option plan is regarded as equity settled share-based payments and the purpose of such share option plan is to attract and retain key personnel.

On 20 April 2023, a general meeting of the Company authorised the Board to issue up to 172 260 share options as a part of a long-term incentive plan and on 20 December 2023 an extraordinary general meeting of the Company authorised the Board to issue up to 1 350 000 share options as a part of the long-term incentive scheme, in total 1 522 260 share options. The strike price of the options shall be the market price at the time of award. The vesting requires continued employment or association with the Company. A total number of 1 434 700 share options have been granted under the incentive plan, and 1/3 of such options will vest each year over a total vesting period of 3 years. Each option will, when exercised, give the right to receive one share in the Company with a variable strike price depending on the date of grant. Options granted under the share option program will expire five years after the grant date. However, on 30 March 2020 a general meeting of the Company extended the expiry date for options granted prior to the date of said general meeting with six years from the date of the general meeting, until 30 March 2026. In the hypothetical event that all options under the plan are granted and exercised, the shareholdings of the Company's shareholders will be diluted by approximately 18.08%.

A full overview of granted options as per the date on or about the date of this Prospectus are included in Table 45 below, illustrating award date, number of options, vesting schedule and last year of exercise.

Table 45	Award date	Number of options	Strike price (NOK)	Active	Vested	Not vested	Vesting in 2024	Vesting in 2025	Vesting in 2026	Vesting in 2027	Last year of exercise
1.	02.04.2012	86 130	12	Yes	86 130	-	-	-	-	-	2026
2.	02.04.2012	86 130	12	Yes	86 130	-	-	-	-	-	2026
3.	12.12.2013	5 000	11	Yes	5 000	-	-	-	-	-	2026
4.	14.03.2017	50 000	35	Yes	50 000	-	-	-	-	-	2026
5.	19.09.2017	35 000	35	Yes	35 000	-	-	-	-	-	2026
6.	07.06.2018	10 000	35	Yes	10 000	-	-	-	-	-	2026
7.	07.06.2018	25 000	35	Yes	25 000	-	-	-	-	-	2026
8.	14.03.2019	10 000	35	Yes	10 000	-	-	-	-	-	2026
9.	14.03.2019	10 000	35	Yes	10 000	-	-	-	-	-	2026
10.	14.03.2019	15 000	35	Yes	15 000	-	-	-	-	-	2026
11.	20.03.2020	147 440	35	Yes	147 440	-	-	-	-	-	2026

12.	20.03.2020	10 000	35	Yes	10 000	-	-	-	-	-	2026
13.	20.03.2020	10 000	35	Yes	10 000	-	-	-	-	-	2026
14.	20.03.2020	15 000	35	Yes	15 000	-	-	-	-	-	2026
15.	20.03.2020	30 000	35	Yes	30 000	-	-	-	-	-	2026
16.	20.03.2020	30 000	35	Yes	30 000	-	-	-	-	-	2026
17.	20.03.2020	15 000	35	Yes	15 000	-	-	-	-	-	2026
18.	11.03.2021	30 000	35	Yes	30 000	-	-	-	-	-	2026
19.	11.03.2021	5 000	35	Yes	5 000	-	-	-	-	-	2026
20.	11.03.2021	10 000	35	Yes	10 000	-	-	-	-	-	2026
21.	11.03.2021	5 000	35	Yes	5 000	-	-	-	-	-	2026
22.	11.03.2021	5 000	35	Yes	5 000	-	-	-	-	-	2026
23.	11.03.2021	5 000	35	Yes	5 000	-	-	-	-	-	2026
24.	01.09.2021	15 000	35	Yes	10 000	5 000	5 000	-	-	-	2026
25.	23.09.2021	100 000	45	Yes	66 667	33 333	33 333	-	-	-	2026
26.	23.09.2021	75 000	45	Yes	50 000	25 000	25 000	-	-	-	2026
27.	23.09.2021	75 000	45	Yes	50 000	25 000	25 000	-	-	-	2026
28.	23.09.2021	10 000	45	Yes	6 667	3 333	3 333	-	-	-	2026
29.	17.03.2022	30 000	65	Yes	20 000	10 000	-	10 000	-	-	2027
30.	17.03.2022	15 000	65	Yes	10 000	5 000	-	5 000	-	-	2027
31.	17.03.2022	15 000	65	Yes	10 000	5 000	-	5 000	-	-	2027
32.	17.03.2022	15 000	65	Yes	10 000	5 000	-	5 000	-	-	2027
33.	17.03.2022	15 000	65	Yes	10 000	5 000	-	5 000	-	-	2027
34.	09.06.2022	15 000	62.5	Yes	10 000	5 000	-	5 000	-	-	2027
35.	02.09.2022	35 000	75	Yes	23 333	11 667	-	11 667	-	-	2027
36.	02.09.2022	35 000	75	Yes	23 333	11 667	-	11 667	-	-	2027
37.	01.06.2023	15 000	80	Yes	5 000	10 000	-	5 000	5 000	-	2028
38.	17.04.2023	30 000	82	Yes	10 000	20 000	-	10 000	10 000	-	2028
39.	01.09.2023	30 000	80	Yes	-	30 000	10 000	10 000	10 000	-	2028
40.	01.09.2023	15 000	80	Yes	-	15 000	5 000	5 000	5 000	-	2028
41.	01.10.2023	30 000	80	Yes	-	30 000	10 000	10 000	10 000	-	2028
42.	01.10.2023	15 000	80	Yes	-	15 000	5 000	5 000	5 000	-	2028
43.	01.10.2023	10 000	80	Yes	-	10 000	3 333	3 333	3 333	-	2028
44.	01.10.2023	10 000	80	Yes	-	10 000	3 333	3 333	3 333	-	2028
45.	01.12.2023	15 000	80	Yes	-	15 000	5 000	5 000	5 000	-	2028
46.	01.01.2024	15 000	80	Yes	-	15 000	-	5 000	5 000	5 000	2029
47.	28.06.2024	150 000	54	Yes	-	150 000	-	50 000	50 000	50 000	2029
	Total options granted	1 434 700			964 700	470 000	133 333	170 000	111 667	55 000	
	Total options in program	1 522 260									

12.6 Benefits upon termination

The CEO shall be entitled to severance pay for a period of 12 months after the expiry of the agreed notice period, which is 6 months.

The COO shall be entitled to severance pay for a period of 9 months after the expiry of the 6-month notice period if the contract is terminated by the Company, and the termination is not deemed appropriate by the court, or as a result of a merger or acquisition.

There are no benefits upon termination to other members of the administration besides agreed notice periods which is between 3 and 6 months.

12.7 Pension and retirement benefits

The Group has a defined contribution plan for pension for its employees, as such there are no obligation accrued in the Financial Statements.

12.8 Committees

12.8.1 Nomination committee

The Company's Articles of Association provide for a nomination committee elected by the general meeting. The Company's nomination committee consists of Øivind Thorstensen (committee chair) and Kristian Falnes (committee member).

The nomination committee shall present proposals to the general meeting regarding election of the chair of the Board, board members and any deputy members of the Board and election of members of the nomination committee.

The nomination committee shall also present proposals to the general meeting for remuneration of the Board and the nomination committee.

12.8.2 Audit committee

The Board of Directors has established an audit committee. The appointed members of the audit committee are Gunnar Winther Eliassen (committee chair) and Mona Hodne Steensland Freuchen. The composition of the audit committee fulfils the requirement for qualifications and competence in accounting and auditing under the Norwegian Public Limited Liability Companies Act.

The function of the audit committee is to prepare matters to be considered by the Board of Directors and to support the Board of Directors in the exercise of its management and supervisory responsibilities relating to financial reporting, statutory audit and internal control.

The audit committee reports to the Board for the execution of its tasks and the work of the audit committee in no way reduces the responsibilities of the Board and its individual members.

12.8.3 Remuneration committee

The Board of Directors has established a remuneration committee. The appointed members of the remuneration committee are Gunnar Winther Eliassen (committee chair) and Karin Govaert.

The purpose of the remuneration committee is to evaluate and propose the compensation of the Company's executive management team and issue an annual report on the compensation of the executive management team, which shall be included in the Company's annual accounts pursuant to applicable rules and regulations, including accounting standards, promulgated from time to time.

The remuneration committee shall report and make recommendations to the Board of Directors, but the Board of Directors retains responsibility for implementing such recommendations.

12.9 Corporate Governance

The Company has adopted and implemented a corporate governance regime which complies with the Norwegian Code of Practice for Corporate Governance, dated 14 October 2021 (the "**Corporate Governance Code**"), with the following exceptions:

- Since the Company is a growth-company, certain Board Members have been granted options. The Company does not believe that the options granted to the Board Members weakens the Board of Directors' independence.

Neither the Board of Directors nor the Company's general meeting of shareholders have adopted any resolutions which are deemed to have a material impact on the Group's corporate governance regime.

12.10 Conflict of interests and other matters

The Company and SNC Winther Holdings Limited, a company controlled by Chairman of the Board, Gunnar Winther Eliassen, entered into a consultancy agreement on 3 January 2024. Pursuant to said agreement, the services shall without limitation include the following: Performance of any relevant tasks, functions, meetings, knowledge sharing, and duties as agreed with the Company from time to time and in coordination with the CEO of the Company, related to business development, investor follow-up including investor presentations and advice regarding the financing of the Company (including debt financing). As compensation for services rendered, the consultant shall receive a fixed compensation per month of NOK 75,000.

Furthermore, Karin Govaert was elected as Board Member in relation to the Merger with Oceanteam ASA, where she previously acted as board member.

During the last five years preceding the date of this Prospectus, none of the Board Members or the members of the Management has, or had, as applicable:

- any convictions in relation to fraudulent offences;
- been involved in any bankruptcies, receiverships, liquidations or companies put into administration where he/she has acted as a member of the administrative, management or supervisory body of a company, nor as partner, founder or senior manager of a company; or
- received any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies), nor been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of affairs of any issuer.

There are currently no other actual or potential conflicts of interest between the Company and the private interests or other duties of any of the members of the Management or the Board of Directors, including any family relationships between such persons.

13 CORPORATE INFORMATION AND DESCRIPTION OF THE SHARES

This section includes a summary of certain information relating to the Company's shares and certain shareholder matters, including summaries of certain provisions of applicable law in effect as of the date of this Prospectus. The mentioned summaries do not purport to be complete and is qualified in its entirety by the Company's Articles of Association (attached hereto as Appendix A) and Norwegian law.

13.1 Company corporate information

The Company's registered legal and commercial name is Soiltech ASA. The Company is a public limited liability company organized and existing under the laws of Norway pursuant to the Norwegian Public Limited Liability Companies Act. The Company's registration number in the Norwegian Register of Business Enterprises is 996 819 884 and the Company's Legal Entity Identifier code (LEI-code) is 529900E9W21TGMWZ7430.

The Company was incorporated in Norway on 24 March 2011 as a private limited liability company and converted into a public limited liability company following the extraordinary general meeting held on 4 July 2024.

The Shares have been created under the Norwegian Public Limited Liability Companies Act. The Shares are registered in book-entry form with the VPS under ISIN NO 0010713571. The Company's register of shareholders in the VPS is administrated by the VPS Registrar (address: Dronning Eufemias gate 30, 0191 Oslo, Norway).

The Company's registered office is located at Koppholen 25, 4313 Sandnes, Norway and the Company's main telephone number is +47 480 20 555. The Company's website can be found at www.soiltech.no. The content of the Company's website is not incorporated by reference into, nor otherwise forms part of, this Prospectus.

13.2 Legal structure

The Company functions as the ultimate parent company of the Group. Table 46 sets out information about the Company's (directly or indirectly owned) subsidiaries:

Subsidiary / Operating division	Share-holding	Voting rights	Country of incorporation	Description
Soiltech Offshore Services AS	100%	100%	Norway	Crew company providing offshore personnel to the Company
Sorbwater Technology AS	100%	100%	Norway	Company with patented technology for green chemicals that provides solutions for cleaning produced water from the oil and gas industry as well as treating contaminated water from the aquaculture industry
Soiltech AS (UK Branch)	100%	100%	United Kingdom	A branch hiring in UK offshore crew for international operations

As at the date of this Prospectus, the Company is of the opinion that its holdings in the entities specified above are likely to have a significant effect on the on the assessment of its own assets and liabilities, financial position or profits and losses.

13.3 Share capital and share capital history

As of the date of this Prospectus, the Company's share capital is NOK 1,031,339.01 divided into 7,933,377 Shares, each with a nominal value of NOK 0.13. All Shares are validly issued, fully paid and non-assessable.

The Company has only one class of Shares. Accordingly, there are no differences in the voting rights among the Shares. Each Share carries one vote, and all Shares carry equal rights in all respects, including rights to dividends.

Table 47 below shows the development in the Company's share capital for the period covered by the historical financial information in the Financial Statements, i.e. from 1 January 2021 and up to the date of this Prospectus:

Date registered	Type of change	Share capital increase (NOK)	Share capital (NOK)	Subscription price (NOK/share)	Par value (NOK/share)	Issued shares	Total shares
01.07.2021	Share capital increase in relation to private placement - option exercise	34,451	694,230	12	1	34,451	694,230
01.07.2021	Share capital increase in relation to private placement - option exercise	20,670	714,900	11	1	20,670	714,900
01.07.2021	Share capital increase in relation to private placement - option exercise	5,143	720,043	35	1	5,143	720,043
13.08.2021	Share Split	-	720,043		0.1	-	7,200,430

03.03.2022	Share capital increase in relation to private placement - option exercise	500	720,543	11	0.1	5,000	7,205,430
04.10.2022	Share capital increase in relation to contribution in kind (in relation to acquisition of Sorbwater Technology AS)	20,000	740,543	75	0.1	200,000	7,405,430
10.09.2024	Share capital increase through bonus share issue (increase of par value)	238,001	1,031,339		0.13	-	7,933,377
10.09.2024	Share capital increase pertaining to issuance of consideration shares in connection with the Merger]	52,794.70	1,031,339.01	40.95873	0.13	527,947	7,933,377

13.4 Lock-up

The Company is not aware of any lock-up arrangements restricting the disposal of shares of either the Company, members of the Management and Board of Directors or major shareholders.

13.5 Admission to trading

The Shares have been admitted to trading on Euronext NOTC, a market operated by Oslo Børs since 19 October 2021 under the ticker code "SOIL" with ISIN NO 0010713571. On 26 July 2024, the Company applied for the Shares to be admitted to trading and Listing on Euronext Expand. The Company's listing application was approved by Oslo Børs on 27 August 2024. In conjunction with the Listing, the Shares will be deregistered from Euronext NOTC and will be admitted to trading through the facilities of Oslo Børs. Trading in the Shares on Euronext Expand is expected to commence on or about 11 September 2024, under the ticker code "STECH". Other than above, the Company has not applied for admission to trading of the Shares on any other stock exchange or regulated market.

13.6 Board authorisation to issue shares

The Company has provided the Board of Director with a general authorization to increase the share capital with up to NOK 206,267.75, corresponding to around 20% of the current share capital, which is equivalent to a maximum of 1,586,675 new Shares. The authorization was granted by the Company's general meeting on 4 July 2024 for the purposes of, inter alia, issuing shares in connection with operations, acquisitions, mergers and similar. The authorization furthermore applies to share capital increases against cash contribution, contribution in kind and with rights to charge the Company with special obligations as well as share capital increases in connection with mergers.

The authorization is valid until the ordinary general meeting in 2025 but will at the latest expire after 30 June 2025.

13.7 Authorization to acquire treasury Shares

The Board of Directors are authorized to acquire Shares with a nominal value of up to NOK 74,000, provided that the Company's holding of treasury Shares does not exceed 10% of Shares outstanding at any given time.

13.8 Other financial instruments

Please refer to Section 12.5 "*Share incentive programs*" concerning the options plan for key personnel of the Company, which, if exercised partially or in full prior to expiration of such options, will have a dilutive effect on the Company's shareholders.

13.9 Shareholder rights

The Company has one class of Shares on issue, and in accordance with the Norwegian Public Limited Liability Companies Act, all Shares in that class provide equal rights in the Company, including the rights to dividends. Each of the Company's Shares carries one vote. The rights attaching to the Shares are described in Section 13.14 "*The articles of Association and certain aspects of Norwegian law*".

13.10 Takeover bids and forced transfer of shares

Prior to the Listing, the Company has not been subject to the Norwegian Securities Act regulation concerning public takeovers.

13.11 Change in control

As of the date of this Prospectus, and to the knowledge of the Company, there are no arrangements or agreements, which may at a subsequent date result in a change in control in the Company.

13.12 Transferability of the Shares

The Shares are freely transferable pursuant to the Articles of Association, meaning that a transfer of Shares is not subject to the consent of the Board of Directors or rights of first refusal. Pursuant to the Articles of Association, the Shares shall be registered in the VPS.

13.13 Ownership structure

As of 6 September 2024 and prior to completion of the Merger, the Company had a total of 105 registered shareholders in the VPS. All Shares in the Company, including Shares held by the Company's major shareholders, have equal voting rights.

An overview of shareholders holding 5% or more of the Shares of the Company as of 5 September 2024 and prior to completion of the Merger, is set out in Table 48 below:

#	Shareholder	No. of Shares	Percentage
1	Hildr AS	796 150	10.75
2	Wellex AS	742 730	10.03
3	Knatten I AS	700 325	9.46
4	Carnegie Investment Bank AB	661 980	8.94
5	Skagenkaien Investering AS	541 380	7.31
6	Tveteraas Invest AS	521 710	7.04

Shareholders owning 5% or more of the Shares have an interest in the Company's share capital which is notifiable pursuant to the Norwegian Securities Trading Act. See Section 15.8 "*Disclosure obligations*" for a description of the disclosure obligations pursuant to the Norwegian Securities Trading Act. As at the date of this Prospectus, 6 shareholders holds 5% or more of the Shares of the Company.

The Company is not aware of any persons or entities who, directly or indirectly, jointly or severally, will exercise or could exercise control over the Company. The Company is not aware of any arrangements the operation of which may at a subsequent date result in a change of control of the Company.

No particular measures are initiated to ensure that control is not abused by large shareholders. Minority shareholders are protected from abuse by relevant regulations in inter alia the Norwegian Public Limited Liability Companies Act and the Norwegian Securities Act. See Section 13.14.2 "*Certain aspects of Norwegian law*" and 13.14.3 "*Additional issuances and preferential rights*" for further information.

13.14 The Articles of Association and certain aspects of Norwegian law

13.14.1 The Articles of Association

The Articles of Association are set out in Appendix A to this Prospectus. Below is a summary of certain of the provisions of the Articles of Association (office translation).

Company name

Pursuant to Section 1 of the Articles of Association, the Company's name is Soiltech ASA.

Registered office

Pursuant to Section 2 of the Articles of Association, the Company's business address is in the municipality of Sandnes.

Purpose of the Company

Pursuant to Section 3 of the Articles of Association, the Company's business is provision of cleantech solutions for treating, recycling and to responsibly handle contaminated water and industrial waste streams.

Share capital and nominal value

Pursuant to Section 4 of the Articles of Association, the Company's share capital is NOK 1,031,339.01 divided on 7,933,377 shares, each with a nominal value of NOK 0.13. The Shares shall be registered with the Norwegian Central Securities Depository ASA (VPS).

Transfer of shares

Pursuant to Section 5, the Shares are freely tradable.

Board of Directors

Pursuant to Section 9, the Board of Directors shall consist of between 3 to 7 Board Members elected by the general meeting.

General meetings

Pursuant to Section 6 of the Articles of Association, the general meeting shall address and decide:

- Approval of the annual accounts and report of the Board of Directors, including distribution of dividends;
- Election of Board Members and auditor (if these are to be elected);
- Any other matters which shall be dealt with according to law or the Articles of Association.

When documents regarding matters which are to be dealt with at the general meeting have been made available on the internet site of the Company, the requirements in the Norwegian Public Limited Liability Companies Act which state that these documents shall be sent to the shareholders, shall not apply. This exemption is also applicable with regards to documents which according to statutory law shall be included in or attached to the notice of the general meeting.

The Board of Directors may decide that shareholders may cast written votes in advance on matters that are to be considered at general meetings of the Company. Such votes may also be cast by use of electronic communication. The possibility to vote in advance is conditional upon a satisfactory method for authenticating each user being available. The Board of Directors decides whether such a method is available in advance of each general meeting. The Board of Directors may determine further guidelines for voting in advance. The notice for the general meeting shall state whether it is permitted to vote in advance and the guidelines, if any, that apply to such voting.

Electronic communication

Pursuant to Section 7 of the Articles of Association, the Company may utilize electronic communication when it is to provide messages, notices, information, documents etc. pursuant to the Norwegian Public Limited Liability Companies Act to the shareholders.

Signature

The chair of the Board of Directors and the CEO, individually.

Nomination committee

Pursuant to Section 10 of the Articles of Association, the Company shall have a nomination committee, which shall consist of between two and four members.

The nomination committee shall present proposals to the general meeting regarding (i) election of the chair of the Board of Directors, Board Members and any deputy members, and (ii) election of members of the nomination committee. The nomination committee shall also present proposals to the general meeting for remuneration of the Board of Directors and the nomination committee, which is to be determined by the general meeting. The general meeting shall adopt instructions for the nomination committee.

Change of control

There are no provisions in the Articles of Association that would have an effect of delaying, deferring or preventing a change in control of the Company.

13.14.2 Certain aspects of Norwegian law**13.14.2.1 General Meetings**

Through the general meeting, shareholders exercise supreme authority in a Norwegian company. In accordance with Norwegian law, the annual general meeting of shareholders is required to be held each year on or prior to 30 June. Norwegian law requires that a written notice of annual general meetings setting forth the date and time of, the venue for and the agenda of the meeting, is sent to all shareholders with a known address no later than 21 days before the date of the annual general meeting of a Norwegian public limited liability company listed on a stock exchange or a regulated market shall be held, unless the articles of association stipulate a longer deadline. The latter is currently not the case for the Company.

A shareholder may vote at the general meeting either in person or by proxy appointed at its own discretion. Pursuant to the Norwegian Securities Trading Act, a proxy voting form shall be appended to the notice of the general meeting for a Norwegian public limited liability company listed on a stock exchange or a regulated market unless such form has been made available to the shareholders on the company's website and the notice calling for the meeting includes all information the shareholders need to access the proxy voting forms, including the relevant Internet address.

Under Norwegian law, a shareholder may only exercise rights that pertain to shareholders, including participation in general meetings of shareholders, when it has been registered as a shareholder in the company's register of shareholders maintained with the VPS. Unless the articles of association explicitly states that the right to attend and vote at a general meeting may only be exercised by a shareholder if it has been entered into the company's register of shareholders five working days prior to the general meeting, all shareholders who are registered as such on the date of the general meeting have the right to attend and exercise its voting rights at that meeting. This is the case for the Company i.e. the record date for shareholders to participate at a General Meeting is five working days prior to the date of the relevant general meeting.

Apart from the annual general meeting, extraordinary general meetings of shareholders may be held if the board of directors considers it necessary. An extraordinary general meeting of shareholders must also be convened if, in order to discuss a specified matter, the auditor or shareholders representing at least 5% of the share capital demands this in writing. The requirements for notice of and admission to the annual general meeting also apply to extraordinary general meetings. However, the annual general meeting of a Norwegian public limited liability company may with a majority of at least two-thirds of the aggregate number of votes cast as well as at least two-thirds of the share capital represented at a general meeting resolve that extraordinary general meetings may be convened with a 14 days' notice period until the next annual general meeting provided that the company has procedures in place allowing shareholders to vote electronically. This has currently not been resolved by the Company's General Meeting.

13.14.2.2 Voting rights – amendments to the articles of association

Each Share carries one vote. In general, decisions that shareholders of a Norwegian public limited liability company are entitled to make under Norwegian law or the articles of association may be made by a simple majority of the votes cast. In the case of elections or appointments (e.g. to the board of directors), the person(s) who obtain(s) the most votes cast are elected. However, as required under Norwegian law, certain decisions, including resolutions to waive preferential rights to subscribe for shares in connection with any share issue in the Company, to approve a merger or demerger of the Company, to amend the articles of association, to authorize an increase or reduction of the share capital, to authorize an issuance of convertible loans or warrants by the Company or to authorize the Board of Directors to purchase Shares and hold them as treasury shares or to dissolve the Company, must receive the approval of at least two-thirds of the aggregate number of votes cast as well as at least two-thirds of the share capital represented at the general meeting in question. Moreover, Norwegian law requires that certain decisions, i.e. decisions that have the effect of substantially altering the rights and preferences of any shares or class of shares, receive the approval by the holders of such shares or class of shares as well as the majority required for amending the articles of association.

Decisions that (i) would reduce the rights of some or all of the Company's shareholders in respect of dividend payments or other rights to assets or (ii) restrict the transferability of the Shares, require that at least 90% of the share capital represented at the general meeting in question vote in favor of the resolution, as well as the majority required for amending the articles of association.

Only a shareholder registered as such with the VPS is entitled to vote for shares of a Norwegian public limited liability company listed on a stock exchange or regulated market. Beneficial owners of the shares who are registered in the name of a nominee are also entitled to vote under Norwegian law, but any person who is designated in the VPS register as the holder of such Shares as a nominee is not entitled to vote under Norwegian law unless being instructed with a proxy by the beneficial owner. A nominee may not meet or vote for shares registered on a nominee account. A shareholder holding Shares through a nominee account must, in order to be eligible to register, meet and vote for such Shares at the general meeting, notify the company two days prior to the date of the relevant general meeting (unless the board of directors prior to sending the notice for the General Meeting has decided on a shorter notification deadline).

There are no quorum requirements that apply to the general meeting of a Norwegian public limited liability company.

13.14.3 Additional issuances and preferential rights

If the Company issues any new Shares, including bonus share issues, the Company's articles of association must be amended, and must thus receive the approval of at least two-thirds of the aggregate number of votes cast as well as at least two-thirds of the share capital represented at the general meeting in question. In addition, under Norwegian law, the Company's shareholders have a preferential right to subscribe for new Shares issued by the Company. The preferential rights may be deviated from by a resolution in the general meeting passed with the same

vote required to amend the articles of association. A deviation of the shareholders' preferential rights in respect of bonus issues requires the approval of all outstanding Shares.

The general meeting may, by the same vote as is required for amending the articles of association, authorize the board of directors to issue new Shares, and to deviate from the preferential rights of shareholders in connection with such issuances. Such authorization may be effective for a maximum of two years, and the par value of the Shares to be issued may not exceed 50% of the registered par share capital when the authorization is registered with the Norwegian Register of Business Enterprises.

Under Norwegian law, the Company may increase its share capital by a bonus share issue, subject to approval by the Company's shareholders, by transfer from the Company's distributable equity and thus the share capital increase does not require any payment of a subscription price by the shareholders. Any bonus issues may be affected either by an issuance of new shares to the Company's existing shareholders or by increasing the par value of the Company's outstanding Shares.

Issuance of new Shares to shareholders who are citizens or residents of the United States upon the exercise of preferential rights may require the Company to file a registration statement in the United States under United States securities laws. Should the Company in such a situation decide not to file a registration statement, the Company's U.S. shareholders may not be able to exercise their preferential rights. If a U.S. shareholder is ineligible to participate in a rights offering, such shareholder would not receive the rights at all and the rights would be sold on the shareholder's behalf by the Company. Shareholders in other jurisdictions outside Norway may be similarly affected if the rights and the new shares being offered have not been registered with, or approved by, the relevant authorities in such jurisdiction. The Company has not filed a registration statement under the U.S. Securities Act in connection with the Listing or sought approvals under the laws of any other jurisdiction outside Norway in respect of any preemptive rights or the Shares, does not intend to do so and doing so in the future may be impractical and costly. To the extent that the Company's shareholders are not able to exercise their rights to subscribe for new shares, the value of their subscription rights will be lost and such shareholders' proportional ownership interests in the Company will be reduced.

13.14.3.1 Minority rights

Norwegian law sets forth a number of protections for minority shareholders of the Company, including, but not limited to, those described in this paragraph and the description of general meetings as set out above. Any of the Company's shareholders may petition Norwegian courts to have a decision of the board of directors or the Company's shareholders made at the general meeting declared invalid on the grounds that it unreasonably favors certain shareholders or third parties to the detriment of other shareholders or the Company itself. The Company's shareholders may also petition the courts to dissolve the Company as a result of such decisions to the extent particularly strong reasons are considered by the court to make necessary dissolution of the Company.

Minority shareholders holding 5% or more of the Company's share capital have a right to demand in writing that the Board of Directors convenes an extraordinary general meeting to discuss or resolve specific matters. In addition, any of the Company's shareholders may in writing demand that the Company place an item on the agenda for any general meeting as long as the Company is notified within seven days before the deadline for convening the general meeting. If the notice has been issued when such a written demand is presented, a renewed notice must be issued if the deadline for issuing notice of the relevant general meeting has not expired.

13.14.3.2 Rights of redemption and repurchase of shares

The share capital of the Company may be decreased by reducing the par value of the Shares or by cancelling Shares. Such a decision requires the approval of at least two-thirds of the aggregate number of votes cast and at least two-thirds of the share capital represented at a general meeting. Redemption of individual Shares requires the consent of the holders of the Shares to be redeemed.

The Company may purchase its own Shares provided that the Board of Directors has been granted an authorization to do so by a general meeting with the approval of at least two-thirds of the aggregate number of votes cast and at least two-thirds of the share capital represented at the meeting. The aggregate par value of treasury shares so acquired, and held by the Company must not exceed 10% of the Company's share capital, and treasury shares may only be acquired if the Company's distributable equity, according to the latest adopted balance sheet, exceeds the consideration to be paid for the shares. The authorization by the general meeting of the Company's shareholders cannot be granted for a period exceeding two years. The Company may not subscribe for its own Shares.

13.14.3.3 Shareholder vote on certain reorganizations

A decision of the Company's shareholders to merge with another company or to demerge requires a resolution by the general meeting passed by at least two-thirds of the aggregate votes cast and at least two-thirds of the share capital represented at the general meeting. A merger plan, or demerger plan signed by the board of directors along with certain other required documentation, would have to be sent to all the Company's shareholders, or if the articles

of association stipulate that, made available to the shareholders on the Company's website, at least one month prior to the general meeting to pass upon the matter.

13.14.3.4 Liability of board members

Board members owe a fiduciary duty to the Company and its shareholders. Such fiduciary duty requires that the board members act in the best interests of the Company when exercising their functions and exercise a general duty of loyalty and care towards the Company. Their principal task is to safeguard the interests of the Company.

Board members may each be held liable for any damage they negligently or willfully cause the Company. Norwegian law permits the general meeting to discharge any such person from liability, but such discharge is not binding on the Company if substantially correct and complete information was not provided at the general meeting passing upon the matter. If a resolution to discharge the Board Members from liability or not to pursue claims against such a person has been passed by a general meeting with a smaller majority than that required to amend the Articles of Association, shareholders representing more than 10% of the share capital or, if there are more than 100 shareholders, more than 10% of the shareholders may pursue the claim on the Company's behalf and in its name. The cost of any such action is not the Company's responsibility but can be recovered from any proceeds the Company receives as a result of the action. If the decision to discharge any of the Board Members from liability or not to pursue claims against the Board Members is made by such a majority as is necessary to amend the Articles of Association, the minority shareholders of the Company cannot pursue such claim in the Company's name.

13.14.3.5 Civil proceedings against the Company in jurisdictions other than Norway

Furthermore, investors shall note that they may be unable to recover losses in civil proceedings in jurisdictions other than Norway. The Company is a public limited liability company organized under the laws of Norway. The Board Members and the members of the Management reside in Norway, Denmark and Austria. As a result, it may not be possible for investors to effect service of process in other jurisdictions upon such persons or the Company, to enforce against such persons or the Company judgments obtained in courts outside of Norway, Denmark or Austria, to enforce judgments on such persons or the Company in other jurisdictions.

13.14.3.6 Indemnification of board members

Neither Norwegian law nor the Articles of Association contains any provision concerning indemnification by the Company of the Board of Directors. The Company is permitted to purchase insurance for the Board Members against certain liabilities that they may incur in their capacity as such.

13.14.3.7 Distribution of assets on liquidation

Under Norwegian law, the Company may be wound-up by a resolution of the Company's shareholders at the general meeting passed by at least two-thirds of the aggregate votes cast and at least two-thirds of the share capital represented at that meeting. In the event of liquidation, the Shares rank equally in the event of a return on capital.

13.15 Shareholder agreements

The Company is not aware of any shareholders' agreements related to the Shares which will be in force upon Listing.

14 TRANSFER RESTRICTIONS

14.1 General

The Shares may, in certain jurisdictions, be subject to restrictions on transferability and resale and may not be transferred or sold except as permitted under applicable securities laws and regulations. Investors should be aware that they may be required to bear the financial risk of the investment for an indefinite period of time. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

Receipt of this Prospectus shall not constitute an offer for Shares and this Prospectus is for information only and should not be copied or redistributed. Accordingly, if an existing shareholder receives a copy of this Prospectus, the existing shareholder should not distribute or send the same or transfer the Shares to any person in or into any jurisdiction where to do so would or might contravene local securities laws or regulations. If an existing shareholder forwards this Prospectus into any such territories (whether under a contractual or obligation or otherwise), the existing shareholder should direct the recipient's attention to the contents of this Section 14 "*Transfer restrictions*".

The Shares may not be transferred or delivered, directly or indirectly, in or into, any jurisdiction in which it would not be permissible to transfer the Shares, and this Prospectus shall not be accessed by any person in any jurisdiction it would not be permissible to transfer the Shares.

The information in this Section 14 "*Transfer restrictions*" is intended as a general guide only. If any recipient is in any doubt of any of the contents of these restrictions, or whether any of these restrictions apply to that recipient, the recipient should obtain independent professional advice without delay.

14.2 United States

The Shares have not been, and will not be, registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States, and may not be offered or sold except: (i) within the United States only to QIBs in reliance on Rule 144A or pursuant to another exemption from the registration requirements of the U.S. Securities Act; and (ii) outside the United States in compliance with Regulation S, and in each case in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction. Terms defined in Rule 144A or Regulation S shall have the same meaning when used in this section.

Each purchaser of the Shares outside the United States pursuant to Regulation S will be deemed to have acknowledged, represented and agreed that it has received a copy of this Prospectus and such other information as it deems necessary to make an informed investment decision and that:

- The purchaser is authorized to consummate the purchase of the Shares in compliance with all applicable laws and regulations.
- The purchaser acknowledges that the Shares have not been and will not be registered under the U.S. Securities Act, or with any securities' regulatory authority or any state of the United States, subject to certain exceptions, may not be offered or sold within the United States.
- The purchaser is, and the person, if any, for whose account or benefit the purchaser is acquiring the Shares, was located outside the United States at the time the buy order for the Shares was originated and continues to be located outside the United States and has not purchased the Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Shares or any economic interest therein to any person in the United States.
- The purchaser is not an affiliate of the Company or a person acting on behalf of such affiliate and is not in the business of buying and selling securities or, if it is in such business, it did not acquire the Shares from the Company or an affiliate thereof in the initial distribution of such Shares.
- The purchaser is aware of the restrictions on the offer and sale of the Shares pursuant to Regulation S described in this Prospectus.
- The Shares have not been offered to it by means of any "directed selling efforts" as defined in Regulation S.
- The Company shall not recognize any offer, sale, pledge or other transfer of the Shares made other than in compliance with the above restrictions.
- If the purchaser is acquiring any of the Shares as a fiduciary or agent for one or more accounts, the purchaser represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements in behalf of each such account.
- The purchaser acknowledges that the Company, the Listing Advisor and their respective advisers will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

Each purchaser of the Shares within the United States purchasing pursuant to Rule 144A or another available exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act will be

deemed to have acknowledged, represented and agreed that it has received a copy of this Prospectus and such other information as it deems necessary to make an informed investment decision and that:

- The purchaser is authorized to consummate the purchase of the Shares in compliance with all applicable laws and regulations.
- The purchaser acknowledges that the Shares have not been and will not be registered under the U.S. Securities Act or with any securities' regulatory authority of any state of the United States and are subject to significant restrictions to transfer.
- The purchaser (i) is a QIB (as defined in Rule 144A), (ii) is aware that the sale to it is being made in reliance on Rule 144A and (iii) is acquiring such Shares for its own account or for the account of a QIB, in each case for investment and not with a view to any resale or distribution to the Shares, as the case may be.
- The purchaser is aware that the Shares are being offered in the United States in a transaction not involving any public offering in the United States within the meaning of the U.S. Securities Act.
- If, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Shares, or any economic interest therein, as the case may be, such Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, (ii) outside the United States in a transaction meeting the requirements of Regulation S, (iii) in accordance with Rule 144 (if available), (iv) pursuant to any other exemption from the registration requirements of the U.S. Securities Act, subject to the receipt by the Company of an opinion of counsel or such other evidence that the Company may reasonably require that such sale or transfer is in compliance with the U.S. Securities Act or (v) pursuant to an effective registration statement under the U.S. Securities Act, in each case in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction.
- The purchaser is not an affiliate of the Company or a person acting on behalf of such affiliate and is not in the business of buying and selling securities or, if it is in such business, it did not acquire the Shares from the Company or an affiliate thereof in the initial distribution of such Shares.
- The purchaser will not deposit or cause to be deposited such Shares into any depository receipt facility established or maintained by a depository bank other than a Rule 144A restricted depository receipt facility, so long as such Shares are "restricted securities" within the meaning of Rule 144(a) (3) under the U.S. Securities Act.
- The purchaser acknowledges that the Shares are "restricted securities" within the meaning of Rule 144(a) (3) and no representation is made as to the availability of the exemption provided by Rule 144 for resales of any Shares, as the case may be.
- The purchaser acknowledges that the Company shall not recognize any offer, sale pledge or other transfer of the Shares made other than in compliance with the above-stated restrictions.
- If the purchaser is requiring any of the Shares as a fiduciary or agent for one or more accounts, the purchaser represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.
- The purchaser acknowledges that these representations and undertakings are required in connection with the securities laws of the United States and that Company, the Listing Advisor and its respective advisers will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

14.3 European Economic Area

Each person in a Relevant Member State who receives any communication in respect of, or who acquires any Shares under, the offers contemplated in this Prospectus will be deemed to have represented, warranted and agreed to and with the Listing Advisor and the Company that:

- it is a qualified investor within the meaning of Articles 2(e) of the EU Prospectus Regulation; and
- in the case of any Shares acquired by it as a financial intermediary, as that term is used in Article 1 of the EU Prospectus Regulation, (i) the Shares acquired by it in an offer have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the EU Prospectus Regulation, or in circumstances in which the prior consent of the Listing Advisor has been given to the offer or resale; or (ii) where Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those Shares to it is not treated under the EU Prospectus Regulation as having been made to such persons.

For the purpose of this representation, the expression an "offer to the public" in relation to any Shares in any Relevant Member State means a communication to persons in any form and by any means presenting sufficient information on terms of an offering and the Shares to be offered, so as to enable an investor to decide to acquire any Shares.

15 SECURITIES TRADING IN NORWAY

Set out below is a summary of certain aspects of securities trading in Norway and the possible implications of owning tradable Shares on the Euronext Expand. The summary is based on the rules and regulations in force in Norway as of the date of this Prospectus, which may be subject to changes occurring after such date. This summary does not purport to be a comprehensive description of securities trading in Norway. Investors who wish to clarify aspects of securities trading in Norway should consult with and rely upon their own advisors.

15.1 Introduction

Oslo Børs is 100% owned by Euronext Nordics Holding AS, a holding company established by Euronext N.V following its acquisition of Oslo Børs VPS Holding ASA in June 2019. Euronext owns seven regulated markets across Europe, including Amsterdam, Brussels, Dublin, Lisbon, London, Oslo and Paris.

Oslo Børs has three separate listing alternatives for companies; Euronext Oslo Børs; Euronext Expand; and Euronext Growth. Euronext Oslo Børs and Euronext Expand are regulated exchanges, while Euronext Growth is a multilateral trading facility (MTF).

15.2 Market value of the Shares

The market value of shares listed on Euronext Expand, including the Shares, may fluctuate significantly, which could cause investors to lose a significant part of their investment. The market value could fluctuate significantly in response to a number of factors beyond the respective issuer's control, including quarterly variations in operating results, adverse business developments, changes in financial estimates and investment recommendations or ratings by securities analysts, announcements by the respective issuer or its competitors of new product and service offerings, significant contracts, acquisitions or strategic relationships, publicity about the issuer, its products and services or its competitors, lawsuits against the issuer, unforeseen liabilities, changes in management, changes to the regulatory environment in which the issuer operates or general market conditions.

Furthermore, issuances of shares or other securities may dilute the holdings of shareholders and could materially affect the price of the Shares. Any issuer, including the Company, may in the future decide to offer additional shares or other securities to finance new capital-intensive projects, in connection with unanticipated liabilities or expenses or for any other purposes, including for refinancing purposes. There are no assurances that any of the issuers on Euronext Expand will not decide to conduct further offerings of securities in the future. Depending on the structure of any future offering, certain existing shareholders may not have the ability to purchase additional equity securities. If a listed company raises additional funds by an issuance of additional equity securities, the holdings and voting interests of existing shareholders could be diluted, and thereby affect share price.

15.3 Trading and settlement

As of the date of this Prospectus, trading of equities on the Euronext Expand is carried out in the electronic Euronext in-house developed trading system, Optiq™.

Official trading on Euronext Expand takes place between 09:00 CET/CEST and 16:20 CET/CEST each trading day, with pre-trade period between 08:15 CET/CEST and 09:00 CET/CEST, a closing auction from 16:20 CET/CEST to 16:25 CET/CEST and a trading at last period from 16:25 CET/CEST to 16:30 CET/CEST. Reporting of Off-Book On Exchange trades can be done from 07:15 CET/CEST to 18.00 CET/CEST.

The settlement period for trading on Euronext Expand is two trading days (T+2). This means that securities will be settled on the investor's account with the VPS two trading days after the transaction, and that the seller will receive payment after two trading days.

Euronext Expand offers an interoperability model for clearing and counterparty services for equity trading through LCH Limited, EuroCCP and Six X-Clear.

Investment services in Norway may only be provided by Norwegian investment firms holding a license under the Norwegian Securities Trading Act, branches of investment firms from an EEA member state or investment firms from outside the EEA that have been licensed to operate in Norway. Investment firms in an EEA member state may also provide cross-border investment services into Norway.

It is possible for investment firms to undertake market-making activities in shares listed in Norway if they have a license to this effect under the Norwegian Securities Trading Act, or in the case of investment firms in an EEA member state, a license to carry out market-making activities in their home jurisdiction. Such market-making activities will be governed by the regulations of the Norwegian Securities Trading Act relating to brokers' trading for their own account. However, such market-making activities do not as such require notification to the Norwegian FSA or Oslo Børs except for the general obligation of investment firms that are members of Oslo Børs to report all trades in stock exchange listed securities.

15.4 Information, control and surveillance

Under Norwegian law, Oslo Børs is required to perform a number of surveillance and control functions. The Surveillance and Corporate Control unit of Oslo Børs monitors all market activity on a continuous basis. Market surveillance systems are largely automated, promptly warning department personnel of abnormal market developments.

The Norwegian FSA controls the issuance of securities in both the equity and bond markets in Norway and evaluates whether the issuance documentation contains the required information and whether it would otherwise be unlawful to carry out the issuance.

Under Norwegian law, a company that is listed on a Norwegian regulated market, or has applied for listing on such market, must promptly release any inside information directly concerning the company (inside information means precise information about financial instruments, the issuer thereof or other matters which are likely to have a significant effect on the price of the relevant financial instruments or related financial instruments, and which are not publicly available or commonly known in the market). A company may, however, delay the release of such information in order not to prejudice its legitimate interests, provided that it is able to ensure the confidentiality of the information and that the delayed release would not be likely to mislead the public. Oslo Børs may levy fines on companies violating these requirements.

15.5 The VPS (Euronext Securities Oslo) and transfer of Shares

The Company's principal share register is operated through the VPS. The VPS is the Norwegian paperless centralized securities register. It is a computerized book-keeping system in which the ownership of, and all transactions relating to, Norwegian listed shares must be recorded. The VPS and Oslo Børs ASA are both 100% owned by Euronext Nordics Holding AS.

All transactions relating to securities registered with the VPS are made through computerized book entries. No physical share certificates are, or may be, issued. The VPS confirms each entry by sending a transcript to the registered shareholder irrespective of any beneficial ownership. To give effect to such entries, the individual shareholder must establish a share account with a Norwegian account agent. Norwegian banks, Norges Bank (being, the central bank of Norway), authorized securities brokers in Norway and Norwegian branches of credit institutions established within the EEA are allowed to act as account agents.

As a matter of Norwegian law, the entry of a transaction in the VPS is prima facie evidence in determining the legal rights of parties as against the issuing company or any third party claiming an interest in the given security. A transferee or assignee of shares may not exercise the rights of a shareholder with respect to such shares unless such transferee or assignee has registered such shareholding or has reported and shown evidence of such share acquisition, and the acquisition is not prevented by law, the relevant company's articles of association or otherwise.

The VPS is liable for any loss suffered as a result of faulty registration or an amendment to, or deletion of, rights in respect of registered securities unless the error is caused by matters outside the VPS' control which the VPS could not reasonably be expected to avoid or overcome the consequences of. Damages payable by the VPS may, however, be reduced in the event of contributory negligence by the aggrieved party.

The VPS must provide information to the Norwegian FSA on an ongoing basis, as well as any information that the Norwegian FSA requests. Further, Norwegian tax authorities may require certain information from the VPS regarding any individual's holdings of securities, including information about dividends and interest payments.

15.6 Shareholder register

Under Norwegian law, shares are registered with the VPS in the name of the beneficial owner of the shares. Beneficial owners of the Shares that hold their shares through a nominee (such as banks, brokers, dealers or other third parties) are able to vote for such Shares at the general meeting in their own name provided that the Company has received notification of such attendance two days prior to the date of the relevant general meeting (unless the board of directors prior to sending the notice for the general meeting has decided on a shorter notification deadline). As a general rule, there are no arrangements for nominee registration and Norwegian shareholders are not allowed to register their shares in the VPS through a nominee. However, foreign shareholders may register their shares in the VPS in the name of a nominee (bank or other nominee) approved by the Norwegian FSA. An approved and registered nominee has a duty to provide information on demand about beneficial shareholders to the company and to the Norwegian authorities. In case of registration by nominees, the registration in the VPS must show that the registered owner is a nominee. A registered nominee has the right to receive dividends and other distributions but cannot vote in general meetings on behalf of the beneficial owners. There is no assurance that beneficial owners of the Shares will receive the notice of any general meeting in time to instruct their nominees or others to vote for their Shares in the manner desired by such beneficial owners or notify the Company of its own attendance. See Section 13.14.2 "*Certain aspects of Norwegian law*" for more information on nominee accounts.

15.7 Foreign investment in shares listed in Norway

Foreign investors may trade in shares listed on Euronext Expand through any broker that is a member of Oslo Børs, whether Norwegian or foreign.

Foreign investors should note that the rights of holders of shares listed on Euronext Expand and issued by Norwegian incorporated companies are governed by Norwegian law and by the respective company's articles of association. These rights may differ from the rights of shareholders in other jurisdictions. In particular, Norwegian law limits the circumstances under which shareholders of Norwegian companies may bring derivative actions. For instance, under Norwegian law, any action brought by a company in respect of wrongful acts committed against such company will be prioritized over actions brought by shareholders claiming compensation in respect of such acts. In addition, it may be difficult to prevail in a claim against the company under, or to enforce liabilities predicated upon, securities laws in other jurisdictions. See Section 13.14.2 "Certain aspects of Norwegian law" for more information.

15.8 Disclosure obligations

If a person's, entity's or consolidated group's proportion of the total issued share capital, voting rights to shares, and/or rights to issued shares of a company listed on a regulated market with Norway as its home state (which will be the case for the Company) reaches, exceeds or falls below the respective thresholds of 5%, 10%, 15%, 20%, 25%, 1/3, 50%, 2/3 or 90% of the share capital or the voting rights of that company, the person, entity or group in question has an obligation under the Norwegian Securities Trading Act to notify Oslo Børs and the issuer immediately, subject to certain exceptions. The same applies if the disclosure thresholds are passed due to other circumstances, such as a change in the company's share capital, or the granting of a proxy to vote for shares at the Company's general meetings without voting instructions. For the purpose of disclosure of shareholdings, share lending and re-delivery of shares are considered disposal and acquisition of shares pursuant to the relevant provisions in the Norwegian Securities Trading Act.

15.9 Insider trading

According to Norwegian law, subscription for, purchase, sale, exchange or other acquisitions or disposals of financial instruments that are listed, or subject to the application for listing, on a Norwegian regulated market, or incitement to such dispositions, must not be undertaken by anyone who has inside information, as defined in Article 7 of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse, and as implemented in Norway in accordance with section 3-1 of the Norwegian Securities Trading Act. The same applies to the entry into, purchase, sale or exchange of options or futures/forward contracts or equivalent rights whose value or price either depends on or has an effect on the price or value of such financial instruments or incitement to such dispositions.

15.10 Mandatory offer requirement

The Norwegian Securities Trading Act requires any person, entity or consolidated group that becomes the owner of shares representing more than one-third (or more than 40% or 50%) of the voting rights of a company listed on a Norwegian regulated market (with the exception of certain foreign companies) to, within four weeks, make an unconditional general offer for the purchase of the remaining shares of that company. A mandatory offer obligation may also be triggered where a party acquires the right to become the owner of shares that, together with the party's own shareholding, represent more than one-third of the voting rights in the company and Oslo Børs decides that this is regarded as an effective acquisition of the shares in question.

The mandatory offer obligation ceases to apply if the person, entity or consolidated group sells the portion of the shares that exceeds the relevant threshold within four weeks of the date on which the mandatory offer obligation was triggered.

When a mandatory offer obligation is triggered, the person subject to the obligation is required to immediately notify Oslo Børs and the company in question accordingly. The notification is required to state whether an offer will be made to acquire the remaining shares of the company or whether a sale will take place. As a rule, a notification to the effect that an offer will be made cannot be retracted. The offer and the offer document required are subject to approval by Oslo Børs before the offer is submitted to the shareholders or made public.

The offer price per share must be at least as high as the highest price paid or agreed by the offeror for the shares in the six months' period prior to the date the threshold was exceeded. If the acquirer acquires or agrees to acquire additional shares at a higher price prior to the expiration of the mandatory offer period, the acquirer is obliged to restate its offer at such higher price. A mandatory offer must be in cash or contain a cash alternative at least equivalent to any other consideration offered.

In case of failure to make a mandatory offer or to sell the portion of the shares that exceeds the relevant threshold within four weeks, Oslo Børs may force the acquirer to sell the shares exceeding the threshold by public auction. Moreover, a shareholder who fails to make an offer may not, as long as the mandatory offer obligation remains in

force, exercise rights in the company, such as voting in a general meeting, without the consent of a majority of the remaining shareholders. The shareholder may, however, exercise his/her/its rights to dividends and pre-emption rights in the event of a share capital increase. If the shareholder neglects his/her/its duty to make a mandatory offer, Oslo Børs may impose a cumulative daily fine that runs until the circumstance has been rectified.

Any person, entity or consolidated group that owns shares representing more than one-third of the votes in a company listed on a Norwegian regulated market (with the exception of certain foreign companies) is obliged to make an offer to purchase the remaining shares of the company (repeated offer obligation) if the person, entity or consolidated group through acquisition becomes the owner of shares representing 40% or more of the votes in the company. The same applies correspondingly if the person, entity or consolidated group through acquisition becomes the owner of shares representing 50% or more of the votes in the company. The mandatory offer obligation ceases to apply if the person, entity or consolidated group sells the portion of the shares which exceeds the relevant threshold within four weeks of the date on which the mandatory offer obligation was triggered.

Any person, entity or consolidated group that has passed any of the above mentioned thresholds in such a way as not to trigger the mandatory bid obligation, and has therefore not previously made an offer for the remaining shares of the company in accordance with the mandatory offer rules is, as a main rule, obliged to make a mandatory offer in the event of a subsequent acquisition of shares of the company.

15.11 Compulsory acquisition

Pursuant to the Norwegian Public Companies Act and the Norwegian Securities Trading Act, a shareholder who, directly or through subsidiaries, acquires shares representing 90% or more of the total number of issued shares of a Norwegian public limited liability company, as well as 90% or more of the total voting rights, has a right, and each remaining minority shareholder of the company has a right to require such majority shareholder, to effect a compulsory acquisition for cash of the shares not already owned by such majority shareholder. Through such compulsory acquisition the majority shareholder becomes the owner of the remaining shares with immediate effect.

If a shareholder acquires shares representing more than 90% of the total number of issued shares, as well as more than 90% of the total voting rights, through a voluntary offer in accordance with the Norwegian Securities Trading Act, a compulsory acquisition can, subject to the following conditions, be carried out without such shareholder being obliged to make a mandatory offer: (i) the compulsory acquisition is commenced no later than four weeks after the acquisition of shares through the voluntary offer, (ii) the price offered per share is equal to or higher than what the offer price would have been in a mandatory offer, and (iii) the settlement is guaranteed by a financial institution authorized to provide such guarantees in Norway.

A majority shareholder who effects a compulsory acquisition is required to offer the minority shareholders a specific price per share, the determination of which is at the discretion of the majority shareholder. However, where the offeror, after making a mandatory or voluntary offer, has acquired more than 90% of the voting shares of a company and a corresponding proportion of the votes that can be cast at the general meeting, and the offeror pursuant to section 4-25 of the Norwegian Public Companies Act completes a compulsory acquisition of the remaining shares within three months after the expiry of the offer period, it follows from the Norwegian Securities Trading Act that the redemption price shall be determined on the basis of the offer price for the mandatory/voluntary offer unless specific reasons indicate another price.

Should any minority shareholder not accept the offered price, such minority shareholder may, within a specified deadline of not less than two months, request that the price be set by a Norwegian court. The cost of such court procedure will, as a general rule, be the responsibility of the majority shareholder, and the relevant court will have full discretion in determining the consideration to be paid to the minority shareholder as a result of the compulsory acquisition.

Absent a request for a Norwegian court to set the price or any other objection to the price being offered, the minority shareholders would be deemed to have accepted the offered price after the expiry of the specified deadline.

15.12 Foreign exchange controls

There are currently no foreign exchange control restrictions in Norway that would potentially restrict the payment of dividends to a shareholder outside Norway, and there are currently no restrictions that would affect the right of shareholders of a company that has its shares registered with the VPS who are not residents in Norway to dispose of their shares and receive the proceeds from a disposal outside Norway. There is no maximum transferable amount either to or from Norway, although transferring banks are required to submit reports on foreign currency exchange transactions into and out of Norway into a central data register maintained by the Norwegian customs and excise authorities. The Norwegian police, tax authorities, customs and excise authorities, the National Insurance Administration and the Norwegian FSA have electronic access to the data in this register.

16 NORWEGIAN TAXATION

The following is a brief summary of certain Norwegian tax considerations relevant to the acquisition, ownership and disposition of Shares by holders that are residents of Norway for purposes of Norwegian taxation ("**resident or Norwegian shareholders**") and holders that are not residents of Norway for such purposes ("**non-resident or foreign shareholders**").

The summary is based on applicable Norwegian laws, rules and regulations as at the date of this Prospectus. Such laws, rules and regulations may be subject to changes after this date, possibly on a retroactive basis for the same tax year. The summary is of a general nature and does not purport to be a comprehensive description of all tax considerations that may be relevant and does not address taxation in any other jurisdiction than Norway.

The summary does not concern tax issues for the Company and the summary only focuses on the shareholder categories explicitly mentioned below. Special rules may apply to shareholders who are considered transparent entities for tax purposes, for shareholders holding shares through a Norwegian permanent establishment and for shareholders that have ceased or cease to be resident in Norway for tax purposes.

Each shareholder, and specifically non-resident shareholders, should consult with and rely upon their own tax advisers to determine their particular tax consequences.

16.1 Taxation of dividends

16.1.1 Norwegian Personal Shareholders

Dividends received by shareholders who are natural persons resident in Norway for tax purposes ("**Norwegian Personal Shareholders**") are taxable as ordinary income currently at a rate of 22%, to the extent the dividends exceed a statutory tax-free allowance (Nw. *skjermingsfradrag*). With effect from the fiscal year 2024 the taxable amount is multiplied by a factor of 1.72, resulting in an effective tax rate of 37.84 (22% x 1.72).

The tax-free allowance is calculated on a share-by-share basis. The allowance for each Share is equal to the cost price of the Share multiplied by a determined risk-free interest rate based on the effective rate of interest on treasury bills (Nw. *statskasseveksler*) with three months' maturity plus 0.5 percentage points, after tax. The allowance is calculated for each calendar year and is allocated solely to Norwegian Personal Shareholders holding Shares at the expiration of the relevant calendar year. The risk-free interest rate is published in January in the year following the income year. The risk-free interest rate for 2023 was 3.2%.

Norwegian Personal Shareholders who transfer Shares will thus not be entitled to deduct any calculated tax-free allowance related to the year of the transfer when determining the taxable amount in the year of transfer. Any part of the calculated tax-free allowance one year that exceeds the dividend distributed on a Share ("**Excess Allowance**") may be carried forward and set off against future dividends received on, or gains upon realization of, the same Share.

Norwegian Personal Shareholders may hold the Shares through a Norwegian share saving account (Nw. *Aksjesparekonto*). Dividends received on Shares held through a share saving account will not be taxed with immediate effect. Instead, withdrawal of funds from the share saving account exceeding the paid in deposit will be regarded as taxable income, regardless of whether the funds are derived from gains or dividends related to the Shares held in the account. Such income will be taxed with an effective tax rate of 37.84, cf. the description above concerning taxation of dividends.

The tax-free allowance is, when investing through share saving accounts, calculated based on the lowest paid in deposit in the account during the income year, plus any unused tax-free allowance from previous years. The tax-free allowance can only be deducted in order to reduce taxable income and cannot increase or produce a deductible loss. Any Excess Allowance may be carried forward and set off against future withdrawals from the account.

16.1.2 Norwegian Corporate Shareholders

Shareholders who are limited liability companies (and certain similar entities) resident in Norway for tax purposes ("**Norwegian Corporate Shareholders**") are largely exempt from tax on dividends distributed from the Company, pursuant to the Norwegian participation exemption method (Nw. *fritaksmetoden*). However, unless the Norwegian Corporate Shareholder holds more than 90% of the Shares and the voting rights of the company, 3% of the dividend income distributed to the Norwegian Corporate Shareholder is taxable as ordinary income at a rate of 22% resulting in an effective tax rate of 0.66% (22% x 3%).

16.1.3 Non-Norwegian Personal Shareholders

Dividends distributed to shareholders who are natural persons not resident in Norway for tax purposes ("**Non-Norwegian Personal Shareholders**") are as a general rule subject to withholding tax at a rate of 25%. The withholding tax rate of 25% is normally reduced through tax treaties between Norway and the country in which the

shareholder is resident. The withholding obligation lies with the company distributing the dividends, and the Company assumes this obligation.

Non-Norwegian Personal Shareholders resident within the EEA for tax purposes may apply individually to Norwegian tax authorities for a refund of an amount corresponding to the calculated tax-free allowance on each individual Share (please see Section 16.2.1 "*Norwegian Personal Shareholders*"). However, the tax-free allowance deduction does not apply in the event that the withholding tax rate, pursuant to an applicable tax treaty, leads to a lower taxation on the dividends than the withholding tax rate of 25% less the tax-free allowance.

If a Non-Norwegian Personal Shareholder carries out business activities in or managed from Norway and the Shares are, in effect, connected to such activities, the shareholder will be subject to the same taxation of dividends as a Norwegian Personal Shareholder, as described above.

Non-Norwegian Personal Shareholders who have been imposed with a higher withholding tax than set out in an applicable tax treaty, may apply to the Norwegian tax authorities for a refund of the excess withholding tax deducted, if certain documentation requirements are met. Non-Norwegian Personal Shareholders should consult their own advisers regarding the availability of treaty benefits in respect of dividend payments, including the possibility of effectively claiming a refund of withholding tax.

Non-Norwegian Personal Shareholders, who are resident in an EEA country may hold the Shares through a Norwegian share saving account (Nw. *Aksjesparekonto*) to the same extent as Norwegian shareholders. Please refer to Section 16.2.1 "*Norwegian Personal Shareholders*" above for a description of taxation of shares held on a share saving account.

16.1.4 *Non-Norwegian Corporate Shareholders*

Dividends distributed to shareholders who are limited liability companies (and certain other entities) not resident in Norway for tax purposes ("**Non-Norwegian Corporate Shareholders**") are as a general rule subject to withholding tax at a rate of 25%. The withholding tax rate of 25% is normally reduced through tax treaties between Norway and the country in which the shareholder is resident.

Dividends distributed to Non-Norwegian Corporate Shareholders resident within the EEA for tax purposes are exempted from Norwegian withholding tax, provided that the shareholder is the beneficial owner of the Shares and is considered to be "genuinely established and performs genuine economic activity" in the relevant EEA jurisdiction for Norwegian tax purposes.

If a Non-Norwegian Corporate Shareholder carries out business activities in or managed from Norway and the Shares are, in effect, connected to such activities, the shareholder will be subject to the same taxation of dividends as a Norwegian Corporate Shareholder, as described above.

Non-Norwegian Corporate Shareholders who have suffered a higher withholding tax than set out in an applicable tax treaty, may apply to the Norwegian tax authorities for a refund of the excess withholding tax deducted. The same will apply to Non-Norwegian Corporate Shareholders who have suffered withholding tax although qualifying for the Norwegian participation exemption method.

All Non-Norwegian Corporate Shareholders must document their entitlement to a reduced withholding tax rate by either (i) presenting an approved withholding tax refund application or (ii) present an approval from the Norwegian tax authorities confirming that the recipient is entitled to a reduced withholding tax rate. In addition, certain other documentation requirements must be met, and the relevant documentation must be provided to either the nominee or the account operator registered with the VPS. Non-Norwegian Corporate Shareholders should consult their own advisers regarding the possibility of effectively obtaining a reduced withholding tax rate pursuant to either an applicable tax treaty or the participation exemption method.

16.2 Taxation upon realization of shares

16.2.1 *Norwegian Personal Shareholders*

Sale, redemption or other disposal of Shares is considered a realization for Norwegian tax purposes. A capital gain or loss generated by a Norwegian Personal Shareholder through a disposal of Shares is taxable or tax deductible in Norway. Such capital gain or loss is included in or deducted from the Norwegian Personal Shareholder's ordinary income in the year of disposal. Ordinary income is in 2024 taxable at a rate of 22%. However, with effect from the fiscal year 2024, the taxable capital gain (after the tax-free allowance reduction, cf. below) or tax-deductible loss shall be adjusted by a factor of 1.72, resulting in a marginal effective tax rate of 37.84.

The gain is subject to tax and the loss is tax deductible irrespective of the duration of the ownership and the number of Shares disposed of.

The taxable gain/deductible loss is calculated per Share as the difference between the consideration for the Share and the Norwegian Personal Shareholder's cost price of the Share, including costs incurred in relation to the acquisition or realizations of the Share. Norwegian Personal Shareholders are entitled to deduct a statutory tax-free allowance from any capital gain, provided that such allowance has not already been used to reduce taxable dividend income. Please refer to Section 16.2.1 "*Norwegian Personal Shareholders*" above for a description of the calculation of the tax-free allowance. The allowance may only be deducted in order to reduce a taxable gain, and cannot increase or produce a deductible loss, i.e. any unused allowance exceeding the capital gain upon the realization of a Share will be annulled.

If the Norwegian Personal Shareholder owns Shares acquired at different points in time, the Shares that were acquired first will be regarded as the first to be disposed of, on a first-in first-out basis.

Gains derived upon the realization of Shares held through a share saving account will be exempt from immediate Norwegian taxation and losses will not be tax deductible. Instead, withdrawal of funds from the share saving account exceeding the Norwegian Personal Shareholder's paid in deposit, will be regarded as taxable income, subject to tax at an effective tax rate of 37.84% (please see Section 16.2.1 "*Norwegian Personal Shareholders*" above for more information regarding share saving accounts).

16.2.2 *Norwegian Corporate Shareholders*

Norwegian Corporate Shareholders are generally exempt from tax on capital gains derived from the realization of Shares, pursuant to the Norwegian participation exemption method. Correspondingly, losses upon the realization and costs incurred in connection with the purchase and realization of such Shares are not deductible for tax purposes.

16.2.3 *Non-Norwegian Personal Shareholders*

Gains from the sale or other disposal of Shares by a Non-Norwegian Personal Shareholder will not be subject to taxation in Norway unless the Shares held by the Non-Norwegian Personal Shareholder are, in effect, connected to business activities carried out in or managed from Norway, or the Shares are held by a Non-Norwegian Personal Shareholder who has been a resident of Norway for tax purposes with unsettled/postponed exit tax calculated on the Shares at the time of cessation of Norwegian tax residency.

Please refer to Section 16.2.3 "*Non-Norwegian Personal Shareholders*" above for a description of the availability of a Norwegian share saving account for Non-Norwegian Personal Shareholders. Please refer to Section 16.2.1 "*Norwegian Personal Shareholders*" for a description of the taxation of dividends on Shares held on a share saving account.

16.2.4 *Non-Norwegian Corporate Shareholders*

Capital gains derived from the sale or other realization of Shares by Non-Norwegian Corporate Shareholders are not subject to taxation in Norway unless the Shares held by the Non-Norwegian Corporate Shareholder are, in effect, connected with business activities carried out in or managed from Norway.

16.3 Net wealth tax

The value of Shares is included in the basis for the computation of net wealth tax imposed on Norwegian Personal Shareholders. With effect from the fiscal year 2024, the marginal net wealth tax rate is 1% of the tax assessment value of total net assets exceeding NOK 1.7 million (NOK 3.4 million jointly for married couples), increased to 1.1% of the tax assessment value of total net assets exceeding NOK 20 million. The value for assessment purposes for listed Shares is, with effect from the fiscal year 2024, equal to 80% of the listed value as of 1 January in the year of assessment (i.e., the year following the relevant fiscal year).

Norwegian Corporate Shareholders are not subject to net wealth tax.

Shareholders not resident in Norway for tax purposes are not subject to Norwegian net wealth tax. Non-Norwegian Personal Shareholders may, however, be liable for Norwegian net wealth tax if the shareholding is, in effect, connected to business activities carried out in or managed from Norway.

16.4 Stamp duty / transfer tax

Norway does not impose any stamp duty or transfer tax on the transfer or issuance of Shares.

Norway does not impose any inheritance tax. However, the heir continues the giver's tax positions, including the input values, based on principles of continuity.

16.5 The Company's responsibility for the withholding of taxes

The Company is responsible for and shall deduct, report and pay any applicable withholding tax to the Norwegian tax authorities.

16.6 Cautionary note

Potential investors should be aware that the tax legislation of the investor's Member State and of the Company's country of incorporation may have an impact on the income received from the securities.

17 ADDITIONAL INFORMATION

17.1 Independent auditor

The Company's independent auditor is PwC, with registration number 987 009 713 and business address at Dronning Eufemias gate 71, 0194 Oslo, Norway. PwC is a member of The Norwegian Institute of Public Accountants (Nw.: *Den Norske Revisorforeningen*). PwC has been the Company's auditor since 20 June 2022. Revisjon Ryfylke was the Company's independent auditor up until this point. The change of auditor was primarily due to Revisjon Ryfylke's own procedures, according to which it does not audit listed companies.

The consolidated financial statements as of and for the years ended 31 December 2023 and 2022 have been audited by PwC and the consolidated financial statements as of and for the year ended 31 December 2021 have been audited by Revisjon Ryfylke, as set forth in their report included herein.

PwC and Revisjon Ryfylke have not audited, reviewed or produced any report on any other information provided in this Prospectus.

17.2 Advisors

Fearnley Securities AS (address: Dronning Eufemias gate 8, 0191 Oslo, Norway) acted as financial advisor and Listing Advisor in relation to the Merger and Listing.

Advokatfirmaet Schjødt AS (address: Ruseløkkveien 14-16, N-0251 Oslo, Norway) functions as the Company's Norwegian legal counsel in relation to the Merger and the Listing.

In relation to the Listing, Advokatfirmaet Thommessen AS (address: Ruseløkkveien 38, 0251 Oslo) and CMS Kluge Advokatfirma AS (address: Olav Kyrres Gate 21, 4005 Stavanger) has carried out a limited legal due diligence.

17.3 Documents on display

Copies of the following documents will be available for inspection at the Company's offices at Koppholen 25, 4313 Sandnes, Norway, during normal business hours from Monday to Friday each week (except public holidays) for a period of twelve months from the date of this Prospectus:

- the Company's certificate of incorporation and Articles of Association;
- all reports, letters, and other documents, historical financial information, valuations and statements prepared by any expert at the Company's request any part of which is included or referred to in this Prospectus; and
- this Prospectus.

The documents are also available at the Company's website www.soiltech.no. The content of www.soiltech.no is not incorporated by reference into, or otherwise form part of, this Prospectus.

18 DEFINITIONS AND GLOSSARY

The following definitions and glossary apply in this Prospectus unless otherwise dictated by the context, including the foregoing pages of this Prospectus:

Table 49 – Definitions and glossary	
Defined terms	Meanings
2022 NGAAP Financial Statements	The Company's audited consolidated financial statements for the financial year ended 31 December 2022, in accordance with NGAAP.
2021 NGAAP Financial Statements	The Company's audited consolidated financial statements for the financial year ended 31 December 2021, in accordance with NGAAP.
Annual Financial Statements	The IFRS Financial Statements, 2022 NGAAP Financial Statements and the 2021 NGAAP Financial Statements together.
Articles of Association	The articles of association of the Company
Board Members or Board of Directors	The members of the board of directors of the Company
CEO	Chief Executive Officer
CFO	Chief Financial Officer
Companies Act	Norwegian Public Limited Companies Act of 1997 No. 45
Company or Soiltech	Soiltech ASA
COO	Chief operating officer
Corporate Governance Code	Norwegian Code of Practice for Corporate Governance, dated 14 October 2021
CTT	The Group's Cuttings Treatment Technology
EEA	The European Economic Area
ESMA	The European Securities and Markets Authority
EU	The European Union
EU Prospectus Regulation	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and as implemented in Norway in accordance with Section 7-1 of the Norwegian Securities Trading Act
EUR	The single currency of the participating member states in the EU participating in the European Monetary Union having adopted euro as its lawful currency
Euronext Expand	A stock exchange operated by Euronext Oslo Børs
Euronext NOTC	An unregulated over-the-counter marketplace for unlisted shares operated by Oslo Børs ASA
Excess Allowance	Any part of the calculated tax-free allowance one year that exceeds the dividend distributed on a Share
Forward-looking statements	All statements other than historic facts or present facts, typically indicated by words such as "believe," "may," "will," "estimate," "continue," "anticipate," "intend," "expect," and similar
Financial Statements	The Annual Financial Statements and the Interim Financial Statements
GDPR	The General Data Protection Regulation (EU) 2016/679
GoM	US Gulf of Mexico
Group	The Company together with its consolidated subsidiaries
IAS34	International Accounting Standard 34 "Interim Financial Reporting", as adopted by the EU
IFRS	International Financial Reporting Standards as adopted by the EU
IFRS Financial Statements	The Company's audited consolidated financial statements for the financial year ended 31 December 2023, in accordance with IFRS.
Interim Financial Statements	The unaudited consolidated financial statements for the six-month period ended 30 June 2024 with comparative figures for the same period in 2023, prepared in accordance with IAS 34
ISIN	Securities number with the Norwegian Central Securities Depository (VPS)

Listing	Listing of the Company's Shares on Oslo Børs
Listing Advisor	Fearnley Securities AS
Loan Facility	The Group's loan facility with Rogaland Sparebank
Merger	The statutory merger with Oceanteam ASA in accordance with the provisions set out in chapter 13 of the Norwegian Public Limited Liability Companies Act
NGAAP	Norwegian Generally Accepted Accounting Principles
NOK	Norwegian Kroner, the lawful currency of Norway
Non-resident or foreign shareholders	Shareholders who are not resident in Norway for tax purposes
Non-Norwegian Corporate Shareholders	Shareholders who are limited liability companies (and certain other entities) not resident in Norway for tax purposes
Non-Norwegian Personal Shareholders	Shareholders who are natural persons not resident in Norway for tax purposes
Norwegian Corporate Shareholders	Shareholders who are limited liability companies (and certain similar entities) resident in Norway for tax purposes
Norwegian FSA	Financial Supervisory Authority of Norway (Nw.: <i>Finanstilsynet</i>)
Norwegian Personal Shareholders	Shareholders who are natural persons resident in Norway for tax purposes
Norwegian Public Limited Liability Companies Act	Norwegian Public Limited Liability Companies Act of 13 June 1997 no. 45
Norwegian Securities Trading Act	Norwegian Securities Trading Act of 29 June 2007 no. 75, as amended
Oceanteam	Oceanteam ASA
Oslo Børs	Oslo Børs ASA
P&A	Plug & abandonment
PPE	Personal protective equipment
Ppm	Parts per million
Prospectus	This Prospectus dated 10 September 2024
PwC	PricewaterhouseCoopers AS
Resident or Norwegian shareholders	Shareholders who are resident in Norway for tax purposes
Revisjon Ryfylke	Revisjon Ryfylke AS
Share(s)	The Company's outstanding shares, each with a par value of NOK 0.13
Sorbwater	Sorbwater Technology AS
Schjødt	Advokatfirmaet Schjødt AS
SG&A	Selling, general and administrative expenses
STT	Slop Treatment Technology®
U.S. or United States	The United States of America
USD	United States dollar, the lawful currency of the United States
VPS	The Norwegian Central Securities Depository (Nw.: <i>Verdipapirsentralen</i>)
VPS Registrar	DNB Markets, a part of DNB Bank ASA

APPENDIX A:

Articles of Association

VEDTEKTER FOR SOILTECH ASA

Org.nr. 996 819 884

(Vedtatt i generalforsamling den 28. august 2024)

§ 1 Selskapets foretaksnavn

Selskapets foretaksnavn er Soiltech ASA. Selskapet er et allmennaksjeselskap.

§ 2 Forretningskommune

Selskapets forretningskommune er i Sandnes.

§ 3 Selskapets virksomhet

Selskapets virksomhet er leveranse av cleantech løsninger for behandling, resirkulering og ansvarlig håndtering av forurenset vann og industriavfall.

§ 4 Selskapets aksjekapital

Selskapets aksjekapital er NOK 1 031 339,01, fordelt på 7 933 377 aksjer hver pålydende NOK 0,13.

§ 5 Aksjenes omsettelighet

Aksjene i selskapet er fritt omsettelige.

§ 6 Generalforsamling

På den ordinære generalforsamling skal følgende saker behandles:

1. Godkjenning av årsregnskapet og årsberetningen, herunder utdeling av utbytte.
2. Valg av styremedlemmer og revisor (dersom disse er på valg).
3. Andre saker som etter loven eller vedtektene hører under generalforsamlingen.

Når dokumenter som gjelder saker skal behandles på generalforsamlingen er gjort tilgjengelige for aksjeeierne på selskapets internettsider gjelder ikke allmennaksjelovens

ARTICLES OF ASSOCIATION FOR SOILTECH ASA

Reg.no. 996 819 884

(Resolved in the general meeting held 28 August 2024)

§ 1 Company name

The Company's name is Soiltech ASA. The Company is a public limited liability company.

§ 2 Place of business

The Company's place of business is in the Sandnes municipality.

§ 3 The Company's business

The Company's business is provision of cleantech solutions for treating, recycling and to responsibly handle contaminated water and industrial waste streams.

§ 4 The Company's share capital

The Company's share capital is NOK 1,031,339.01, divided into 7,933,377 shares each with a par value of NOK 0.13.

§ 5 Trading in the Company's shares

The shares of the Company are freely tradeable.

§ 6 General meeting

The annual general meeting shall deal with the following matters:

1. Approval of the annual accounts and report of the board of directors, including distribution of dividend.
2. Election of board members and auditors (if these are to be elected).
3. Any other matters which shall be dealt with according to law or the articles of association.

When documents regarding matters which are to be dealt with at the general meeting have been made available on the internet site of the Company, the requirements in the Norwegian

krav om at dokumentene skal sendes til aksjeeierne. Dette gjelder også dokumenter som etter lov skal inntas i eller vedlegges innkallingen til generalforsamlingen.

Styret kan beslutte at aksjeeiere kan avgi skriftlig forhåndsstemme i saker som skal behandles på generalforsamlinger i selskapet. Slike stemmer kan også avgis ved elektronisk kommunikasjon. Adgangen til å avgi forhåndsstemme er betinget av at det foreligger en betryggende metode for autentisering av avsender. Styret avgjør om det foreligger en slik metode i forkant av den enkelte generalforsamling. Styret kan fastsette nærmere retningslinjer for skriftlige forhåndsstemmer. Det skal fremgå av innkallingen til generalforsamlingen om det er gitt adgang til forhåndsstemming og hvilke retningslinjer som eventuelt er fastsatt for slik stemmegivning.

§ 7 Elektronisk kommunikasjon

Selskapet kan bruke elektronisk kommunikasjon når det skal gi meldinger, varsler, informasjon, dokumenter, underretninger ol. etter allmennaksjeloven til aksjeeierne.

§ 8 Registrering i Verdipapirsentralen (VPS)

Selskapets aksjer skal være registrert i Verdipapirsentralen (VPS).

§ 9 Styre

Selskapets styre skal bestå av fra 3 til 7 medlemmer.

§ 10 Nominasjonskomité

Selskapet skal ha en nominasjonskomité som skal bestå av mellom to og fire medlemmer.

Public Limited Liability Companies Act which state that these documents shall be sent to the shareholders, shall not apply. This exemption is also applicable with regards to documents which according to statutory law shall be included in or attached to the notice of the general meeting.

The board may decide that shareholders may cast written votes in advance on matters that are to be considered at general meetings of the company. Such votes may also be cast by use of electronic communication. The possibility to vote in advance is conditional upon a satisfactory method for authenticating each user being available. The board decides whether such a method is available in advance of each general meeting. The board may determine further guidelines for voting in advance. The notice for the general meeting shall state whether it is permitted to vote in advance and the guidelines, if any, that apply to such voting.

§ 7 Electronic communication

The Company may utilize electronic communication when it is to provide messages, notices, information, documents etc. pursuant to the Norwegian Public Limited Liability Companies Act to the shareholders.

§ 8 Registration in the Central Securities Depository

The Company's shares shall be registered in the Central Securities Depository (Verdipapirsentralen).

§ 9 Board of directors

The company's board of directors shall consist of from 3 to 7 members.

§ 10 Nomination committee

The company shall have a nomination committee which shall consist of between two and four members.

Nominasjonskomitéen fremmer forslag til generalforsamlingen om (i) valg av styrets leder, styremedlemmer og eventuelle varamedlemmer, og (ii) valg av medlemmer til nominasjonskomitéen. Nominasjonskomitéen fremmer videre forslag til generalforsamlingen om honorar til styret og nominasjonskomitéen, som fastsettes av generalforsamlingen. Generalforsamlingen skal fastsette instruks for nominasjonskomitéen.

The nomination committee shall present proposals to the general meeting regarding (i) election of the chair of the board, board members and any deputy members, and (ii) election of members of the nomination committee. The nomination committee shall also present proposals to the general meeting for remuneration of the board and the nomination committee, which is to be determined by the general meeting. The general meeting shall adopt instructions for the nomination committee.

APPENDIX B:

The Company's unaudited consolidated interim financial statements for the six-month period ended 30 June 2024 with comparative figures for the same period in 2023 (IAS 34)

REPORT SECOND QUARTER 2024



“Soiltech continue to gain market shares, both in Norway and internationally. The market’s response to our technology offering has been fantastic. This is all due to our innovative approach and the expertise and service attitude of the Soiltech team.”

Jan Erik Tveteraas, Soiltech CEO

SECOND QUARTER 2024

(Numbers in brackets refer to corresponding period in 2023)

Soiltech had record high revenue in the second quarter with revenues amounting to MNOK 69.7. Adjusted EBITDA was MNOK 14.2 whereas profit before tax came to MNOK 2.7.

The high activity was due to an increased demand for Soiltech's sustainable waste treatment and recycling services across our technology portfolio, as the decarbonization of the energy sector continue to gain momentum and discharge regulations are tightening.

The revenues in the first six months of 2024 amounted to MOK 125.7 (MNOK 104.9), adjusted EBITDA came to MNOK 24 (MNOK 21.9) whereas profit before tax came to MNOK 5.8 (MNOK 9.3).

KEY POINTS

- Record high revenue for a quarter
- Several new contracts signed
- Full commercial uptime across all operations
- Start-up of some projects delayed due to reasons on the client's side
- Merger between Soiltech and Oceanteam approved by the general meetings

NEW CONTRACTS

- Contract with **Petrogas E&P** for treatment of contaminated water (STT) on Noble Resolute in the Netherlands with startup in Q2 2024
- Contract with **Equinor** for treatment of contaminated water (STT) on the FSU Njord Bravo in Norway, with expected startup in Q3 2024
- Contract with **Tullow Oil** for treatment of contaminated water (STT) on Island Innovator offshore Mauritania, with expected startup in Q3 2024

- Contract with **Odfjell Drilling** for treatment of contaminated water (STT) on Deepsea Stavanger in Norway, with startup in Q2 2024

Post quarter contract awards

- Contract with **Transocean** for treatment of contaminated water on Transocean Enabler in Norway, with startup in Q3 2024. This is a substantial contract
- Contract with **COSL Drilling** for treating contaminated water on COSL Promoter in Norway, with startup in Q3 2024. This is a substantial contract

Contract sizes

As from July 2024, Soiltech defines contract awards according to size. A sizable contract has an estimated value of NOK 3 – 10 million, a substantial contract has an estimated value of NOK 10 – 25 million, and a large contract has an estimated value above NOK 25 million

MERGER WITH OCEANTEAM AND UPLISTING

The merger plan between Soiltech AS and Oceanteam ASA was approved by the general meetings of the companies on 4th of July 2024. Completion of the merger remains conditional upon a six-week creditor period.

Subject to an approved listing application by Oslo Børs, it is anticipated that Soiltech ASA will be listed and commence trading on Euronext Oslo Børs or Euronext Expand around the end of third quarter 2024. Until then, Soiltech and Oceanteam will trade as normal on the NOTC list and Euronext Oslo Børs, respectively.

RESULTS

In Q2 2024, Soiltech's revenues reached MNOK 69.7, an increase from MNOK 64.5 in the same period last year. This increase is mainly due to a new contract for onshore treatment of waste. Adjusted EBITDA was MNOK 14.2 (MNOK 14.0), with an Adjusted EBITDA margin of 20%. Profit before tax amounted to MNOK 2.7 (MNOK 7.7). The decrease is mainly due to increased interest cost and cost related to the IPO process.

For the first six months of 2024, Soiltech's revenues amounted to MOK 125.7 (MNOK 104.9), whereas Adjusted EBITDA was MNOK 24.0 (MNOK 21.9), and profit before tax came to MNOK 5.8 (MNOK 9.3).

Of the total revenues, Treatment of contaminated water amounted to 61% (71%), Cuttings handling 24% (16%), Cleaning services 10% (7%) and Associated services 5% (5%).

Norway stood for 73% (77%) of the revenues and international 27% (23%).

OPERATIONS

Soiltech's activity during the quarter was high. Start-up of some projects has been delayed due to reasons on the client's side. In the quarter, Soiltech had operations in Norway, UK, the Netherlands, and Denmark. We achieved 100% commercial uptime across all projects, with no incidents or spills.

INVESTMENTS AND FINANCING

In the second quarter, the loan facility with Sandnes Sparebank was increased by NOK 30 million, to finance investments in new equipment. As of 30 June 2024, Soiltech's net-interest bearing debt amounted to MNOK 166.5, reflecting an increase from MNOK 111.2 as of year-end 2023.

As of 30 June 2024, the cash flow from operating activities reached MOK 7.2, while

cash flow from investing activities was MNOK -27.5, due to our capacity expansion initiatives.

Following a net contribution of MNOK 19.0 from financing activities, the net cash flow for the quarter stood at MNOK -1.3. The cash position on June 30, 2024, was MNOK 25.5. The book equity ratio was 43%.

OUTLOOK

The demand for sustainable waste management services continue to grow, both in Norway and internationally. Soiltech is well positioned to increase our market shares, across the full technology portfolio.

The Board 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.

ABOUT SOILTECH

Soiltech is an innovative technology company specializing in the treatment, recycling and sustainable handling of contaminated water and solid waste at site. Our technologies enable cost savings and lower CO2 emissions through waste reduction, waste recovery and reuse. The Company operates world-wide, with its head-office at Forus in Sandnes, Norway.

Learn more: www.soiltech.no

Sandnes, 13 August 2024

Soiltech AS

The Board of Directors

KEY FIGURES

INCOME STATEMENT (NOK 1,000)	Q2 2024	Q2 2023	YTD 2024	YTD 2023
Revenues	69 688	64 470	125 715	104 887
Operating cost	(43 460)	(39 475)	(77 507)	(62 380)
Gross profit	26 228	24 995	48 208	42 506
Gross profit margin	38 %	39 %	38 %	41 %
SG&A	(12 051)	(10 955)	(24 163)	(20 625)
Adjusted EBITDA	14 177	14 040	24 045	21 882
Adjusted EBITDA margin	20 %	22 %	19 %	21 %
Adjustments*	(2 138)	31	(2 628)	(1 096)
EBITDA	12 039	14 072	21 417	20 786
Depreciation	(5 265)	(4 662)	(9 936)	(8 744)
Operating profit	6 774	9 409	11 481	12 042
Operating profit margin	10 %	15 %	9 %	11 %
Net financial items	(4 060)	(1 752)	(5 688)	(2 783)
Profit before tax	2 713	7 657	5 794	9 260
Profit before tax margin	4 %	12 %	5 %	9 %

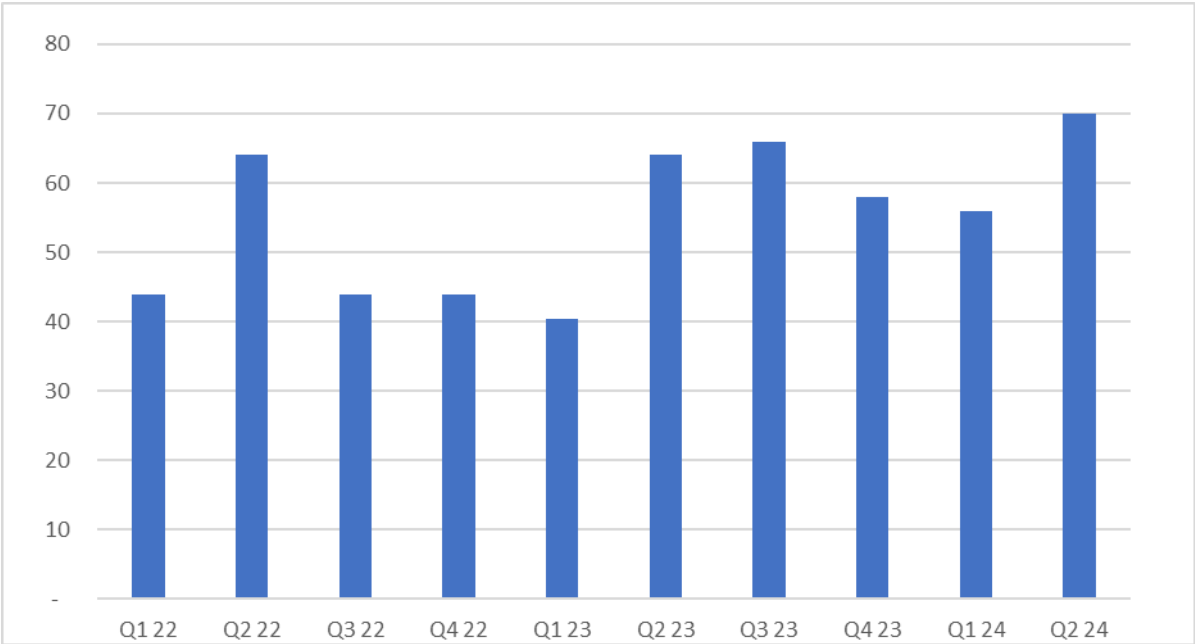
*Adjustments are non-cash cost related to share incentive scheme and other non-recurring costs.

Information on Alternative Performance measures (APM) can be found in appendix at the end of the report.

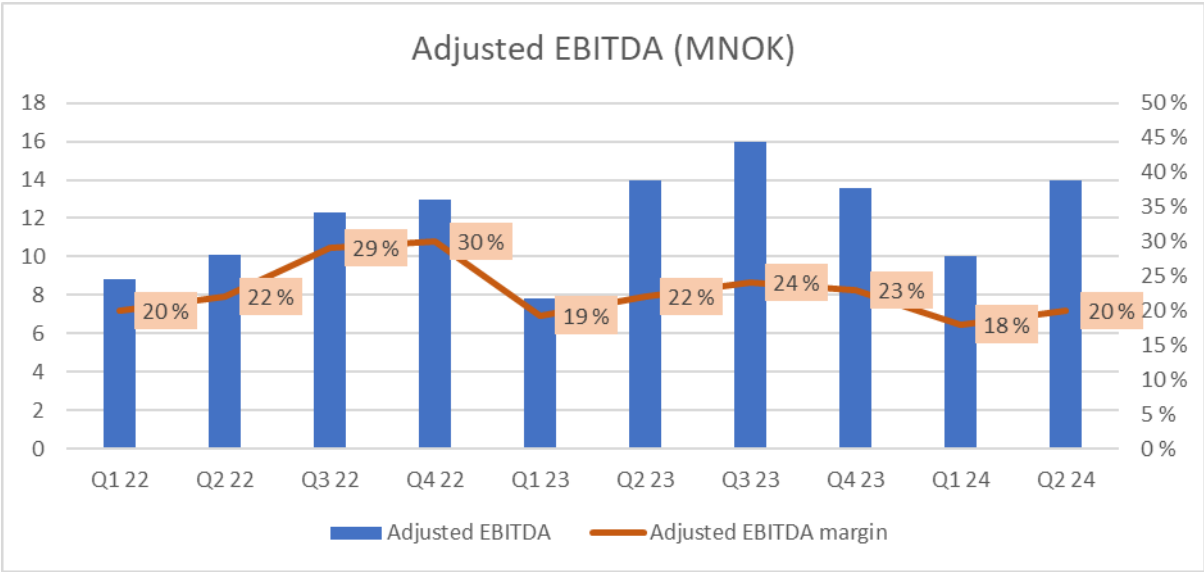
BALANCE SHEET (NOK 1,000)	30.06.2024	31.12.2023
Total assets	411 914	350 681
Total equity	175 890	170 565
Equity ratio %	43 %	49 %

Cash flow (NOK 1,000)	YTD 2024	YTD 2023
Profit before tax	5 794	9 260
Net cashflow from operating activities	7 221	5 128
Net cashflow from investing activities	(27 508)	(28 754)
Net cashflow from financing activities	18 981	204
Total net cash flow	-1 306	-23 422
Cash at beginning of period	26 783	38 832
Cash at end of period 30.06	25 477	15 410

Quarterly revenue 2022 – Q2 2024 (MNOK)



Quarterly Adjusted EBITDA 2022 – Q2 2024 (MNOK)



Condensed consolidated financial statements

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

Profit or loss (amounts in NOK 1000)	Note	Q2 2024	Q2 2023	YTD 2024	YTD 2023
Revenue	3	69 667	64 149	125 662	104 524
Other operating income	3	21	321	53	363
Total operating income	3	69 688	64 470	125 715	104 887
Cost of materials		(14 648)	(16 324)	(20 314)	(23 780)
Personnel expenses		(33 136)	(27 830)	(66 558)	(49 853)
Depreciation and amortisation		(5 265)	(4 663)	(9 936)	(8 744)
Other operating expenses		(9 865)	(6 250)	(17 426)	(10 473)
Total operating expenses		(62 914)	(55 067)	(114 233)	(92 850)
Operating profit		6 774	9 403	11 482	12 037
Net foreign exchange gains (losses)		(423)	138	772	946
Financial income		17	112	-	262
Financial expenses		(3 655)	(1 998)	(6 460)	(3 985)
Net financial items		(4 061)	(1 748)	(5 688)	(2 777)
Profit before tax		2 713	7 655	5 794	9 260
Income tax expense	4	(326)	(2 037)	(1 058)	(2 037)
Profit for the period		2 388	5 618	4 735	7 222
Other comprehensive income					
<i>Items that may be reclassified to profit or loss</i>					
Currency translation differences		-	-	-	-
Income tax relating to these items		-	-	-	-
Net other comprehensive income		-	-	-	-
Total comprehensive income for the period		2 388	5 618	4 735	7 222
Total comprehensive income is attributable to:					
Owners of Soiltech AS		2 388	5 618	4 735	7 222
TRANSFERS					
Transfers to other equity		2 388	5 618	4 735	7 222
Total allocations		2 388	5 618	4 735	7 222
Earnings per share (NOK)					
Basic earnings per share	9	0.32	0.76	0.64	0.98
Diluted earnings per share	9	0.31	0.71	0.61	0.91

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

(amounts in NOK 1000)

ASSETS	Note	30.06.2024	31.12.2023
Non-current assets			
Deferred tax assets	4	10 325	10 403
Intangible assets		2 412	1 811
Property, plant & equipment		199 880	181 117
Right-of-use assets		98 431	71 140
Investments in subsidiaries		0	0
Other non-current assets		797	762
Total non-current assets		311 844	265 234
Current assets			
Inventories		159	159
Trade receivables	6	56 764	44 195
Cash and cash equivalents	5	25 477	26 783
Other current assets		17 670	14 310
Total current assets		100 070	85 447
TOTAL ASSETS		411 914	350 681
EQUITY AND LIABILITIES			
Equity			
Share capital		741	741
Other paid-in equity		83 948	83 948
Other reserves		2 416	1 826
Retained earnings		88 786	84 050
Total equity		175 890	170 565
Non-current liabilities			
Borrowings	5,6	94 822	68 913
Lease liabilities	7,8	61 168	41 847
Other non-current liabilities		616	669
Total non-current liabilities		156 606	111 429
Current liabilities			
Trade payables	7	20 271	13 153
Borrowings	5,6	23 298	16 860
Lease liabilities	7,8	12 676	10 409
Tax payable	4	0	0
Other current liabilities	7	23 172	28 265
Total current liabilities		79 417	68 687
Total liabilities		236 023	180 116
Total equity and liabilities		411 914	350 681

CONSOLIDATED STATEMENT OF CASH FLOW (UNAUDITED)

(amounts in NOK 1000)

	Note	YTD 2024	YTD 2023
Cash flows from operating activities			
Profit before tax		5 794	9 260
Income taxes paid	4	(980)	-
Depreciation, amortisation and impairment		9 936	8 744
Interest expense	5	5 883	3 013
Changes in trade receivables, contract assets/liabilities		(12 725)	(15 872)
Changes in trade payables		13 203	6 523
Changes in other accruals and prepayments		(13 889)	(6 540)
Net cash flow from operating activities		7 221	5 128
Cash flows from investment activities			
Purchase of property, plant & equipment & Intangible assets		(27 508)	(28 754)
Net cash flow from investment activities		(27 508)	(28 754)
Cash flows from financing activities			
Proceeds from new borrowings		39 700	15 200
Repayments on borrowings	5	(8 105)	(6 649)
Payment of principal portion of lease liabilities	5	(7 487)	(5 306)
Interest paid	5	(5 131)	(3 041)
Net cash flow from financing activities		18 981	204
NET CASH FLOW FOR THE PERIOD		(1 306)	(23 422)
Cash and cash equivalent 01.01		26 783	38 832
Cash and Cash equivalents		25 477	15 410

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

	Share capital	Other paid- in equity	Other reserves	Retained earnings	Total equity
2024					
Balance at 31 December 2023	741	83 948	1 826	84 051	170 566
Balance at 31 December 2023	<u>741</u>	<u>83 948</u>	<u>1 826</u>	<u>84 051</u>	<u>170 566</u>
Profit for the period	0	0	0	4 735	4 735
Total comprehensive income	<u>0</u>	<u>0</u>	<u>0</u>	<u>4 735</u>	<u>4 735</u>
<i>Transactions with owners</i>					
Share-based payment	0	0	590	0	590
Balance at 30 June 2024	<u>741</u>	<u>83 948</u>	<u>2 416</u>	<u>88 785</u>	<u>175 890</u>
2023					
Balance at 31 December 2022	741	83 948	1 132	56 631	142 451
Balance at 1 January 2023	<u>741</u>	<u>83 948</u>	<u>1 132</u>	<u>56 631</u>	<u>142 451</u>
Profit for the period	0	0	0	7 222	7 222
Total comprehensive income	<u>0</u>	<u>0</u>	<u>0</u>	<u>7 222</u>	<u>7 222</u>
<i>Transactions with owners</i>					
Share-based payment	0	0	176	0	176
Balance at 30 June 2023	<u>741</u>	<u>83 948</u>	<u>1 308</u>	<u>63 853</u>	<u>149 850</u>

Notes to the Consolidated interim financial statements

Note 1 – General information

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 technology company specializing in the treatment, recycling and sustainable handling of contaminated water and solid industrial waste streams on site. 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' or 'Soiltech').

The interim consolidated financial statements have not been subject to external audit.

Note 2 – Summary of general accounting policies

The Group has applied the same accounting policies and methods of computation in its interim consolidated financial statements as in its 2023 annual financial statements. Specific accounting policies related to the individual areas in the interim consolidated financial statements are described in the relevant notes.

Basis for preparation

These interim consolidated financial statements are presented in accordance with IAS 34 Interim Financial Reporting. They were authorised for issue by the board of directors on 13 August 2024. They do not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the 2023 IFRS financial statement issued by the company on the 15 of March 2024.

The interim consolidated financial statements are presented in Norwegian Kroner (NOK) and have been rounded to the nearest thousand unless otherwise stated. As a result of rounding adjustments, amounts and percentages may not add up to the total.

Accounting estimates and judgements

Items in the financial statements are to a varying degree affected by estimates and assumptions made by management, reference is made to the relevant notes for the affected items.

Estimates with a material impact on the interim financial statements, combined with a significant estimation uncertainty, consists of recognition of deferred tax asset (note 4)

Segment information

Given the uniform nature of the Group's services and the centralized management from its head office in Norway, the entire Group is considered as a single operating segment for internal reporting purposes.

New and amended IFRS standards

Of new standards and interpretations that are not mandatory for the current reporting period, none are expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

Share - based payments transactions

There were allocated 165 000 new share options to key employee and board member.

Per 30.06.2024, there were 1 434 700 options outstanding.

Note 3 – Revenues

Revenues by product category

	Q2	Q2	YTD	YTD
(amounts in NOK 1000)	2024	2023	2024	2023
Treatment of contaminated water	42 469	44 281	76 137	74 629
Cuttings handling	17 351	10 103	29 748	14 950
Cleaning services	6 924	1 429	12 626	2 386
Associated services	2 943	8 657	7 205	12 922
Total	69 688	64 470	125 715	104 887

Revenues by geography

	Q2	Q2	YTD	YTD
(amounts in NOK 1000)	2024	2023	2024	2023
Norway	56 050	49 100	91 275	80 944
Europe (Excl. Norway)	13 298	12 094	33 671	19 193
Rest of the world	340	3 276	769	4 750
Total	69 688	64 470	125 715	104 887

Revenues from major customers

	YTD	YTD
(amounts in NOK 1000)	2024	2023
Customer 1	35 457	32 688
Customer 2	18 261	21 069
Customer 3	14 367	12 177
Customer 4	12 674	9 480
Customer 5	10 839	8 285
Total from major customers	91 599	83 699
Other (less than 10% each)	34 116	21 188
Total	125 715	104 887

Note 4 – Income tax

Accounting policies

The Group consists of companies subject to ordinary corporate taxation in Norway, and within the same tax group with respect to offsetting of deferred tax. Income tax is therefore recognized on the basis of a general application of IAS 12 without the need for further judgments or policies of significance.

Basis for recognition of deferred tax assets

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 Group recognize previously unrecognized deferred tax assets to the extent it has become probable that the Group can utilize the deferred tax asset. Similarly, the Group will reduce a deferred tax asset to the extent that the Group 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 (non-current liabilities) in the consolidated statement of financial position.

Basis for tax expense in interim periods

Due to materiality tax expense in interim periods is measured by multiplying profit before tax by nominal tax rate of 22%. A difference between the estimated tax cost for 2023 and tax returns of TNOK 216 is recognized as part of the 1H 2024 tax expense.

Note 5 – Cash and cash equivalents

Cash and cash equivalents comprise mostly ordinary bank deposits. The statement of cash flows is prepared using the indirect method. Interest income and expenses are presented as investing and financing activities, respectively.

Restricted cash

(amounts in NOK 1000)

	30.06.2024	31.12.2023
Payroll withholding tax account	1 904	3 520

Reconciliation of cash flows from financing activities

(amounts in NOK 1000)	Lease liabilities	Borrowings	Total
Carrying amount 31.12.2023	52 256	85 773	138 029
Cash flows			
Proceeds from new borrowings		39 700	39 700
Repayment of principal borrowings		(8 105)	(8 105)
Repayment of principal portion of lease liability	(7 487)		(7 487)
Interest paid	(2 164)	(2 967)	(5 131)
Interest expenses	2 164	3 719	5 883
Additions lease	29 075	-	29 075
Carrying amount 30.06.2024	73 844	118 120	191 964
Non-current	61 168	94 822	
Current	12 676	23 298	

Note 6 – Borrowings

Accounting policies

Borrowings are initially recognized at fair value, including transaction costs directly attributable to the transaction, and are subsequently measured at amortized cost. There has not been any material transaction cost during the year.

Covenants

The loan facility with Sandnes Sparebank entered in 2023 has the following covenants:

- Net-interest bearing debt (NIBD)/Earnings before interest taxes, depreciation and amortization (EBITDA) 12 month rolling < 4
- Book equity > 30%
- Approval from bank if dividend/group contribution

The company is not in breach with any of the covenants above.

Specification of borrowings – 30.06.2024

(amounts in NOK 1000)	Nominal interest rate	Nominal amount	Capitalized financing fees	Carrying amount
Innovasjon Norge	7,7%	2 583	0	2 583
Sandnes Sparebank	3 m.Nibor+2.5%	115 537	0	115 537
Carrying amount as per 30.06.2024		118 120		118 120
Non-current borrowings				94 822
Current borrowings				23 298

Specification of borrowings – 31.12.2023

(amounts in NOK 1000)	Nominal interest rate	Nominal amount	Capitalized financing fees	Carrying amount
Innovasjon Norge	7,7%	3 875	0	3 875
Sandnes Sparebank	3 m.Nibor+2.5%	81 898	0	81 898
Carrying amount as per 31.12.2023		85 773	0	85 773
Non-current borrowings				68 913
Current borrowings				16 860

Contractual payments on borrowings – 30.06.2024

(amounts in NOK 1000)	Next year	1-2 years	2-5 years	More than 5 years
Innovasjon Norge	2 763	0	0	0
Sandnes Sparebank	26 211	24 833	66 235	20 568
Total	28 974	24 833	66 235	20 568

Contractual payments on borrowings – 31.12.2023

(amounts in NOK 1000)	Next year	1-2 years	2-5 years	More than 5 years
Innovasjon Norge	2 813	1 330	0	0
Sandnes Sparebank	18 580	17 612	47 024	14 453
Total	21 393	18 942	47 024	14 453

For loans with floating interest rates, the amounts above are calculated using the current interest rate per the relevant year end.

Carrying amount of assets pledged as security

(amounts in NOK 1000)	30.06.2024	31.12.2023
Property, plant & equipment	199 880	180 954
Trade receivables	56 764	44 171
Total	256 644	225 124

Note 7 – Financial assets and liabilities

(amounts in NOK 1000)	30.06.2024	31.12.2023
<i>Financial assets at amortised cost</i>		
Trade receivables	56 764	44 195
Other assets	17 670	14 310
<i>Financial assets at fair value through profit or loss</i>		
Cash and cash equivalents	25 477	26 783
Carrying amount as at 30.06	99 911	85 288

Financial liabilities per category

(amounts in NOK 1000)

	30.06.2024		31.12.2023	
	Current	Non-current	Current	Non-current
<i>Financial liabilities at amortised cost</i>				
Borrowings	23 298	94 822	16 860	68 913
Lease liabilities	12 676	61 168	10 409	41 847
Trade payables	20 271		13 153	0
<i>Financial liabilities at fair value through profit or loss</i>				
Currency forward contracts	2 810	0	3 672	0
Carrying amount as at 30.06	59 055	155 990	44 094	110 760

Fair value

For items measured at amortized cost, carrying amount is considered to be a reasonable approximation to fair value.

Note 8 – Financial risk and capital management

The Group's policies for management of capital and financial risk aim to support the current strategy and target of maintaining a high rate of growth and developing prospective business opportunities. The Group's capital structure shall be robust enough to maintain the desired freedom of action and utilize growth opportunities, based on strict assessments relating to the allocation of capital. The Group debt financing consist of bank and leasing financing. The loan covenants to which the Group is subject play a key role in how capital is managed and allocated, to maintain a low financing risk and financial flexibility. See note 6 borrowings for further details on the Group's financing.

Market risk

The Group's exposure to financial market risk is mainly related to interest rates on external financing and various forms of currency risks. The Group has a diversified client list and evaluates changes in pricing structure contract by contract, as part of its mitigation process to cover for increased interest cost. The Group has not entered into any interest swap agreements.

Currency risk

The Group has Norwegian kroner (NOK) as its base currency. However, through its operations outside Norway, the Group is exposed to fluctuations in certain exchange rates, mainly Euro (EUR), British Pound (GBP) and American dollar (USD). The Group also has currency risks linked to both balance sheet monetary items and investments in foreign countries.

Interest rate risk

The Company loan and leasing agreements have floating interest rates based on NIBOR according to the financial strategy, see Note 6 borrowings, and is thereby influenced by changes in the interest market. A change of increase of 1 percentage point in NIBOR means a change in yearly net interest expenses of approximately MNOK 1.7.

Credit risk

Assets that may give rise to credit risk comprise mainly trade receivables and bank deposits. For the latter, the counterparties are mainly banks established in the Nordic countries, which indicates that the credit risk should be regarded as negligible. Trade receivables are characterized by a concentration in the customer base, in terms of country and industry. The customers, however, are primarily large companies with high credit ratings, and the agreed payment terms in the contracts typically ensure that any overdue amounts are kept at low level. Thus, credit losses have historically been insignificant.

Liquidity risk

As at year-end, the Group's portfolio of loans and loan facilities is well diversified both with regards to maturity profile and lenders. In June 2024 the Company entered a 7-year loan facility of MNOK 30 with Sandnes Sparebank. Together with existing loan facility of MNOK 148 with Sandnes Sparebank, the facilities total MNOK 178.

The unused portion of the credit facilities was MNOK 45.6 as at 30.06.2024.

Summary of contractual maturities 30.06.2024

(amounts in NOK 1000)	Next year	1-2 years	2-5 years	More than 5 years
Lease liabilities	18 067	18 050	36 861	23 478
Borrowings	28 974	24 833	66 235	20 568
Trade payables	20 271	0	0	0
Total non-derivative	67 311	42 884	103 096	44 046
Currency forward contracts	2 810	0	0	0
Total derivative	2 810	0	0	0
Total	70 121	42 884	103 096	44 046

Note 9 – Earnings per share

Earnings per share	Q2	Q2	YTD	YTD
(amounts in NOK 1000)	2024	2023	2024	2023
Basic earnings per share	0.32	0.76	0.64	0.98
Diluted earnings per share	0.31	0.71	0.61	0.91

Earnings

(amounts in NOK 1000)				
Profit (loss) for the period	2 388	5 618	4 735	7 222

Shares used as the denominator

(amounts in 1000)				
Weighted average number of shares	7 405	7 405	7 405	7 405
<i>Adjustments for calculation of diluted earnings per share</i>				
Options	353	544	353	544
Weighted average number of shares and potential shares	7 758	7 949	7 758	7 949

Note 10 – Share capital and shareholder information

Share capital and ownership structure

The share capital of the parent company, Soiltech AS, amounts to NOK 740 543 as of 30 June 2024, and consists of a total of 7,405,430 ordinary shares with a nominal value of NOK 0.1.

Shareholders as of 30.06.2024

Shareholders	Number of shares	Ownership interest
Hildr AS	798 650	10.8%
Wellex AS by Glenn Åsland	745 930	10.1%
Knatten I AS by Jan Erik Tveteraas	700 325	9.5%
Carnegie Investment Bank AB	560 980	7.6%
SKAGENKAIEN INVESTERING AS	541 380	7.3%
TVETERAAS INVEST AS	521 710	7.0%
DNB BANK ASA	345 790	4.7%
PIMA AS	202 830	2.7%
HAVNEBASE EIENDOM AS	193 470	2.6%
FEARNLEY SECURITIES AS	192 000	2.6%
PARETO SECURITIES ASA	184 820	2.5%
Banque Pictet & Cie SA	181 000	2.4%
BNP Paribas	176 000	2.4%
Carnegie Investment Bank AB	164 000	2.2%
ZETLITZ CAPITAL AS	102 030	1.4%
TUCAN HOLDING AS	100 560	1.4%
CAMPO EIENDOM AS	83 000	1.1%
KRISTIANRO AS	82 000	1.1%
FORTE TRØNDER	79 800	1.1%
RYDER	78 000	1.1%
Top 20 shareholders	6 034 275	80 %
Other	1 371 155	20 %
Total	7 405 430	100 %

Note 11 – Events after the reporting period

After the balance sheet date there are only events in the ordinary course of business and no events of an adjusting or non-adjusting nature.

Appendix: Alternative Performance Measures

Alternative Performance Measures

The Group presents certain alternative measures of financial performance, financial position and cash flows that are not defined or specified in IFRS Accounting Standards. The Group considers these measures to provide valuable supplementary information for Management, Board of Directors and investors, as they provide useful additional information regarding the Group's financial performance and position. As not all companies define and calculate these measures in the same way, they are not always directly comparable with those used by other companies. These measures should not be regarded as replacing measures that are defined or specified in IFRS Accounting Standards but should be considered as supplemental financial information. In this Prospectus, the Alternative Performance Measures used by the Group are defined, explained and reconciled to the most directly reconcilable line item, subtotal or total presented in the financial statements of the corresponding period.

The APMs used by the Group are set out below:

Operating cost

Operating cost is defined as the total of cost of materials, personnel expenses and other operating expenses less expenses related to onshore personnel and other onshore operating expenses, share incentive program, severance payment, legal cost related to IPO and other items defined by the Management to not relate to offshore operations. Management defines that Operating cost illustrates the expenses directly related to offshore activities. This measure provides additional information for Management, Board of Directors and investors in order to evaluate underlying profitability of offshore operating activities and their ability to generate cash.

SG&A

Selling, general and administrative expenses ("SG&A") is defined as the sum of Cost of materials, Personnel expenses and other operating expenses less operating costs (as defined above), share incentive program, severance payment, legal cost related to IPO and other items defined by management that impact comparability between periods. Management defines that SG&A illustrates the expenses directly related to onshore support activities. This measure provides additional information for management, board and investors, in order to evaluate underlying profitability and their ability to generate cash.

Gross Profit and Gross profit margin

Gross Profit is defined as total operating income less Operating cost (as defined above). Gross profit margin is defined as gross profit divided by total operating income. Gross profit and Gross profit margin provide additional information for Management, Board of Directors and investors to evaluate the underlying profitability generated from offshore operating activities.

EBITDA and EBITDA margin

EBITDA is defined as Operating profit before other gains, impairment, depreciation and amortization. EBITDA margin is defined as EBITDA divided by total operating income. These measures provide additional information for Management, Board of Directors and investors to evaluate underlying profitability of operating activities and their ability to generate cash before investments in fixed assets and service of debt.

Adjusted EBITDA and Adjusted EBITDA margin

Adjusted EBITDA is defined as EBITDA (as defined above) adjusted for items affecting comparability such as expenses related to share incentive programs, severance payment, legal cost related to IPO and other items defined by Management that impact comparability. Adjusted EBITDA margin is defined as Adjusted EBITDA divided by total operating income. These measures provide additional information for Management, Board of Directors and investors to evaluate underlying profitability of operating activities and their ability to generate cash before investments in fixed assets and service of debt.

Net interest-bearing debt

Net interest-bearing debt is defined as the total of non-current borrowings, non-current lease liabilities, current borrowings and current lease liabilities less cash and cash equivalents. This measure provides additional information for Management, Board of Directors and investors to assess the Group's financial indebtedness and as an input to assess its capacity to meet its financial commitments.

Equity ratio

Equity ratio is defined as total equity divided by total assets. This measure provides additional information for Management, Board of Directors and investors to assess the Group's financial position and capital structure.

Reconciliation of the APMs

Operating cost

	Q2	Q2	YTD	YTD
(Amounts in NOK 1 000)	2024	2023	2024	2023
Cost of materials	14 648	16 324	20 314	23 780
Personnel expenses	33 136	27 830	66 558	49 853
Other operating expenses	9 865	6 250	17 426	10 473
Less:				
Onshore expenses	12 051	10 960	24 163	20 629
Share incentive program	(1 380)	(31)	(1 340)	1 096
Legal costs - IPO	3 518	0	3 968	0
Operating cost	43 460	39 475	77 507	62 380

SG&A

	Q2	Q2	YTD	YTD
(Amounts in NOK 1 000)	2024	2023	2024	2023
Cost of materials	14 648	16 324	20 314	23 780
Personnel expenses	33 136	27 830	66 558	49 853
Other operating expenses	9 865	6 250	17 426	10 473
Less:				
Operating cost	43 460	39 475	77 507	62 380
Share incentive program	(1 380)	(31)	(1 340)	1 096
Legal cost IPO	3 518	0	3 968	0
SG&A	12 051	10 955	24 163	20 625

Gross profit and Gross profit margin

	Q2	Q2	YTD	YTD
(Amounts in NOK 1 000)	2024	2023	2024	2023
(a) Total operating income	69 688	64 470	125 715	104 887
Operating cost	43 460	39 475	77 507	62 380
(b) Gross profit	26 228	24 995	48 208	42 506
(b/a) Gross profit margin	38 %	39 %	38 %	41 %

EBITDA and Adjusted EBITDA

	Q2	Q2	YTD	YTD
(Amounts in NOK 1 000)	2024	2023	2024	2023
Operating profit	6 774	9 409	11 481	12 042
Depreciation and amortization	5 265	4 662	9 936	8 744
(a) EBITDA	12 039	14 072	21 417	20 786
Adjusted for:				
Share incentive program	(1 380)	(31)	(1 340)	1 096
Legal cost - IPO	3 518	0	3 968	0
(b) Adjusted EBITDA	14 177	14 040	24 045	21 882
(c) Total operating income	69 688	64 470	125 715	104 887
(a/c) EBITDA margin	17 %	22 %	17 %	20 %
(b/c) Adjusted EBITDA Margin	20 %	22 %	19 %	21 %

Net interest-bearing debt

(Amounts in NOK 1 000)	30.06.2024	31.12.2023
Non-current Borrowings	94 822	68 913
Non-current Lease liabilities	61 168	41 847
Current Borrowings	23 298	16 860
Current Lease liabilities	12 676	10 409
Cash and cash equivalents	(25 477)	(26 783)
Net interest-bearing debt	166 487	111 246

Equity ratio

(Amounts in NOK 1 000)	30.06.2024	31.12.2023
(a) Total equity	175 890	170 565
(b) Total assets	411 914	350 681
(a/b) Equity ratio	43 %	49 %



To the Shareholders of Soiltech AS

Report on Review of Interim Financial Information

Introduction

We have reviewed the accompanying consolidated statement of financial position of Soiltech AS as at 30 June 2024, and the related consolidated statement of comprehensive income, the statement of changes in equity and the statement of cash flow for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation of this interim financial information that gives a true and fair view in accordance with IAS 34 Interim Financial Reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISAs), and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial information does not, in all material respects, give a true and fair view of the financial position of the entity as at 30 June 2024, and of its financial performance and its cash flows for the six-month period then ended in accordance with IAS 34 Interim Financial Reporting.

Stavanger, 13 August 2024

PricewaterhouseCoopers AS

Roy Henrik Heggelund

State Authorised Public Accountant

(This document is signed electronically)

ISRE 2410 Uttalelse - Forenklet revisorkontroll...

Signers:

<i>Name</i>	<i>Method</i>	<i>Date</i>
Heggelund, Roy Henrik	BANKID	2024-08-13 14:20



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APPENDIX C:

The Company's audited consolidated financial statement for 2023 with comparative figures for the year 2022 (IFRS)

2023 Annual Report



AN INNOVATIVE
TECHNOLOGY COMPANY
SOLVING A PRESSING ISSUE,
FOR A GREENER FUTURE



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This is Soiltech

Soiltech is an innovative technology company specializing in the treatment, recycling and responsible handling of contaminated water and solid industrial waste streams at site. Our technologies enable cost savings and lower CO2 emissions through waste reduction, waste recovery and reuse. Soiltech operates world-wide, with its head office at Forus in Sandnes, Norway.



A Word from the CEO

Soiltech is on a fantastic journey, and I am proud to be part of it. We develop and operate innovative technologies needed for sustainable treatment, handling, treatment, and recycling of waste. Our solutions contribute to reduced carbon emissions - in a world with growing energy demands.

We see an increased demand across our full technology portfolio, due to the dedicated Soiltech team and focus on delivering innovative solutions and strong operations. I am very pleased that we once again can deliver good safety results with no lost time incidents in 2023. We are getting great feedback from our clients when it comes to our operational performance, thanks to our committed personnel on location and onshore support team. This positive feedback is important for Soiltech as operational excellence is a key factor for our continued success.

We reached a milestone in 2023 with revenues exceeding 200 million kroner for the first time. It took us ten years to get to the first 100 million and only two years to double that. During last year, the number of employees increased from 72 to 125, adding 'tons' of expertise to the Soiltech team. Fortunately, our recruitment campaigns attract huge interest from qualified personnel. We continue to focus on continuous improvement, with training,

competence enhancement, and technology innovation as key areas.

Our international operations are growing, while the North Sea market continue to be very strong for Soiltech. In 2023, international operations accounted for 27% of our revenues compared to 16% in 2022. Going forward, I expect that our international activities will continue to increase, as we see tightening regulations for discharging water to sea and further demands for decarbonization. Soiltech aims to offer the market's most sustainable and effective technologies, and we will leverage off our strong position in the North Sea to gain market share globally. There are about 500 mobile rigs worldwide, constituting the market for Soiltech. We are currently on 25 of these rigs, so there is a big untapped potential.

Financially, we are running a solid business. With growing investments in equipment and personnel, capital discipline and a good finance structure is important. I am glad to say that we feel strong support from our banks and owners, which have provided us with the required capital to finance our growth. At some point a listing of Soiltech on Oslo Stock Exchange will be a natural step in order to secure additional equity financing and provide a marketplace for trading of the Soiltech share.



Jan Erik Tvetraas, CEO

Board of Directors report 2023

Nature of business and location

Established in 2011, Soiltech is an innovative technology company specializing in the treatment, recycling and responsible handling of contaminated water and solid waste at site. Our technologies enable cost savings and lower CO2 emissions through waste reduction, waste recovery and reuse.

Soiltech (the Group) consists of the Parent Company Soiltech AS (the Company) and the subsidiaries Soiltech Offshore Services AS and Sorbwater Technology AS.

In 2023, the Group had operations in Norway, the United Kingdom, the Netherlands, Mexico, Colombia, Mauritania, Lebanon, Cyprus, Denmark and Abu Dhabi. The Group's head office is at Koppholen 25 in Sandnes, Norway.

Highlights in 2023

- January: Soiltech AS and Well Expertise AS entered into a frame agreement for the provision of drilling waste management on drilling projects managed by Well Expertise AS. The contract has a duration of 5 years.
- February: Soiltech was awarded a long-term frame contract with Equinor for the provision of offshore waste services. The contract was effective from end 2022. Including extension options the contract has a duration until 2034
- February: Soiltech was awarded its first contract in Mexico for the treatment of contaminated water onboard a drilling vessel for a leading operator
- May: Soiltech was awarded its first contract treating fluid from pipe cleaning on an oil refinery in Europe. It is a new and interesting application of our technologies which could have great potential.
- June: Soiltech was awarded its first contract in Lebanon with Transocean for providing slop treatment and cuttings handling services onboard the semi-submersible rig Transocean Barents.
- 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 Group's technologies

Events after year-end

- Contract with Equinor for cuttings handling services on Oseberg Sør, with estimated startup in Q1 2024.
- Contract with Well Expertise for treating contaminated water (STT) on a mobile rig in the North Sea, with estimated startup in Q2 2024.

Financial performance and financing

Key figures (NOK mill)	Parent company		Group	
	2023	2022	2023	2022
Revenues	229	178	229	178
Gross Margin	97	80	94	79
Gross Margin %	42%	45%	41%	44%
EBITDA from Operations	52	43	51	45
Profit before tax	32	20	32	19
Net profit	26	16	27	15
Total assets	358	275	351	270
Net interest bearing debt	96	35	93	32
Cash	24	36	27	39
Working Capital	3	17	17	20
Equity	170	144	171	142
Equity ratio	48%	52%	49%	53%

The Group

As from 2023 the Group has changed its financial reporting from NGAAP to IFRS. The change has been implemented retrospectively using 01.01.2022 as the date of transition. The effects of the transition are limited and are not considered to have a material impact on the figures presented in the annual report, see note 26 in the consolidated financial statement.

The activity has been high throughout the year and the success can be attributed to an increasing demand for the Group's innovative and sustainable waste treatment technologies, as clients are looking for solutions reducing their carbon emissions. The revenue growth year on year was 28.5%. The gross margin was 41% and EBITDA from operations was MNOK 51 in 2023, compared to MNOK 45 in 2022.

Profit before tax was MNOK 32. As of 31.12.23, the basis for a contingent liability assumed in connection with the Sorbwater transaction was not fulfilled. Therefore, a gain of MNOK 15 was recognized and goodwill of MNOK 5.1 was impaired, resulting in a net gain of MNOK 9.9. The net profit of MNOK 27 is transferred to other equity. Total assets at year-end amounted to MNOK 351 (MNOK 270).

The cash flow from operating activities reached MNOK 37, while cash flow from investing activities was MNOK -64 due to our capacity expansion initiatives. Following a net contribution of MNOK 15 from financing activities, the net cash flow for the full year of 2023 stood at MNOK -12. The cash position on December 31, 2023 was MNOK 27 and the equity ratio remained solid at 49% (53%). In the middle of 2023 Soiltech entered a long-term loan facility with Sandnes Sparebank. The 7-year loan facility is MNOK 73 and comes in addition to the existing facility of MNOK 75.

Parent Company

Net profit of MNOK 26 is transferred to other equity. Total assets at year-end amounted to MNOK 358 (MNOK 277). The equity ratio remained solid at 48% (52%).

Operations

The Group saw an increase in operations in 2023, with higher activity across the full technology portfolio. During the year, we had up to 25 slop treatment operations and two cutting handling projects ongoing. In addition, the Group performed cleaning and swarf removal jobs. International operations are increasing. During 2023, the Group had operations in 10 countries and international revenues accounted for 27% of total revenues. There were no operational or commercial downtime in 2023.

Risk management and internal control

The Group categorizes its primary risks into commercial, operational, compliance and legal, financial and IT- and cyber related risks. The Group has evaluated the overall climate risk to be low. Climate related matters are not expected to critically effect assets, provisions, or future cash flows. Further details can also be found in note 18 and 19 in the consolidated financial statements.

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 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 Group's IT and communication systems, procedures, ways of working, as well as technical barriers and controls.

The Group'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 cyclical industry, its client base however consists of solid and credit-worthy energy and drilling companies. During the year, the Group has focused on continuous improvement in training and competence requirements, technical and operational safety as well as planning and forecasting.

The Group has a solid balance sheet and had no trade losses in 2023. A new bank facility was secured during the year and a solid cash position was maintained.

Climate risk

Climate risk is defined as the measure of vulnerability to climate-related impacts that may have financial consequences, or that may affect various aspects of 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.

The Group's overall focus regarding the external environment is to provide knowledge to the market about our technologies, which help the customer reducing their emissions. Overall, this will result in a reduction in emissions that benefits the society. A main Soiltech focus area is to reduce the number of trucks to lower the emissions associated with the transport of our equipment to the customer's site. We aim to avoid rush mobilizations and load the truck as full as possible.

The Group's technologies are energy efficient technologies that contribute to waste reduction, waste recovery and reuse. As such we are contributing to responsible resource management and reduced emissions through the energy transition. As emissions and discharge regulations are tightened globally, the Group's technologies may play an increasingly important role in the oil & gas industry.

Liability Insurance (Directors and Officers)

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

Research & Development

The Group has a strong focus on innovations but does not undertake specific research & development activities as such. However, the Group is continuously focusing on improving existing technologies and developing new solutions, based on experience from operations and market needs.

Human Resources, Diversity and Governance

The Group had 125 employees at end 2023 compared to 94 end 2022. The board perceives that the working environment and the general well-being in the workplace as good. This was confirmed in the 2023 organizational survey.

The Group's diversity is exemplified by the fact that its employees come from multiple countries. The Group's field personnel consist of men. The Group has incorporated guidelines aiming to ensure that there is no discrimination based on gender or nationality. The Group works systematically with recruitment, salary and working conditions, and promotion and development opportunities. The management team consist of 3 women and 4 men. The board has five members, all of whom are men. One board member is employed as COO in the Company. The Company is in process of making necessary changes to the board to meet the gender requirements by end of 2024.

HSEQ

A fit for purpose management system and robust HSEQ performance is fundamental to the Group. The Company is recertified according to ISO 9001 (Quality), ISO 14001 (Environment) and ISO 45001 (Working Environment). The Group requests and receives continuous feedback from its clients, in an effort to measure quality and continuous improvement. A high degree of repeat clients is an additional quality parameter that is monitored. The Group had a sick leave of 2.4% in 2023. The board perceives the working environment and the general well-being in the workplace as good.

Soiltech has a zero-accident philosophy when it comes to incidents and spills and strives on a continuous basis to reduce the impact of its activities on the external environment. The HSE performance in 2023 was good, with no lost time incidents (LTIs). Internal control in Soiltech is ensured in accordance with our policies and procedures, and reinforced based on the organizational structure, competence, and authority matrix as well as segregation of duties.

Sustainability (ESG)

The Group 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 Group to further develop our technologies, towards 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 the 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 rights 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. Statement of Transparency act can be found on www.soiltech.no.

Outlook

The outlook is positive. Soiltech's market-leading technologies for waste reduction, recovery, and reuse continue to gain momentum and market share. The total market for waste treatment is growing, as environmental restrictions for discharging contaminated water tighten world-wide. Going into 2024, Q1 typically has a lower activity due to the winter season. For 2024 as a whole, we foresee a continued strengthening in the market, which is also expected for 2025.

The Board 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. IAS 1.

Shareholders and share capital

At the end of 2023 Soiltech had 87 shareholders. The 10 largest shareholders owned 75.5% of the company. Foreign ownership was 32.4%. As at end 2023, 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 any dividend to date and the Board does not propose to pay dividend for 2023. 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 Group other than those mentioned under Events after year-end above.

Sandnes, March 15, 2024

The board of directors of Soiltech AS

Gunnar Winther Eliassen
Gunnar Winther Eliassen (Mar 15, 2024 10:29 GMT)

Gunnar Winther Eliassen
Chairman of the Board

Olaf Skrivervik
Olaf Skrivervik (Mar 16, 2024 13:10 GMT+1)

Olaf Skrivervik
Member of the Board

EIRK
Eirik Flatebø (Mar 16, 2024 10:35 GMT+1)

Eirik Flatebø
Member of the Board

Carsten Brückner
Carsten Brückner (Mar 15, 2024 11:30 GMT+1)

Carsten Brückner
Member of the Board

Glenn Åsland

Glenn Åsland
Member of the Board

Jan Erik Tveteraas
Jan Erik Tveteraas (Mar 15, 2024 11:28 GMT+1)

Jan Erik Tveteraas
Chief Executive Officer

Members of the Board - Soiltech AS



Gunnar Winther Eliassen
Chairman of the board



Eirik Flatebø
Board member



Glenn Åsland
Board member



Dennis Alberding
Deputy board member



Olaf Skrivervik
Board member



Dr. Carsten Brückner
Board member



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(amounts in NOK 1000)	Note	2023	2022
Revenue	3	229 112	177 073
Other operating income	3	167	1 097
Total operating income	3	<u>229 279</u>	<u>178 170</u>
Cost of materials		-39 696	-33 499
Personnel expenses	4	-115 990	-90 104
Depreciation and amortisation	5,9,10,11	-17 930	-16 032
Impairment	9	-5 050	0
Other operating expenses	6	<u>-25 442</u>	<u>-15 857</u>
Total operating expenses		<u>-204 109</u>	<u>-155 492</u>
Other gains	9,22	<u>15 000</u>	<u>0</u>
Operating profit		<u>40 170</u>	<u>22 678</u>
Net foreign exchange gains (losses)	7	186	-138
Financial income	7	296	539
Financial expenses	7	<u>-8 371</u>	<u>-4 277</u>
Net financial items		<u>-7 890</u>	<u>-3 876</u>
Profit before tax		<u>32 280</u>	<u>18 803</u>
Income tax expense	8	-4 869	-4 146
Profit for the period		<u>27 411</u>	<u>14 657</u>
Other comprehensive income			
<i>Items that may be reclassified to profit or loss</i>			
Currency translation differences		0	0
Income tax relating to these items		0	0
Net other comprehensive income		<u>0</u>	<u>0</u>
Total comprehensive income for the period		<u>27 411</u>	<u>14 657</u>
Total comprehensive income is attributable to:			
Owners of Soiltech AS		<u>27 411</u>	<u>14 657</u>
TRANSFERS			
Transfers to other equity		<u>27 411</u>	<u>14 657</u>
Total allocations		<u>27 411</u>	<u>14 657</u>
Earnings per share (NOK)			
Basic earnings per share	21	3,70	1,98
Diluted earnings per share	21	3,44	1,86

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(amounts in NOK 1000)

ASSETS	Note	31/12/2023	31/12/2022	01/01/2022
Non-current assets				
Deferred tax assets	8	10 403	15 272	0
Intangible assets	9	1 811	6 795	461
Property, plant & equipment	10	181 117	130 300	88 968
Right-of-use assets	11	71 140	40 352	39 649
Investments in subsidiaries		0	0	
Other non-current assets	12	762	738	294
Total non-current assets		265 234	193 457	129 372
Receivables				
Inventories		159	238	0
Trade receivables	13	44 195	29 244	34 321
Cash and cash equivalents	14	26 783	38 832	39 232
Other current assets	12	14 310	8 047	16 059
Total current assets		85 447	76 362	89 612
TOTAL ASSETS		350 681	269 818	218 984
EQUITY AND LIABILITIES				
Equity				
Share capital	20	741	741	720
Other paid-in equity		83 948	83 948	70 045
Other reserves		1 826	1 132	0
Retained earnings		84 050	56 639	41 983
Total equity		170 565	142 460	112 748
LIABILITIES				
Borrowings	14,15	68 913	38 892	31 144
Lease liabilities	11,14	41 847	16 742	19 808
Deferred tax liabilities		0	0	5 898
Other non-current liabilities	12	669	15 796	966
Total non-current liabilities		111 429	71 430	57 817
Current liabilities				
Trade payables	17	13 153	9 017	13 780
Borrowings	14,15	16 860	13 325	6 370
Lease liabilities	11	10 409	8 820	6 241
Tax payable	8	0	0	931
Other current liabilities	12	28 265	24 767	21 099
Total current liabilities		68 687	55 929	48 421
Total liabilities		180 116	127 359	106 238
Total equity and liabilities		350 681	269 818	218 984

Sandnes, March 15, 2024

The board of directors of Soiltech AS

Gunnar Winther Eliassen
Gunnar Winther Eliassen (Mar 15, 2024 10:29 GMT)

Gunnar Winther Eliassen
Chairman of the Board

Olaf Skrivervik
Olaf Skrivervik (Mar 16, 2024 13:10 GMT+1)

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Glenn Åsland

Glenn Åsland
Member of the Board

Jan Erik Tveteraas
Jan Erik Tveteraas (Mar 15, 2024 11:28 GMT+1)

Jan Erik Tveteraas
Chief Executive Officer

CONSOLIDATED STATEMENT OF CASH FLOWS

(amounts in NOK 1000)

	Note	2023	2022
Cash flows from operating activities			
Profit before tax		32 280	18 803
Income taxes paid	8	0	-933
Depreciation, amortisation and impairment	5	22 980	16 032
Interest expense	7	7 757	4 221
Other gains	9	-15 000	0
Profit/(loss) on investing activities		0	-982
Changes in trade receivables, contract assets/liabilities		-14 533	6 555
Changes in trade payables		2 186	-4 596
Changes in other accruals and prepayments		1 078	6 617
Net cash flow from operating activities		36 748	45 716
Cash flows from investment activities			
Purchase of property, plant & equipment & Intangible assets	9,10	-64 028	-49 900
Sale of property, plant and equipment	10	0	1 250
Investment in subsidiary net of cash acquired	22	0	-467
Net cash flow from investment activities		-64 028	-49 117
Cash flows from financing activities			
Proceeds from new borrowings		45 561	25 301
Repayments on borrowings	14	-13 226	-10 371
Payment of principal portion of lease liabilities	11,14	-10 567	-7 518
Interest paid	14	-6 537	-4 448
Proceeds from capital increase		0	55
Net cash flow from financing activities		15 231	3 019
NET CASH FLOW FOR THE PERIOD		-12 049	-400
Cash and cash equivalent 01.01		38 832	39 232
Cash and Cash equivalents 31.12		26 783	38 832

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Note	Share capital	Other paid-in equity	Other reserves	Retained earnings	Total equity
(amounts in NOK 1000)						
2023						
Balance at 31 December 2022 (NGAAP)		741	83 948	1 132	57 132	142 953
Effects of transition to IFRS		0	0	0	-493	-493
Balance at 31 December 2022		<u>741</u>	<u>83 948</u>	<u>1 132</u>	<u>56 639</u>	<u>142 460</u>
Profit for the period		0	0	0	27 411	27 411
Other comprehensive income		0	0	0	0	0
Total comprehensive income		<u>0</u>	<u>0</u>	<u>0</u>	<u>27 411</u>	<u>27 411</u>
<i>Transactions with owners</i>						
Share-based payment		0	0	694	0	694
Contributions of equity		0	0	0	0	0
Balance at 31 December 2023		<u>741</u>	<u>83 948</u>	<u>1 826</u>	<u>84 051</u>	<u>170 565</u>
2022						
Balance at 31 December 2021 (NGAAP)		720	68 914	1 131	42 485	113 249
Effects of transition to IFRS		0	0	0	-502	-502
Balance at 1 January 2022		<u>720</u>	<u>68 914</u>	<u>1 131</u>	<u>41 983</u>	<u>112 747</u>
Profit for the period		0	0	0	14 657	14 657
Other comprehensive income		0	0	0	0	0
Total comprehensive income		<u>0</u>	<u>0</u>	<u>0</u>	<u>14 657</u>	<u>14 657</u>
<i>Transactions with owners</i>						
Exercise of share options		1	55	0	0	55
Share-based payment		0	0	1	0	1
Consideration shares business combination	22	20	14 980	0	0	15 000
Balance at 31 December 2022		<u>741</u>	<u>83 948</u>	<u>1 132</u>	<u>56 639</u>	<u>142 460</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1 – General information

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 technology company specializing in the treatment, recycling and responsible handling of contaminated water and solid industrial waste streams on site. 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 2023 were approved and authorized for issue in accordance with a resolution of the board of directors on 19th of March 2024.

The Group presents consolidated financial statements in accordance with IFRS® Accounting Standard* for the first time. In previous years, the consolidated financial statements were prepared in accordance with Norwegian Generally Accepted Accounting Principles (NGAAP). Date of transition to IFRS is 1 January 2022 and all comparative figures have been restated accordingly. Reference is made to note 26 for details on the effects of the transition.

Note 2 – Summary of general accounting policies

The general accounting policies applied in the preparation of these consolidated financial statements are set out below. Specific accounting policies related to the individual areas in the financial statements are described in the relevant notes.

Basis for preparation

The consolidated financial statements have been prepared in accordance with the IFRS as adopted by the (EU) and additional disclosure requirements in the Norwegian Accounting Act as effective of 31 December 2023. The consolidated financial statements are presented in Norwegian Kroner (NOK) and have been rounded to the nearest thousand unless otherwise stated. As a result of rounding adjustments, amounts and percentages may not add up to the total. The financial statements are prepared on a going concern basis.

Accounting estimates and judgements

Items in the financial statements are to a varying degree affected by estimates and assumptions made by management, reference is made to the relevant notes for the affected items. Estimates with a material impact on the financial statements, combined with a significant estimation uncertainty, comprise the following:

- Recognition of deferred tax asset (note 8).

Segment information

Given the uniform nature of the Group's services and the centralized management from its head office in Norway, the entire Group is considered as a single operating segment for internal reporting purposes.

Foreign currency translation

The companies within the Group primarily use NOK as their functional currency. For consolidation purposes, the results and financial position of all the Group's entities that have a functional currency other than NOK are translated using the closing rate at the balance sheet date. Income and expenses for each income statement are translated using the yearly average exchange rate.

New and amended IFRS standards not yet adopted

Of new standards and interpretations that are not mandatory for the current reporting period, none are expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

Note 3 – Revenues

Overall description of contracts with customers

The Group's revenue mainly derives from the sale of services related to treatment of contaminated water (i.e. slop), cuttings handling, cleaning services and other related services, for customers within the oil & gas industry. The key element of the service deliveries is the deployment and supervision of treatment and handling equipment at the customer's site, to meet the specific purification targets defined in the contracts.

The contract consideration is composed mainly of agreed daily rates for equipment and personnel, respectively, and reimbursement of costs plus a markup. Rates vary depending on whether the equipment is in active use during ongoing operations or in standby, for example when the equipment is on location but not in Operation. Typically, the contract deliveries follow the operation on the rig. However, all contracts can be terminated by the customer without cause on a short notice, with only completion of existing work order.

Costs of mobilization and demobilization of equipment and personnel are normally recovered through the agreed daily rates, except for some contracts, where they are reimbursed separately. Such reimbursement is, however, generally not material in relation to the total contract consideration. Consideration is normally invoiced monthly, based on actual deliveries.

Accounting policies

The contracts are considered to consist of only one performance obligation, which is satisfied over time. Progress is measured on the basis of the time the Slop treatment unit (STT) is available to service the customer. In practice, revenue based on daily rates are thus recognized with the amount that the Company has a right to invoice. As a practical simplification based on materiality, any fees associated with mobilization and demobilization are recognized linearly over the period of the related contract.

Cost of mobilization is considered to be cost to fulfil a contract and are recognized as an asset when incurred. The asset is subsequently amortized over the contract period, as cost of materials and personnel expenses.

Revenues by product category

(amounts in NOK 1000)	Year to date	
	2023	2022
Slop- and water treatment services	153 033	128 368
Other revenue*	76 246	49 802
Total	229 279	178 170

*Other revenue is revenue from cuttings handling, cleaning services, swarf handling and associated services.

Revenues by geography

(amounts in NOK 1000)	Year to date	
	2023	2022
Norway	167 007	149 289
International*	62 272	28 881
Total	229 279	178 170

*International revenue comes mainly from UK, Netherlands, Abu Dhabi and other countries.

Revenues from major customers

(amounts in NOK 1000)	2023	2022
Customer 1	68 579	59 379
Customer 2	39 454	30 595
Customer 3	27 532	20 406
Customer 4	23 454	27 028
Total from major customers	159 019	137 408
Other (less than 10% each)	70 260	40 762
Total	229 279	178 170

Costs to fulfil the customer contracts

(amounts in NOK 1000)	2 023	2 022
Carrying amount 01.01.	0	1 472
Incurred during the period	3 965	0
Amortised during the period	0	-1 472
Carrying amount 31.12.	3 965	0

Note 4 – Personnel expenses

Accounting policies

Personnel costs are expensed as the employees earn the right to the payment of wages for hours worked. Payments to defined contribution pension plan are expensed over the period in which the employees earn the right to the deposit.

Pensions

The Group has a defined contribution plan for its employees. The Group's Norwegian entities are obligated to follow the stipulations in the Norwegian Mandatory Occupational Pensions Act. The Group's pension scheme adheres to the requirements, as set in the Act.

Specification of personnel expenses

(amounts in NOK 1000)	2023	2022
Wages and salaries	87 766	72 305
Contract personnel	2 667	1 798
Pension contributions	4 010	2 885
Social security tax	14 751	11 318
Other personnel expenses*	6 796	1 798
Total	115 990	90 104

*Other personnel expenses include expenses relating share-based payment transactions. Refer to note 24 for further details.

Number of employees

	31/12/2023	31/12/2022
Norway	106	81
United Kingdom	13	7
Other	6	6
Total	125	94

Note 5 – Depreciation and amortisation

Specification of depreciation and amortisation

(amounts in NOK 1000)	Note	2023	2022
Amortisation of intangible assets	10	146	12
Depreciation property, plant & equipment	11	12 015	10 921
Depreciation of right-of-use assets	12	5 769	5 099
Total		22 980	16 032

Note 6 – Other operating expenses

Specification of other operating expenses

(amounts in NOK 1000)	2023	2022
Cost of lease of assets of low value	174	185
Audit and Accounting cost	2 964	1 773
Legal advisor cost	3 587	720
Office cost and it equipment	4 561	2 679
Travel related cost	8 249	5 274
Sales and commercial cost	1 079	899
Insurance	750	622
Other cost	4 078	3 705
Total	25 442	15 857

Specification of auditor's remuneration

(amounts in NOK 1000)	2023	2022
Statutory audit fee	604	167
Other certification services	0	0
Tax advisory services	0	0
Other non-auditing services	273	220
Total	877	387

Note 7 – Financial items

(amounts in NOK 1000)	Note	2023	2022
Net foreign exchange gains (losses)		186	-138
Interest income		296	539
Other		0	0
Total financial income		296	539
Interest expenses on leases	11,14	-2 943	-1 804
Interest expenses on borrowings	14	-4 816	-2 417
Loss on financial derivatives	16	-591	-68
Other		-21	12
Total financial expenses		-8 371	-4 277
Net financial items		-7 890	-3 876

Note 8 – Income tax

Accounting policies

The Group consists of companies subject to ordinary corporate taxation in Norway, and within the same tax group with respect to offsetting of deferred tax. Income tax is therefore recognized on the basis of a general application of IAS 12 without the need for further judgments or policies of significance.

Basis for recognition of deferred tax assets

Deferred tax assets are recognized when it is probable that the Group will have a sufficient profit for tax purposes in subsequent periods to utilize the tax asset. The Group recognize previously unrecognized deferred tax assets to the extent it has become probable that the Group can utilize the deferred tax asset. Similarly, the Group will reduce a deferred tax asset to the extent that the Group no longer regards it as probable that it can utilize the deferred tax asset. Deferred tax and deferred tax assets are measured based on 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 (non-current liabilities) in the consolidated statement of financial position.

Specification of income tax expense

(amounts in NOK 1000)	2023	2022
Tax payable	0	0
Change in deferred tax	4 869	4 146
Change in tax expense for previous years	0	0
Income tax expense	4 869	4 146

Reconciliation of tax expense with tax calculated at nominal rate

(amounts in NOK 1000)	2 023	2 022
Profit (loss) before tax	32 280	18 803
Tax at nominal rate in Norway (22 %)	7 102	4 137
Permanent differences	- 2 205	35
Effect of different tax rates in foreign operations	0	0
Change in deferred tax not recognised	- 28	25
Income tax expense	4 869	4 146
Effective tax rate	15%	22%

Permanent differences come mainly from reversal of contingent liability MNOK 15 and impairment of goodwill MNOK -5, with a net impact MNOK 10 and a tax impact of MNOK 2.2. For further information see note 9.

Specification of deferred tax liabilities and assets – 2023

(amounts in NOK 1000)	31/12/2022	Profit or loss	OCI	31/12/2023
Fixed assets	- 17 064	- 2 296	0	- 19 359
Customer contracts	0	0	0	0
Other	- 173	- 838	0	- 1 011
Total deferred tax liabilities	- 17 236	- 3 133	0	- 20 370
Reclass between deferred tax liabilities and assets	17 236	3 133	0	20 370
Net deferred tax liabilities	-	-	0	0
Fixed assets	0	0	0	0
Tax losses carried forward	24 011	2 080	0	21 931
Other	8 673	317	0	8 989
Total deferred tax assets	32 683	1 763	0	30 920
Reclass between deferred tax liabilities and assets	- 17 236	- 3 133	0	- 20 370
Non-recognized deferred tax assets	- 175	28	0	- 147
Net deferred tax assets	15 272	4 869	0	10 403

Specification of deferred tax liabilities and assets – 2022

(amounts in NOK 1000)	01/01/2022	Profit or loss	OCI	Business comb- ination	Other	31/12/2022
Fixed assets	-11 710	-3 817	0	-1 537	0	-17 064
Customer contracts	0	0	0	0	0	0
Other	0	-173	0	0	0	-173
Total deferred tax liabilities	-11 710	-3 990	0	-1 537	0	-17 237
Reclass between deferred tax liabilities and assets	6 012	3 964	0	1 537	5 898	17 412
Non-recognized deferred tax assets	-200	25	0	0	0	-175
Net deferred tax liabilities	-5 899	0	0	0	5 898	0
Fixed assets	0	0	0	0	0	0
Tax losses carried forward	0	-1 759	0	25 770	0	24 011
Other	6 012	1 578	0	1 083	0	8 673
Total deferred tax assets	6 012	-181	0	26 853	0	32 684
Reclass between deferred tax liabilities and assets	-6 012	-3 964	0	-1 537	-5 898	-17 411
Non-recognized deferred tax assets	0	0	0	0	0	0
Net deferred tax assets	0	-4 145	0	25 316	-5 898	15 272

Tax losses carried forward are from operations in Norway and can be carried forward indefinitely. See note 22 for further details on the business combination with Sorbwater.

Note 9 – Intangible assets

Accounting policies

Intangible assets mainly comprise goodwill originating from previous acquisitions. Goodwill is not depreciated but is instead subject to annual impairment testing. Other intangible assets include patents and software which are recognised in accordance with the cost method and depreciated over their expected economic lifetime.

Specification of intangible assets

(amounts in NOK 1000)	Goodwill	Other	Total
Cost 01.01.2022	0	2 061	2 061
Additions	0	621	621
Addition business combination	5 051	675	5 726
Cost 31.12.2022	5 051	3 357	8 408
Additions	0	213	213
Disposals	0	0	0
Cost 31.12.2023	5 051	3 570	8 621
Accumulated depreciation 01.01.2022	0	1 500	1 500
Depreciations for the year	0	12	12
Accumulated depreciation 31.12.2022	0	1 512	1 512
Accumulated impairment 01.01.2022	0	100	100
Impairment for the year	0	0	0
Accumulated impairment 31.12.2022	0	100	100
Depreciations for the year	0	146	146
Accumulated depreciation 31.12.2023	0	1 658	1 658
Impairment for the year	5 051	0	5 051
Accumulated impairment 31.12.2023	5 051	100	5 151
Carrying amount 01.01.2022	0	561	561
Carrying amount 31.12.2022	5 051	1 745	6 795
Carrying amount 31.12.2023	0	1 811	1 811
Economic useful life	Indefinite	3-5 years	
Depreciation schedule		Linear	

Impairment testing

A goodwill of MNOK 5.0 was recognized in connection with the acquisition of Sorbwater in 2022. See note 22 for further details. However, the expected synergies from the Sorbwater patented biodegradable chemicals are delayed and the business plan has therefore been revised. Since the timing of the realization of such synergies is uncertain, the goodwill has been impaired in full. The delay in synergies also resulted in certain thresholds under the SPA are uncertain to be met. Consequently, the contingent consideration of MNOK 15 that was recognized as part of the consideration has been reversed and recognized as other gain in 2023.

Note 10 – Property, plant & equipment

Accounting policies

Property, plant & equipment consists of slop treatment units, equipment for cuttings handling, cleaning services and swarf removal, skips and various other equipment. Property, plant & equipment are recognized in accordance with the cost method and depreciated over their expected economic lifetime.

Specification of property, plant & equipment

(amounts in NOK 1000)	Property, plant & equipment
Cost 01.01.2022	122 149
Additions	49 279
Addition business combination	3 242
Disposals	-268
Cost 31.12.2022	174 402
Additions	63 815
Other non cash adjustments	-984
Disposals	0
Cost 31.12.2023	237 233
Accumulated depreciation 01.01.2022	29 612
Depreciations for the year	10 921
Accumulated depreciation 31.12.2022	40 533
Accumulated impairment 01.01.2022	3 568
Impairment for the year	0
Accumulated impairment 31.12.2022	3 568
Accumulated depreciation 31.12.2022	40 533
Depreciations for the year	12 016
Accumulated depreciation 31.12.2023	52 549
Accumulated impairment 31.12.2022	3 568
Impairment for the year	0
Accumulated impairment 31.12.2023	3 568
Carrying amount 01.01.2022	92 537
Carrying amount 31.12.2022	130 300
Carrying amount 31.12.2023	181 117
Economic useful life	5-15 years
Depreciation schedule	Linear

Note 11 – Leases

Accounting policies

The Group is primarily involved in lease agreements as a lessee. All lease agreements are recognized in accordance with IFRS 16, with the exception of:

- Lease agreements with a shorter duration than 12 months
- Leases of assets with a cost price below NOK 50 000

Payments relating to such leases are recognized as operating expenses when due. The Group does however not have many such agreements and the annual expense is therefore immaterial.

Right-of-use assets are recognized in accordance with the cost method and depreciated over the lease term, or expected economic lifetime, depending on whether a purchase option is expected to be exercised.

Overall description of the leases of the Group

The Group primarily leases premises and slop treatment units (STT). For premises, the lease term is usually between 3 and 10 years, while for slop treatment units between 4 and 7 years. For STT units it is expected that the purchase option is exercised and as such the asset is depreciated over the expected economic lifetime.

Assumptions and judgments applicable to new leases

In 2023, the Group entered into a new lease agreement for its head office in Sandnes. The lease period is 5 years with 5 years option to extend. The lease liability is calculated based on the lease term including the option period. A new lease agreement was also entered into for the Group's premises in Bergen, with a lease period of 3 years. The discount rate used in the new lease calculation is 7,24%.

The Group has leased additional STT units to be delivered in Q2 2024. The present value of the lease liability will be recognised on commencement of the lease.

Specification of right-of-use assets

(amounts in NOK 1000)	Land and buildings	Slop Treatment Units	Total
Carrying amount 01.01.2022	6 141	33 508	39 649
Additions	0	4 854	4 854
Index regulation	585	0	585
New lease business combination	362	0	362
Depreciations	-1 420	-3 679	-5 099
Carrying amount 31.12.2022	5 668	34 684	40 352
Additions	13 998	22 259	36 257
Index regulation	300	0	300
Depreciations	-1 853	-3 916	-5 769
Carrying amount 31.12.2023	18 113	53 027	71 140
Economic useful life	2-10 years	5-15 years	
Depreciation schedule	Linear	Linear	

Specification of lease liabilities

(amounts in NOK 1000)	2023	2022
Carrying amount 01.01.	25 562	26 048
Additions	36 254	5 785
New lease business combination	0	362
Index regulation	300	
Interest expenses	2 943	1 804
Lease payments	-13 507	-9 321
Prepayments leasing	704	885
Effect of currency translation	0	0
Carrying amount 31.12.	52 256	25 562
Non-current lease liabilities	41 847	16 742
Current lease liabilities	10 409	8 820

Contractual payments on leases

(amounts in NOK 1000)	2023	2022
Due within one year	12 442	12 545
Due within one and five years	34 195	27 399
Due after 5 years	16 557	3 838
Total	63 194	43 782

Note 12 – Other assets and liabilities

Other non-current assets

(amounts in NOK 1000)	31.12.23	31.12.22	01.01.22
Restricted cash	762	738	171
Other	0	0	123
Total	762	738	294

Other current assets

(amounts in NOK 1000)	31.12.23	31.12.22	01.01.22
Prepaid expenses	4 952	3 685	8 258
VAT receivable	2 960	4 127	5 228
Cost to fulfill customer contract	3 965	0	1 472
Tax refund connected to research and development	1 905	0	0
Other	529	235	1 101
Total	14 310	8 047	16 059

Other non-current liabilities

(amounts in NOK 1000)	Note	31.12.23	31.12.22	01.01.22
Contingent consideration business combination	9,22	0	15 000	
Other		669	796	55
Total		669	15 796	55

Other current liabilities

(amounts in NOK 1000)	Note	31.12.23	31.12.22	01.01.22
Liability relate to currency forward contract	16	3 672	3 081	-
Public duties payable		9 590	8 877	6 950
Liability to employees incl. holiday pay		12 393	11 404	10 533
Liability to group companies				
Other		2 611	1 405	3 616
Total		28 265	24 767	21 099

Note 13 – Trade receivables

Accounting policies

Trade receivables are recognized at an amount equal to the transaction price, less provisions for expected credit losses. The Group applies the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

Specification of trade receivables

(amounts in NOK 1000)	31.12.23	31.12.22	01.01.22
Accounts receivable	42 796	22 313	28 945
Earned not invoiced revenues	1 399	6 956	5 376
Provision for expected credit losses	0	-25	-
Carrying amount	44 195	29 244	34 321

Specification of credit loss recognized in profit or loss

(amounts in NOK 1000)	2023	2022
Amounts written off as uncollectable	0	0
Received on items previously written off	25	0
Change in loss provision	0	0
Net credit loss recognised in profit or loss	25	0

Note 14 – Cash and cash equivalents

Accounting policies

Cash and cash equivalents comprise mostly ordinary bank deposits. The statement of cash flows is prepared using the indirect method. Interest income and expenses are presented as investing and financing activities, respectively.

Restricted cash

(amounts in NOK 1000)	31.12.23	31.12.22	01.01.22
Payroll withholding tax account	3 520	2 965	2 762

Reconciliation of cash flows from financing activities

(amounts in NOK 1000)	Lease liabilities	Borrowings	Total
Carrying amount 31.12.2022	25 562	52 217	77 779
Cash flows			
Proceeds from new borrowings		45 561	45 561
Repayment of principal borrowings		-13 226	-13 226
Repayment of principal portion of lease liability	-10 567		-10 567
Interest paid	-2 941	-3 596	-6 537
Other changes			
Interest expenses	2 943	4 816	7 759
Additions lease	36 555		36 555
Pre invoiced	704		704
Effect of currency translation	0	0	-
Carrying amount 31.12.2023	52 256	85 773	138 029
Non-current	41 847	68 913	
Current	10 409	16 860	

(amounts in NOK 1000)	Lease liabilities	Borrowings	Total
Carrying amount 01.01.2022	26 049	37 515	63 564
Cash flows			
Proceeds from new borrowings	0	25 301	25 301
Repayment of principal	0	-10 371	-10 371
Repayment of principal portion of lease liability	-7 518		-7 518
Interest paid	-1 804	-2 644	-4 448
Other changes			
Interest expenses	1 804	2 417	4 221
Additional lease	6 147		6 147
Pre invoiced	885		885
Effect of currency translation	0	0	-
Carrying amount 31.12.2022	25 562	52 217	77 780
Non-current	16 742	38 892	
Current	8 820	13 325	

Note 15 – Borrowings

Accounting policies

Borrowings are initially recognized at fair value, including transaction costs directly attributable to the transaction, and are subsequently measured at amortized cost. There has not been any material transaction cost during the year.

Covenants

The loan facility with Sandnes Sparebank entered in 2023 has the following covenants:

- NIBD/EBITDA < 4
- Book equity > 30%
- Approval from bank if dividend/group contribution

The company is not in breach with any of the covenants above.

Specification of borrowings – 31.12.2023

(amounts in NOK 1000)	Nominal interest rate	Nominal amount	Capitalized financing fees	Carrying amount
Innovasjon Norge	7,7%	3 875	0	3 875
Sandnes Sparebank	3 m.Nibor+2.5%	81 898	0	81 898
Carrying amount as per 31.12.2023		85 773		85 773
Non-current borrowings				68 913
Current borrowings				16 860

Specification of borrowings – 31.12.2022

(amounts in NOK 1000)	Nominal interest rate	Nominal amount	Capitalized financing fees	Carrying amount
Innovasjon Norge	6,0%	6 458	0	6 458
Sandnes Sparebank	3 m.Nibor+2.5%	45 758	0	45 758
Carrying amount as per 31.12.2022		52 217	0	52 217
Non-current borrowings				38 892
Current borrowings				13 325

Contractual payments on borrowings – 31.12.2023

(amounts in NOK 1000)	Next year	1-2 years	2-5 years	More than 5 years
Innovasjon Norge	2 813	1 330	0	0
Sandnes Sparebank	18 580	17 612	47 024	14 453
Total	21 393	18 942	47 024	14 453

Contractual payments on borrowings – 31.12.2022

(amounts in NOK 1000)	Next year	1-2 years	2-5 years	More than 5 years
Innovasjon Norge	2 908	4 076	0	0
Sandnes Sparebank	13 555	12 776	26 090	0
Total	16 463	16 852	26 090	0

For loans with floating interest rates, the amounts above are calculated using the current interest rate per the relevant year end.

Carrying amount of assets pledged as security

(amounts in NOK 1000)	31.12.23	31.12.22	01.01.22
Property, plant & equipment	180 954	127 230	88 968
Trade receivables	44 171	29 338	34 321
Total	225 124	156 568	123 289

Note 16 – Financial derivatives

Accounting policies

Financial derivatives consist of currency forward contracts. Although the contracts are held for hedging purposes, the Group does not apply hedge accounting. The forward contracts are measured at fair value through profit or loss. Gains and losses are presented as financial income or expense, respectively. Currency forward contracts are measured at level 2 in the fair value hierarchy, as the present value of future cash flows is based on the forward exchange rates at the balance sheet date.

Currency forward contracts

A currency forward contract of MUS\$ 0.74 was entered into in relation to the sale of certain equipment to Kuwait in 2014, in the Group's subsidiary Sorbwater Technology AS. Whether and when this revenue will materialize is subject to significant uncertainty. The forward contract has been rolled forward multiple times pending a final outcome, and the current contract matures at 04.03.2024. At year end the liability was MNOK 3.7. This is included in the statement of financial position under Other current liabilities.

Note 17 – Financial instruments

Current Financial assets per category

(amounts in NOK 1000)	31.12.23	31.12.22	01.01.22
<i>Financial assets at amortised cost</i>			
Trade receivables	44 195	29 244	34 321
Other assets	14 310	8 047	16 059
<i>Financial assets at fair value through profit or loss</i>			
Cash and cash equivalents	26 783	38 832	39 232
Carrying amount as at 31.12.23	85 288	76 124	89 612

Financial liabilities per category

(amounts in NOK 1000)	31.12.23		31.12.22		01.01.22	
	Current	Non-current	Current	Non-current	Current	Non-current
<i>Financial liabilities at amortised cost</i>						
Borrowings	16 860	68 913	13 325	38 892	6 370	31 144
Lease liabilities	10 409	41 847	8 820	16 742	6 241	19 808
Trade payables	13 153		9 017		13 780	
<i>Financial liabilities at fair value through profit or loss</i>						
Currency forward contracts	3 672	0	3 081	0	0	0
Carrying amount as at 31.12	44 094	110 760	34 243	55 634	26 391	50 952

Fair value

For items measured at amortized cost, carrying amount is considered to be a reasonable approximation to fair value.

Note 18 – Financial risk and capital management

The Group's policies for management of capital and financial risk aim to support the current strategy and target of maintaining a high rate of growth and developing prospective business opportunities. The Group's capital structure shall be robust enough to maintain the desired freedom of action and utilize growth opportunities, based on strict assessments relating to the allocation of capital. The Group debt financing consist of bank and leasing financing. The loan covenants to which the Group is subject play a key role in how capital is managed and allocated, to maintain a low financing risk and financial flexibility. See note 15 borrowings for further details on the Group's financing.

Market risk

The Group's exposure to financial market risk is mainly related to interest rates on external financing and various forms of currency risks. The Group has a diversified client list and evaluates changes in pricing structure contract by contract, as part of its mitigation process to cover for increased interest cost. The Group has not entered into any interest swap agreements.

Currency risk

The Group has Norwegian kroner (NOK) as its base currency. However, through its operations outside Norway, the Group is exposed to fluctuations in certain exchange rates, mainly Euro (EUR), British Pound (GBP) and

American dollar (USD). The Group also has currency risks linked to both balance sheet monetary items and investments in foreign countries. The tables below show the Group's most significant currency exposure per year-end. As the Group does not apply hedge accounting, the impact on profit/loss and equity will be the same regardless of the direction of the exchange rate change.

Currency exposure – 31.12.2023

(amounts in NOK 1000)	USD	EUR	GBP	SUM NOK
Trade receivables	11 190	851	5 517	17 558
Cash and cash equivalents	3 076	912	3 827	7 814
Trade payables	- 65	0	0	- 65
Currency forward contracts	- 7 494	0	0	- 7 494
Net exposure	6 707	1 762	9 344	17 813

Currency exposure – 31.12.2022

(amounts in NOK 1000)	USD	EUR	GBP	SUM NOK
Trade receivables	978	3 179	3 754	7 911
Cash and cash equivalents	110	644	3 042	3 796
Trade payables	- 1 704	0	-136	- 1 841
Currency forward contracts	- 7 267	0	0	- 7 267
Net exposure	- 7 883	3 823	6 660	2 599

Interest rate risk

The Company loan and leasing agreements have floating interest rates based on NIBOR according to the financial strategy, see Note 15 borrowings, and is thereby influenced by changes in the interest market. A change of increase of 1 percentage point in NIBOR means a change in yearly net interest expenses of approximately MNOK 1.5.

Credit risk

Assets that may give rise to credit risk comprise mainly trade receivables and bank deposits. For the latter, the counterparties are mainly banks established in the Nordic countries, which indicates that the credit risk should be regarded as negligible. Trade receivables are characterized by a concentration in the customer base, in terms of country and industry. The customers, however, are primarily large companies with high credit ratings, and the agreed payment terms in the contracts typically ensure that any overdue amounts are kept at low level. Thus, credit losses have historically been insignificant.

Liquidity risk

As at year-end, the Group's portfolio of loans and loan facilities is well diversified both with regards to maturity profile and lenders. In June 2023 the Company entered a 7-year loan facility of MNOK 73 with Sandnes Sparebank. Together with an existing loan facility of MNOK 75 with Sandnes Sparebank, the facilities total MNOK 148. The unused portion of the credit facilities was MNOK 55.3 as at 31.12.2023.

Summary of contractual maturities 31.12.2023

(amounts in NOK 1000)	Next year	1-2 years	2-5 years	More than 5 years
Lease liabilities	12 442	13 581	20 614	16 556
Borrowings	21 393	18 942	47 024	14 453
Trade payables	13 153	0	0	0
Total non-derivative	46 988	32 523	67 639	31 009
Currency forward contracts	3 672	0	0	0
Total derivative	3 672	0	0	0
Total	50 660	32 523	67 639	31 009

Note 19 – Climate risk

The Group has evaluated the overall climate risk to be low. Climate related matters are not expected to critically effect assets, provisions, or future cash flows. The analysis is based on the Task Force on Climate-related Financial Disclosures (TCFD) framework. The Group has evaluated the physical risk, the risk associated with transition into a low carbon community and the liability risk towards the Group. The opportunities are considered to exceed the risks identified for the Group.

Soiltech's risks

Risk	Soiltech's Risk	Soiltech Mitigation of Risk	Risk Output
Physical risk	Impact on infrastructure integrity and safety. Increased vulnerability to extreme weather events effecting transportation of goods and services	<ul style="list-style-type: none">✓ Several transportation suppliers and focus on proper communications with them✓ Focus on critical spare parts in-house✓ Proper planning to address possible longer delivery times	Low
Transition into a low carbon community	Mainly oil & gas clients are an inherent risk for Soiltech today.	<ul style="list-style-type: none">✓ Technology to be introduced to other sectors such as marine, water purifying, and other types of fluid waste streams	Medium
Liability risk	<p>Operating in the oil and gas sector involves potential changes in legal regulations.</p> <p>The liability risk for Soiltech is evaluated more as an opportunity rather than a risk. As discharge to sea requirements (OIW) tighten worldwide, this gives Soiltech increased opportunities for international growth.</p>	<ul style="list-style-type: none">✓ Soiltech's unique technologies reduce the carbon footprint for our clients✓ Continued focus on development of our technologies	Low

Note 20 – Share capital and shareholder information

Share capital and ownership structure

The share capital of the parent company, Soiltech AS, amounts to NOK 740 543 as of 31 December 2023, and consists of a total of 7,405,430 ordinary shares, each with a nominal value of NOK 0.1.

Shareholders as of 31.12.2023

Shareholders	Number of shares	Ownership interest
Winthershall DEA Technology Ventures GmbH	1 067 820	14,4%
Hildr AS	747 430	10,1%
Wellex AS by Glenn Åsland	747 430	10,1%
Knatten I AS by Jan Erik Tveteraas	700 325	9,5%
Carnegie Investment Bank AB	560 980	7,6%
Skagenkaien Investering AS	541 380	7,3%
Tveteraas Invest AS	521 710	7,0%
DNB Bank ASA	345 790	4,7%
Pima AS by Eirik Flatebø	202 830	2,7%
Havnebase Eiendom AS	158 470	2,1%
Zetlitz Capital AS	102 030	1,4%
Tucan Holding AS	100 560	1,4%
Campo Eiendom AS	83 000	1,1%
Forte Trønder	79 800	1,1%
Ryder	78 000	1,1%
Top 15 shareholders	6 037 555	82%
Other	1 367 875	18%
Total	7 405 430	100%

Included in Other shareholders are 5 000 shares owned by board member Olaf Skrivervik.
Foreign ownership was 32,4% at year-end 2023 (2022: 32,4%)

Note 21 – Earnings per share

(amounts in NOK 1000)	2023	2022
Basic earnings per share	3,70	1,98
Diluted earnings per share	3,44	1,86

Earnings

(amounts in NOK 1000)	2023	2022
Profit (loss) for the period	27 411	14 657

Shares used as the denominator

(amounts in 1000)	2023	2022
Weighted average number of shares	7 405	7 405

Adjustments for calculation of diluted earnings per share

Options	571	454
Weighted average number of shares and potential shares	7 977	7 860

* More information on options in note 24

Note 22 – Group composition and subsidiaries

Accounting policies

The consolidated financial statements comprise of all subsidiaries controlled by the parent entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. Likewise, they are deconsolidated from the date that control ceases.

Changes in the composition of the Group

The subsidiary Sorbwater Technology AS was acquired by Soiltech AS on 2 September 2022, and were consolidated from this date forward (ref. further details below). The composition of the Group is otherwise unchanged in the periods presented in these financial statements.

Subsidiaries as of 31.12.2023

	Registered office	Ownership interest	Voting share
Soiltech Offshore Services AS	Sandnes, Norway	100%	100%
Sorbwater Technology AS	Bergen, Norway	100%	100%

Acquisition of Sorbwater Technology AS in 2022

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. The deferred tax asset is recognized in full as it is probable that the Group will have sufficient future taxable profits to realize carryforward unused tax losses, through group contributions between the Group companies. A part of the consideration for Sorbwater, amounting to MNOK 15, was contingent on meeting certain sales targets in the future. At the time of acquisition, the Company assessed meeting these sales targets as highly probable. The entire contingent consideration was therefore recognized as a liability and presented as other non-current liabilities in the statement of financial position. With reference to note 9, the expected synergies from the Sorbwater patented, biodegradable chemicals are delayed, and the business plan has therefore been revised. Consequently, the contingent part of the consideration has been recognized as other gain in 2023.

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

Purchase consideration

(amounts in NOK 1000)

Cash paid	0
Ordinary shares issued	15 000
Contingent consideration	15 000
Total	30 000

Fair value of assets and liabilities acquired

(amounts in NOK 1000)

Assets

Deferred tax assets	25 316
Intangible assets	675
Property, plant & equipment	3 242
Inventories	294
Cash and cash equivalents	160
Other current assets	160
Liabilities	
Other current liabilities	-4 898
Net identifiable assets acquired	24 949
Goodwill	5 051
Net assets acquired	30 000

(amounts in NOK 1000)

Cash paid	0
Acquisition related cost	- 227
Cash acquired	160
Liability to Soiltech (before acquisition date)	- 400
Net cash outflow – investing activities	- 467

Note 23 – Remuneration to senior executives and Board of Directors

(amounts in NOK 1000)

	Salary	Other benefits	Pension
Salary CEO (Jan Erik Tveteraas)	2 131	162	93
Salary CEO (Stig H. Christiansen)	1 891	89	48
Salary CFO	1 340	142	93

The previous CEO Stig H. Christiansen resigned from his position in April 2023. No severance payment was made. At the same time, Jan Erik Tveteraas was appointed as new CEO. If the Company terminates the CEO's employment, the Executive shall be entitled to severance pay for a period of 12 months after the expiry of the agreed notice period.

Board of directors	Remuneration	Other benefits
Board (excl. Chairman of the board)	300	0
Total remuneration	300	0

Gunnar Winther Eliassen was elected as new Chairman of the board in December 2023. The previous executive chairman Jan Erik Tveteraas resigned from the board in December 2023, continuing in his role as CEO. Robert Hvide MacLeod resigned from the board in December 2023. 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.

Granted options to senior executives and Board of Directors

Name	Title	Granted 2023	Excersiced 2023	As at 31.12.23
Jan Erik Tveteraas	CEO	-	-	147 440
Stig H. Christiansen	CEO	-	-	-
Tove Vestie	CFO	-	-	100 000
Glenn Åsland	COO/Board	-	-	86 130
Eirik Flatebø	Board	-	-	75 000
Robert Hvide MacLeod*	Board	-	-	75 000
Olaf Skrivervik	Board	-	-	10 000
Total		-	-	493 570

*Robert Hvide MacLeod resigned from the board in December 2023.

Note 24 – Share-based payment transactions

Accounting policies

The Group has a long-term share-based incentive plan for key personnel and board members. The term of the plan implies that it is recognised as an equity-settled share-based payment transaction in accordance with IFRS 2. Associated obligations to pay social security tax are recognised as cash-settled share-based payment transactions.

Long-term share-based incentive plan

The strike price of the options is set at the market price at grant date. Granted options are distributed over three equal tranches with vesting period of 1-3 years. All outstanding options must be exercised within 5 years from the grant date. Granted options are measured at fair value at the grant date, which is determined using the Black-Scholes option pricing model. Company uses a third-party company for this calculation.

Summary of granted options in the period

	2023	2022
Risk free interest rate	3,70	2,17
Historical volatility	0,10	0,10
Expected lifetime of the option (years)	5,00	5,00
Share price	80-82	45-75
Average option value (NOK)	80	65

Movement in outstanding share options

	Average exercise price		Number of options	
	2023	2022	2023	2022
As at 1 January	80,00	66,00	1 249 700	829 700
Granted during the year			170 000	425 000
Exercised during the year			-	5 000
Forfeited during the year			150 000	-
Expired during the year			-	-
As at 31 December			1 269 700	1 249 700
Vested and exercisable at 31 December			871 367	615 553

Outstanding share options at year end

Grant date	Expiry date	Exercise price	Number of options	
			2023	2022
2012	30.03.2026	12,00	172 260	172 260
2013	30.03.2026	11,00	5 000	5 000
2017	30.03.2026	35,00	85 000	85 000
2018	30.03.2026	35,00	35 000	35 000
2019	30.03.2026	35,00	35 000	35 000
2020	30.03.2026	35,00	257 440	257 440
2021	30.03.2026	35,00	60 000	60 000
2021	01.09.2026	35,00	15 000	15 000
2021	23.09.2026	45,00	160 000	160 000
2022	01.01.2027	45,00	100 000	100 000
2022	17.03.2027	65,00	90 000	90 000
2022	09.06.2027	62,50	15 000	165 000
2022	02.09.2027	75,00	70 000	70 000
2023	17.04.2028	82,00	30 000	
2023	01.06.2028	80,00	15 000	
2023	01.09.2028	80,00	45 000	
2023	01.10.2028	80,00	65 000	
2023	01.12.2028	80,00	15 000	
Total			1 269 700	1 249 700

Note 25 – Events after the reporting period

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

Note 26 – Transition from NGAAP to IFRS

In connection with the transition to IFRS, the management has carried out a thorough review of the Group's business and its accounting policies currently applied under NGAAP. Although the transition requires changes in the treatment of operating leases and goodwill, the overall conclusion has been that the transition has a limited impact on the financial reporting of the Group. Further details of the most significant changes per transition date and year-end 2022 are explained in notes to the reconciliations below.

Effect of transition on statement of financial position per 1 January 2022

(amounts in NOK 1000)	Note	NGAAP	Adjust-ments	Reclassi-fications	IFRS
Assets					
Non-current assets					
Deferred tax assets	C	-	142	- 142	-
Intangible assets		461	-	-	461
Property, plant & equipment		88 968	-	-	88 968
Right-of-use assets	B	33 508	6 141	-	39 649
Other non-current assets		294	-	-	294
Total non-current assets		123 231	6 282	- 142	129 372
Current assets					
Inventories		-	-	-	-
Trade receivables	A	28 945	-	5 376	34 321
Cash and cash equivalents		39 232	-	-	39 232
Other current assets	A	21 435	-	5 376	16 059
Total current assets		89 613	-	-	89 612
Total assets		212 844	6 282	- 142	218 984
Equity and liabilities					
Equity					
Share capital		720	-	-	720
Other paid-in equity		70 045	-	-	70 045
Other reserves		-	-	-	-
Retained earnings	C	42 485	502	-	41 983
Total equity		113 249	502	-	112 748
Liabilities					
Non-current liabilities					
Borrowings	B	40 106	-	8 962	31 144
Lease liabilities	B	-	5 499	14 309	19 808
Deferred tax liabilities		6 040	-	142	5 898
Provisions		911	-	-	911
Other non-current liabilities		55	-	-	55
Total non-current liabilities		47 112	5 499	5 206	57 817
Current liabilities					
Trade payables	A	13 321	-	459	13 780
Borrowings	B	16 418	-	10 048	6 370
Lease liabilities	B	-	1 286	4 955	6 241
Tax payable		931	-	-	931
Other current liabilities	A	21 813	-	714	21 099
Total current liabilities		52 483	1 286	5 347	48 421
Total liabilities		99 595	6 784	- 142	106 238
Total equity and liabilities		212 844	6 282	- 142	218 986

Effect of transition on statement of financial position per 31 December 2022

(amounts in NOK 1000)	Note	NGAAP	Adjust-ments	Reclassi-fications	IFRS
Assets					
Non-current assets					
Deferred tax assets	C	15 133	139	-	15 272
Intangible assets	C	6 835	- 40	-	6 795
Property, plant & equipment		130 300	-	-	130 300
Right-of-use assets	B	47 126	5 668	- 12 442	40 352
Other non-current assets		738	-	-	738
Total non-current assets		200 132	5 767	- 12 442	193 457
Current assets					
Inventories		238	-	-	238
Trade receivables	A	22 288	-	6 956	29 244
Cash and cash equivalents		38 832	-	-	38 832
Other current assets	A	15 003	-	6 956	8 047
Total current assets		76 360	-	-	76 361
Total assets		276 492	5 767	- 12 442	269 818
Equity and liabilities					
Equity					
Share capital		741	-	-	741
Other paid-in equity		83 948	-	-	83 948
Other reserves		1 132	-	-	1 132
Retained earnings	C	57 132	- 493	-	56 639
Total equity		142 953	- 493	-	142 460
Liabilities					
Non-current liabilities					
Borrowings		61 795	-	- 22 903	38 892
Lease liabilities	B	-	4 652	12 090	16 742
Deferred tax liabilities		-	-	-	-
Provisions		796	-	- 796	-
Other non-current liabilities		18 081	-	- 2 285	15 796
Total non-current liabilities		80 672	4 652	- 13 894	71 430
Current liabilities					
Trade payables	A	9 178	-	724	9 902
Borrowings		21 254	-	- 7 928	13 326
Lease liabilities	B	-	1 609	6 327	7 935
Tax payable		-	-	-	-
Other current liabilities	A	22 437	-	- 2 329	24 766
Total current liabilities		52 869	1 609	1 452	55 929
Total liabilities		133 539	6 260	- 12 442	127 359
Total equity and liabilities		276 492	5 767	- 12 442	269 819

Effect of transition on statement of comprehensive income for 2022

(amounts in NOK 1000)	Note	NGAAP	Adjust-ments	Reclassi-fications	IFRS
Revenue		177 073	-	-	177 073
Other operating income		1 097	-	-	1 097
Total operating income		178 170	-	-	178 170
Cost of materials		35 220	-	-	35 220
Personnel expenses		88 383	-	-	88 383
Depreciation and amortisation	A, B	14 799	1 232	-	16 032
Other operating expenses	A, B	17 372	1 515	-	15 857
Total operating expenses		155 775	283	-	155 492
Operating profit (loss)		22 396	283	-	22 678
Net foreign exchange gains (losses)		-	-	-	-
Financial income		1 214	-	-	1 214
Financial expenses	A	4 819	272	-	5 091
Net financial items		3 605	272	-	3 877
Profit (loss) before tax		18 791	11	-	18 802
Income tax expense		4 143	2	-	4 145
Profit (loss) for the period		14 648	9	-	14 656
Other comprehensive income					
<i>Items that may be reclassified to profit or loss</i>					
Currency translation differences		-	-	-	-
Income tax relating to these items		-	-	-	-
Net other comprehensive income		-	-	-	-
Total comprehensive income for the period		14 648	-	-	14 656

Note 26 A - D

Note 26 A – Trade receivables and trade payables

In order to achieve a more correct classification in the balance sheet, the Group has decided to reclassify receivables relating to earned, not invoiced revenue from other current assets to trade receivables. Correspondingly, the provision for trade payables for which no invoice has been received has also been reclassified from other current liabilities to trade payables.

Note 26 B – Leasing

For operating leases, the lease payments have been expensed continuously under NGAAP. As IFRS does not distinguish between operating and financial leases, all leases are recognized in the balance sheet as right-of-use assets and lease liabilities. The transition adjustments relate exclusively to the rental of office premises. For these leases, the Group has decided to recognize the right-of-use assets with a carrying amount as if IFRS 16 had been applied since commencement date. A discount rate of 4,6% has been applied when calculating the liability for the office leases.

Summary of adjustments for office leases

(amounts in NOK 1000)	31/12/2022	01/01/2022	2022
Right-of-use asset	5 668	6 141	
Lease liability	- 6 260	6 784	
Deferred tax asset	139	142	
Retained earnings	493	502	
Depreciation			1 420
Other operating expenses		-	1 742
Financial expenses			272
Income tax expense			11
Profit (loss) for the period		-	40

Note 26 C – Reclassifications relating to finance leases

In previous reporting under NGAAP, the Group's liabilities relating to financial leases have been presented together with ordinary bank loans in the balance sheet. Starting from the transition to IFRS, these are presented separately as lease liabilities in the balance sheet.

As of end 2022, the Group had entered into several lease agreements for the lease of STT units under construction, but not yet handed over to the Group. Previous balance sheets prepared under NGAAP, included assets and liabilities corresponding to the accrued payments from the bank to the manufacturer of the equipment. An adjustment of MNOK 12,4 is therefore made to both right-of-use assets and lease liabilities since IFRS does not permit recognition of these items until the date of commencement of the lease.

Note 26 D – Acquisition of Sorbwater Technology AS in 2022

In September 2022, the Company acquired Sorbwater Technology AS. Prior to this; the Company has not been involved in any business combinations that could be eligible for a retrospective application of IFRS 3. When accounting for the acquisition of Sorbwater Technology AS under NGAAP, all assessments and assumptions were made in light of a possible future transition to IFRS. As a result, the differences were limited to those areas where NGAAP prohibits the use of IFRS solutions. These areas comprise amortization of goodwill under NGAAP, as well as the treatment of transaction costs. While transaction costs are always recognized as expenses under IFRS, they are treated as part of the consideration under NGAAP, which in practice leads to increased goodwill.

Summary of adjustment for goodwill

(amounts in NOK 1000)	31/12/2022	2022
Intangible assets	- 40	
Depreciation and amortization		187
Other operating expenses		- 227

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FINANCIAL STATEMENTS FOR PARENT COMPANY

STATEMENT OF PROFIT AND LOSS

(amounts in NOK 1000)

	Note	<u>2023</u>	<u>2022</u>
Revenue	3	229 108	176 877
Other operating income	3	167	1 217
			0
Total operating income	3	<u>229 275</u>	<u>178 094</u>
Cost of materials		-124 042	-96 750
Personnel expenses	4	-38 124	-31 320
Depreciation and amortisation	5	-15 641	-14 441
Impairment		0	0
Other operating expenses	6	<u>-18 486</u>	<u>-12 195</u>
Total operating expenses		<u>-196 294</u>	<u>-154 706</u>
Other gains	7	15 000	0
Operating profit		<u>47 981</u>	<u>23 388</u>
Net foreign exchange gains (losses)		179	-136
Financial income		288	538
Financial expenses	8	<u>-16 624</u>	<u>-3 921</u>
Net financial items		<u>-16 157</u>	<u>-3 519</u>
Profit before tax		<u>31 824</u>	<u>19 870</u>
Income tax expense	9	-5 736	-4 339
Profit for the period		<u>26 088</u>	<u>15 530</u>
Total profit for the period is attributable to:			
Owners of Soiltech AS		<u>26 088</u>	<u>15 530</u>
TRANSFERS			
Transfers to other equity		<u>26 088</u>	<u>15 530</u>
Total allocations		<u>26 088</u>	<u>15 530</u>

BALANCE SHEET

(amounts in NOK 1000)

ASSETS	Note	2023	2022
Non-current assets			
Intangible assets	10	1 136	1 070
Property, plant & equipment	11	180 954	127 230
Right-of-use assets	12	53 027	34 684
Investments in subsidiaries	7	37 434	37 682
Other non-current assets	13	762	738
Total non-current assets		273 312	201 403
Receivables			
Trade receivables	14	44 171	29 338
Cash and cash equivalents	15	23 586	36 098
Other current assets	13	16 829	7 933
Total current assets		84 585	73 368
TOTAL ASSETS		357 897	274 772
EQUITY AND LIABILITIES	Note	2023	2022
Equity			
Share capital	17	741	741
Other paid-in equity		83 948	83 948
Other reserves		1 826	1 132
Retained earnings		83 825	57 738
Total equity		170 340	143 558
LIABILITIES			
Borrowings	16	68 913	38 892
Lease liabilities	12	24 800	12 090
Deferred tax liabilities	9	11 699	8 499
Other non-current liabilities	13	669	15 796
Total non-current liabilities		106 081	75 277
Current liabilities			
Trade payables		29 866	21 146
Borrowings	16	16 860	13 325
Lease liabilities	12	8 800	7 211
Tax payable	9	0	0
Other current liabilities	13	25 950	14 254
Total current liabilities		81 477	55 936
Total liabilities		187 558	131 214
Total equity and liabilities		357 897	274 772

Sandnes, March 15, 2024

The board of directors of Soiltech AS

Gunnar Winther Eliassen
Gunnar Winther Eliassen (Mar 15, 2024 10:29 GMT)

Gunnar Winther Eliassen
Chairman of the Board

Olaf Skrivervik
Olaf Skrivervik (Mar 16, 2024 13:10 GMT+1)

Olaf Skrivervik
Member of the Board

Eirik
Eirik Flatebø (Mar 16, 2024 10:35 GMT+1)

Eirik Flatebø
Member of the Board

Carsten Brueckner
Carsten Brueckner (Mar 15, 2024 11:30 GMT+1)

Carsten Brückner
Member of the Board

Glenn Åsland

Glenn Åsland
Member of the Board

Jan Erik Tveteraas
Jan Erik Tveteraas (Mar 15, 2024 11:28 GMT+1)

Jan Erik Tveteraas
Chief Executive Officer

STATEMENT OF CASH FLOWS

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities		
Operating profit before tax	31 824	19 870
Income taxes paid	0	-893
Depreciation and amortisation	15 641	14 441
Interest expense	7 360	3 929
Other gains	-15 000	0
Impairment of shares in subsidiaries	9 240	-982
Changes in trade receivables, contract assets/liabilities	-14 669	6 564
Changes in trade payables	9 593	-3 774
Changes in other accruals and prepayments	-7 049	6 636
Net cash flow from operating activities	<u>36 938</u>	<u>45 791</u>
Cash flows from investment activities		
Purchase of property, plant & equipment & Intangible a:	-63 988	-49 900
Sale of property, plant and equipment	0	1 250
Investment in subsidiary net of cash acquired	0	-627
Net cash flow from investment activities	<u>-67 144</u>	<u>-50 993</u>
Cash flows from financing activities		
Proceeds from new borrowings	45 561	25 301
Repayments on borrowings	-13 226	-10 371
Payment of principal portion of lease liabilities	-8 664	-6 047
Interest paid	-6 139	-4 156
Proceeds from capital increase	0	55
Net cash flow from financing activities	<u>17 531</u>	<u>4 782</u>
NET CASH FLOW FOR THE PERIOD	<u>-12 512</u>	<u>-439</u>
Cash and cash equivalent 01.01	<u>36 098</u>	<u>36 537</u>
Cash and Cash equivalents 31.12	23 586	36 098

STATEMENT OF CHANGES IN EQUITY

(amounts in NOK 1000)	Note	Share capital	Other paid-in	Other reserves	Retained earnings	Total equity
Balance at 31 December 2022		741	83 948	1 132	57 738	143 558
Balance at 31 December 2022		741	83 948	1 132	57 738	143 558
Profit for the period		0	0		26 088	26 088
Total income		0	0	0	26 088	26 088
Transactions with owners						
<i>Share-based payment</i>		0	0	694	0	694
Contributions of equity		0	0	0	0	0
Balance at 31 December 2023		741	83 948	1 826	83 825	170 340

NOTES TO THE FINANCIAL STATEMENTS

Note 1 – General information

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 technology company specializing in the treatment, recycling and responsible handling of contaminated water and solid industrial waste streams at site. The Company is listed on the NOTC in Oslo with ticker code 'SOIL'. The financial statements for the year ended 31 December 2023 were approved and authorized for issue in accordance with a resolution of the board of directors on 19th of March 2024.

Note 2 – Summary of general accounting policies

The general accounting policies applied in the preparation of the financial statements are set out below. Specific accounting policies related to the individual areas in the financial statements are described in the relevant notes.

Basis for preparation

The financial statement has been prepared in accordance with Norwegian Accounting Act and associated regulations, as well as Generally Accepted Accounting Principles (GAAP) in Norway. The financial statement is presented in Norwegian Kroner (NOK) and have been rounded to the nearest thousand unless otherwise stated. As a result of rounding adjustments, amounts and percentages may not add up to the total. The financial statements are prepared on a going concern basis.

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.

The cash flow analysis

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

Note 3 – Revenues

Revenue recognition

Overall description of contracts with customers

The Group's revenue mainly derive from the sale of services related to treatment of contaminated water (i.e. slop), cuttings handling, cleaning services and other related services, for customers within the oil & gas industry. The key element of the service deliveries is the deployment and supervision of treatment and handling equipment at the customer's site. The contract consideration is composed mainly of agreed daily rates for equipment and personnel, respectively, and reimbursement of costs plus a markup. Rates vary depending on whether the equipment is in active use during ongoing operations or in standby, for example when the equipment is on location but not in operation. Costs of mobilization and demobilization of equipment and personnel are normally recovered through the agreed daily rates, except for some contracts, where they are reimbursed separately. Such reimbursement are, however, generally not material in relation to the total contract consideration. Consideration is normally invoiced monthly, based on actual deliveries.

Accounting policies

The contracts are considered to consist of only one performance obligation, which is satisfied over time. Progress is measured on the basis of the time the STT unit is available to service the customer. In practice, revenue based on daily rates are thus recognized with the amount that the Company has a right to invoice. As a practical simplification based on materiality, any fees associated with mobilization and demobilization are recognized linearly over the period of the contract they relate to. Cost of mobilization is considered to be cost to fulfil a contract and are recognized as an asset when incurred. The asset is subsequently amortized over the contract period, as cost of materials and personnel expenses.

Revenues by product category

(amounts in NOK 1000)	2023	2022
Slop- and water treatment services	153 033	128 368
Other revenue	76 242	49 726
Total	229 275	178 094

Revenues by geography

(amounts in NOK 1000)	2023	2022
Norway	167 003	149 289
International	62 272	28 805
Total	229 275	178 094

Revenues from major customers

(amounts in NOK 1000)	2023	2022
Customer 1	68 579	59 379
Customer 2	39 454	30 595
Customer 3	27 532	20 406
Customer 4	23 454	27 028
Total from major customers	159 019	137 408
Other (less than 10% each)	70 256	40 686
Total	229 275	178 094

Costs to fulfil the customer contracts

(amounts in NOK 1000)	2023	2022
Carrying amount 01.01.	0	1 472
Incurred during the period	3 965	0
Amortised during the period	0	-1 472
Carrying amount 31.12.	3 965	0

Note 4 – Personnel expense & remuneration to senior executives and board of directors

Accounting policies

Personnel costs are expensed as the employees earn the right to the payment of wages for hours worked. Payments to defined contribution pension are expensed over the period in which the employees earn the right to the deposit.

Pensions

The company has a defined contribution plan for its employees. The Group's Norwegian entities are obligated to follow the stipulations in the Norwegian Mandatory Occupational Pensions Act. The Group's pension scheme adheres to the requirements, as set in the Act.

Specification of personnel expenses

(amounts in NOK 1000)	2023	2022
Wages and salaries	23 336	22 758
Contract personnel	2 667	1 798
Pension contributions	1 200	862
Social security tax	5 407	3 810
Other personnel expenses*	5 514	2 092
Total	38 124	31 320

*Other personnel expenses include expenses related to share-based payment transactions. Please refer to notes for Consolidation financial statement for further details.

Number of employees

	31/12/2023	31/12/2022
Norway	20	13
United Kingdom	13	7
Other	6	6
Total	39	26

Remuneration to senior executives and board of directors

(amounts in NOK 1000)	Salary	Other benefits	Pension
Salary CEO (Jan Erik Tveteraas)	2 131	162	93
Salary CEO (Stig H. Christiansen)	1 891	89	48
Salary CFO	1 340	142	93

The previous CEO Stig H. Christiansen resigned from his position April 2023. No severance payment was made. The new CEO Jan Erik Tveteraas started in April 2023.

Board of directors	Remuneration	Other benefits
Board (excl. Chairman of the board)	300	0
Total remuneration	300	0

Gunnar Winther Eliassen was elected as new Chairman of the board in December 2023. The previous Chairman of the board Jan Erik Tveteraas continues as CEO. Director Robert Hvide MacLeod resigned from board in December 2023.

Note 5 – Depreciation and amortisation

Specification of depreciation and amortisation

(amounts in NOK 1000)	Note	2023	2022
Amortisation of intangible assets	10	146	12
Depreciation property, plant & equipment	11	11 580	10 750
Depreciation of right-of-use assets	12	3 916	3 679
Total		15 641	14 441

Note 6 – Other operating expenses

Specification of other operating expenses

(amounts in NOK 1000)	2023	2022
Cost of lease of assets of low value	163	163
Audit and Accounting cost	2 764	1 644
Legal advisor cost	3 576	720
Office cost and it equipment	4 153	5 207
Travel related cost	803	803
Sales and commercial cost	940	940
Insurance	750	622
Other cost	5 337	2 096
Total	18 486	12 195

Specification of auditors' remuneration

(amounts in NOK 1000)	2023	2022
Statutory audit fee	474	140
Other certification services	0	0
Tax advisory services	0	0
Other non-auditing services	273	213
Total	747	353

Note 7 – Related parties

Accounting policies

In the Parent company, the subsidiaries and investments in any associated company are valued at cost. The investment is valued at the 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.

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.

Subsidiaries

Company name (amounts in NOK 1000)	Place of office	Ownership	Equity as of 31.12.2023	Net result for 2023	Carrying value 31.12.2023
Soiltech Offshore Services AS	Sandnes	100%	1 065	140	788
Sorbwater Technology AS	Bergen	100%	37 017	-3 036	36 646

The expected synergies from the Sorbwater patented biodegradable chemicals are delayed and the business plan has therefore been revised. The delay in synergies has resulted in certain thresholds under the SPA are uncertain to be met. Consequently, the contingent consideration of MNOK 15 that was recognized as part of the consideration has been reversed and recognized as other gain in 2023. As a consequence of this, a write down of the investment in Sorbwater Technology AS of MNOK 9.2 has been made. This write down is reflected under financial expenses.

Transactions with related parties

(amounts in NOK 1000)	Relationship	Transaction type	2023	2022
Purchase of services from Soiltech Offshore AS	Subsidiary	Purchase of serv.	85 591	66 885
Funding of Sorbwater Technology AS	Subsidiary	Funding	3 555	1 715
Total			89 146	68 600

Outstanding balances with group companies

(amounts in NOK 1000)	Relationship	Nature of amount	2023	2022
		Funding and group contribution		
Sorbwater	Subsidiary		- 17 315	6 432
Soiltech Offshore Services AS	Subsidiary	Trade payables	- 18 464	12 872
Total			- 35 779	19 304

Note 8 – Financial items

(amounts in NOK 1000)	2023	2022
Net foreign exchange gains (losses)	179	-136
Interest income	288	538
Other	0	
Total financial income	288	538
Interest expenses on leases	-2 674	-1 532
Interest expenses on borrowings	-4 686	-2 392
Impairment of shares in subsidiaries	-9 240	0
Other	-25	3
Total financial expenses	-16 624	-3 921
Net financial items	-16 157	-3 519

Note 9 – Income tax

Accounting policies

The tax expense consists of the tax payable and changes to deferred tax. Deferred tax/tax assets are calculated on all 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 recognised when it is probable that the company will have a sufficient profit for tax purposes in subsequent periods to utilize the tax asset. The companies recognize 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 (non-current liabilities) in the balance sheet.

Specification of income tax expense

	2 023	2 022
Profit before tax	31 824	19 870
Group contribution	-11 527	-8 547
+/- Permanent differences	-5 623	-30
+/- Change in temporary differences	-14 674	-11 293
- Carry-forward deficit	0	0
Basis for calculating tax	0	0
Tax payable 22%	0	0
+/- Changes in deferred tax	5 736	4 339
Tax expense in the statement of profit and loss	5 736	4 339
Tax payable in tax expense	0	0
Tax payable in the balance sheet	0	0

Temporary differences related to:

Intangible assets	0	0
PP&E Assets and Intangible	83 263	71 549
Current assets	3 965	0
Non-current assets	0	0
Long-term liabilities	-32 891	-32 722
Gain & loss account	629	786
Current liabilities	-2 456	-1 777
Tax losses carried forward*	0	0
Net difference	52 509	37 836
Tax reducing differences which may not be netted	669	796
Total temporary differences	53 179	38 632
Deferred tax liability (asset) 22%	11 699	8 499

A group contribution is given to subsidiary company Sorbwater Technology AS that will utilize this against its loss carry forward.

Note 10 – Intangible assets

Accounting policies

Intangible assets mainly comprise goodwill originating from previous acquisitions. Goodwill is not depreciated but is instead subject to annual impairment testing. Other intangible assets include patents and software which are recognised in accordance with the cost method and depreciated over their expected economic lifetime.

Specification of intangible assets

(amounts in NOK 1000)

	Other
Cost 01.01.2022	2 061
Additions	621
Addition business combination	0
Cost 31.12.2022	2 682
Additions	213
Disposals	0
Cost 31.12.2023	2 895
Accumulated depreciation 01.01.2022	1 500
Depreciations for the year	12
Accumulated depreciation 31.12.2022	1 512
Accumulated impairment 01.01.2022	100
Impairment for the year	0
Accumulated impairment 31.12.2022	100
Depreciations for the year	146
Accumulated depreciation 31.12.2023	1 658
Impairment for the year	0
Accumulated impairment 31.12.2023	100
Carrying amount 01.01.2022	561
Carrying amount 31.12.2022	1 070
Carrying amount 31.12.2023	1 136

Note 11 – Property, plant & equipment

Accounting policies

Property, plant & equipment consists of slop treatment units, equipment for cuttings handling and swarf removal, skips and various other equipment. Property, plant & equipment are recognized in accordance with the cost method and depreciated over their expected economic lifetime.

Specification of property, plant & equipment

(amounts in NOK 1000)	Property, plant & equipment
Cost 01.01.2022	122 149
Additions	49 279
Addition business combination	0
Disposals	-268
Cost 31.12.2022	171 160
Additions	63 776
Other non cash adjustments	1 527
Disposals	
Cost 31.12.2023	236 463
Accumulated depreciation 01.01.2022	29 612
Depreciations for the year	10 750
Accumulated depreciation 31.12.2022	40 362
Accumulated impairment 01.01.2022	3 568
Impairment for the year	0
Accumulated impairment 31.12.2022	3 568
Accumulated depreciation 31.12.2022	40 362
Depreciations for the year	11 580
Accumulated depreciation 31.12.2023	51 942
Accumulated impairment 31.12.2022	3 568
Impairment for the year	0
Accumulated impairment 31.12.2023	3 568
Carrying amount 01.01.2022	92 537
Carrying amount 31.12.2022	127 230
Carrying amount 31.12.2023	180 954
Economic useful life	5-15 years
Depreciation schedule	Linear

Note 12 – Leases

Accounting policies

The Company leases certain operating equipment which in turn is leased to our customers. The Company has 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 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.

Overall description of the leases of the parent company

The parent company primarily leases slop treatment units (STT). For slop treatment units (STT), the lease term is usually between 4 and 7 years.

Specification of right-of-use assets

(amounts in NOK 1000)	Slop Treatment Units
Carrying amount 01.01.2022	33 508
Additions	4 854
Index regulation	0
New lease business combination	0
Depreciations	-3 679
Carrying amount 31.12.2022	34 684
Additions	22 259
Index regulation	0
Depreciations	-3 916
Carrying amount 31.12.2023	53 027
Economic useful life	5-15 years
Depreciation schedule	Linear

Specification of lease liabilities

(amounts in NOK 1000)	2023	2022
Carrying amount 01.01.	19 302	19 264
Additions	22 258	5 200
New lease business combination	0	0
Index regulation	0	0
Interest expenses	2 543	1 532
Lease payments	-11 207	-7 579
Prepayments leasing	704	885
Effect of currency translation	0	0
Carrying amount 31.12.	33 600	19 302
Non-current lease liabilities	24 800	12 091
Current lease liabilities	8 800	7 211

Contractual payments on leases

(amounts in NOK 1000)	2023	2022
Due within one year	9 555	10 480
Due within one and five years	23 820	23 033
Due after 5 years	7 500	3 838
Total	40 875	37 351

Note 13 – Other assets and liabilities

Accounting policies

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 apply to liabilities.

Other current assets are recorded in the balance sheet at nominal value less provisions for expected credit losses.

Other non-current assets

(amounts in NOK 1000)	2023	2022
Restricted cash	762	738
Other	0	0
Total	762	738

Other current assets

(amounts in NOK 1000)	Note	2023	2022
Prepaid expenses		3 637	3 045
VAT receivable		7 044	4 094
Cost to fulfill customer contract		3 965	0
Tax refund connected to research and development		1 655	0
Short term loan to group company		529	794
Other		16 829	7 933

Other non-current liabilities

(amounts in NOK 1000)	Note	2023	2022
Contigent liability	9	0	15 000
Other		669	796
Total		669	15 796

Other current liabilities

(amounts in NOK 1000)	Note	2023	2022
Liability relate to currency forward contract	16	0	0
Public duties payable		3 951	2 541
Liability to employers incl. holiday pay		2 391	4 069
Liability to group companies		17 316	6 521
Other		2 292	1 123
Total		25 950	14 254

Note 14 – Trade receivables

Accounting policies

Trade receivables are recognized at an amount equal to the transaction price, less provisions for expected credit losses. The Group applies the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

Specification of trade receivables

(amounts in NOK 1000)	31.12.23	31.12.22
Accounts receivable	42 772	22 382
Earned not invoiced revenues	1 399	6 956
Provision for expected credit losses	0	0
Carrying amount	44 171	29 338

Note 15 – Cash and cash equivalents

Accounting policies

Cash and cash equivalents comprise mostly ordinary bank deposits. The statement of cash flows is prepared using the indirect method. Interest income and expenses are presented as investing and financing activities, respectively.

Restricted cash

(amounts in NOK 1000)	31.12.23	31.12.22
Payroll withholding tax account	962	854

Note 16 – Borrowings

Accounting policies

Borrowings are initially recognized at fair value, including transaction costs directly attributable to the transaction, and are subsequently measured at amortized cost.

Covenants

The loan facility with Sandnes Sparebank entered in 2023 has the following covenants:

- NIBD/EBITDA > 4
- Book equity > 30%
- Approval from bank if dividend/group contribution

Specification of borrowings – 31.12.2023

(amounts in NOK 1000)	Nominal interest rate	Nominal amount	Capitalized financing fees	Carrying amount
Innovasjon Norge	7,7%	3 875	0	3 875
Sandnes Sparebank	3 m.Nibor+2.5%	81 898	0	81 898
Carrying amount as per 31.12.2023		85 773		85 773
Non-current borrowings				68 913
Current borrowings				16 860

Specification of borrowings – 31.12.2022

(amounts in NOK 1000)	Nominal interest rate	Nominal amount	Capitalized financing fees	Carrying amount
Innovasjon Norge	6,0%	6 458	0	6 458
Sandnes Sparebank	3 m.Nibor+2.5%	45 758	0	45 758
Carrying amount as per 31.12.2022		52 217	0	52 217
Non-current borrowings				38 892
Current borrowings				13 325

Contractual payments on borrowings – 31.12.2023

(amounts in NOK 1000)	Next year	1-2 years	2-5 years	More than 5 years
Innovasjon Norge	2 813	1 330	0	0
Sandnes Sparebank	18 580	17 612	47 024	18 038
Total	21 393	18 942	47 024	18 038

Contractual payments on borrowings – 31.12.2022

(amounts in NOK 1000)	Next year	1-2 years	2-5 years	More than 5 years
Innovasjon Norge	2 908	4 076	0	0
Sandnes Sparebank	13 555	12 776	26 090	0
Total	16 463	16 852	26 090	0

For loans with floating interest rates, the amounts above are calculated using the current interest rate per the relevant year end.

Carrying amount of assets pledged as security

(amounts in NOK 1000)	2023	2022
Property, plant & equipment	181 937	127 230
Trade receivables	44 171	29 338
Total	226 108	156 568

Note 17 – Share capital and shareholder information

Share capital and ownership structure

The share capital of the parent company, Soiltech AS, amounts to NOK 740 543 as of 31 December 2023, and consists of a total of 7,405,430 ordinary shares, each with a nominal value of NOK 0.1.

Shareholders as of 31.12.2023

Shareholders	Number of shares	Ownership interest
Winthershall DEA Technology Ventures GmbH	1 067 820	14,4%
Hildr AS	747 430	10,1%
Wellex AS by Glenn Åsland	747 430	10,1%
Knatten I AS by Jan Erik Tveteraas	700 325	9,5%
Carnegie Investment Bank AB	560 980	7,6%
Skagenkaien Investering AS	541 380	7,3%
Tveteraas Invest AS	521 710	7,0%
DNB Bank ASA	345 790	4,7%
Pima AS by Eirik Flatebø	202 830	2,7%
Havnebase Eiendom AS	158 470	2,1%
Zetlitz Capital AS	102 030	1,4%
Tucan Holding AS	100 560	1,4%
Campo Eiendom AS	83 000	1,1%
Forte Trønder	79 800	1,1%
Ryder	78 000	1,1%
Top 15 shareholders	6 037 555	82%
Other	1 367 875	18%
Total	7 405 430	100%

Included in Other shareholders are 5 000 shares owned by board member Olaf Skrivervik. Foreign ownership was 32,4% at year-end 2023 (2022: 32,4%)

Note 18 – Financial risk and capital management

See information in consolidated financial statement.

Note 19 – Climate risk

See information in consolidated financial statement.

Note 20 – Remuneration to senior executives and Board of Directors

See information in consolidated financial statement.

Note 21 – Share-based payment transactions

See information in consolidated financial statement.

Note 22 – Events after the reporting period

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.












2023 Annual Report


Final Audit Report

2024-03-16


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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 the balance sheet as at 31 December 2023, the statement of profit and loss, the statement of changes in equity and statement of cash flows for the year then ended, and notes to the 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 2023, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

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 2023, and its financial performance and its cash flows for the year then ended in accordance with the 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 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

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 and the other information accompanying the financial statements. 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 nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appear to be materially misstated. We are required to report if there is a material misstatement in the Board



of Directors' report or the other information accompanying the financial statements. 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 of the Company 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 the preparation of the consolidated financial statements of the Group that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU. Management is responsible 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 of the Company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The consolidated financial statements of the Group use the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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, 15 March 2024

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	2024-03-18 10:22



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APPENDIX D:

The Company's audited consolidated financial statements for 2022 (NGAAP)



ANNUAL REPORT 2022



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The background of the slide is a photograph of two workers in an industrial setting. They are wearing white hard hats and high-visibility orange and yellow safety vests. The worker on the right is smiling and looking towards the camera. The worker on the left is partially visible, also wearing a hard hat and safety vest. The background shows industrial equipment and structures, including a large green structure and a blue structure.

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

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

(TNOK)

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><u>36 098</u></u>	<u><u>36 537</u></u>	Cash and Cash equivalents 31.12	<u><u>38 832</u></u>	<u><u>39 232</u></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		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	- 11 262	-	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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APPENDIX E:

The Company's audited consolidated financial statements for 2021 (NGAAP)

Årsregnskap for 2021

**SOILTECH AS
4313 SANDNES**

Innhold

Årsberetning
Resultatregnskap
Balanse
Kontantstrømoppstilling
Noter
Revisjonsberetning

Soiltech AS

Styrets beretning

For 2021

1. Virksomhetens art og beliggenhet

Konsernet Soiltech AS (Selskapet) består av datterselskapet Soiltech Offshore Services AS og morselskapet Soiltech AS. Soiltech ble etablert i 2011 og er en ledende leverandør av cleantech tjenester med fokus på rensing, resirkulering og ansvarlig håndtering av forurenset vann og faste avfallsstrømmer. Selskapet har i 2021 hatt operasjoner i Norge, Storbritannia, Nederland og Abu Dhabi. Selskapets hovedkontor er i Koppholen 25 i Sandnes.

2. Høydepunkter i 2021

- Selskapet har gjennom året økt bredden av tjenester og styret ser dette som strategisk viktig for selskapet.
- I 2021 har selskapet fått flere nye prosjekter med ledende industrielle aktører.
- Det er gjennom året foretatt betydelige investeringer i utstyr, basert på den økte aktiviteten og utsiktene fremover.
- Soiltech AS ble i 2021 registrert på NOTC listen for unoterte aksjer og flyttet inn i nye lokaler i Koppholen 25 på Forus

3. Utvikling i resultat og stilling

Morselskap:		
Nøkkeltall (NOK mill)	2021	2020
Omsetning	136,8	81,9
Resultat før skatt	14,1	3,9
Årsresultat	10,7	3,1
Totalkapital	211,3	147,6
Arbeidskapital	52,5	41,4
Egenkapital	113,0	92,9
Egenkapitalandel	53 %	63 %

Konsern:		
Nøkkeltall (NOK mill)	2021	2020
Omsetning	136,6	81,6
Resultat før skatt	14,3	3,9
Årsresultat	10,9	3,1
Totalkapital	212,8	151,0
Arbeidskapital	53,5	42,4
Egenkapital	113,2	93,0
Egenkapitalandel	53 %	62 %

Aktiviteten har vært jevnt høy gjennom året til tross for Covid-19. Omsetningen for Selskapet økte med 68% i forhold til 2020 og resultatet var etter styrets vurdering tilfredsstillende. Årsresultatet på kr 10.9 millioner er overført til annen egenkapital.

4. Risiko vurdering

Gjennom 2021 har covid-19 pandemien dominert risikobildet og smitteverntiltak både offshore og onshore har preget driften. Hittil har Selskapet likevel ikke hatt store negative konsekvenser av pandemien.

- Finansiell risiko – Selskapet er primært eksponert for finansiell risiko knyttet til kundefordringer, likviditet og rentebærende gjeld.
- Markedsrisiko – Selskapet er i noen grad eksponert for valutarisiko gjennom våre innkjøp av anleggsmidler. Selskapet foretar i liten grad sikringskontrakter, men dette er noe som blir vurdert fortløpende. Renterisiko er knyttet opp mot Selskapets gjeldsportefølje, gjelden har flytende rente knyttet til NIBOR. Selskapet har god likviditet og ser ikke dette som noen stor risiko per 31.12.2021.
- Kredittrisiko – Risikoen for tap på fordringer er vurdert som lav, da selskapets kunder er solide.
- Likviditetsrisiko – Likviditetsrisiko er risikoen for at Selskapet ikke kan møte sine betalingsforpliktelser ved forfall. God likviditet er en viktig forutsetning for konsernets lønnsomhet og mulighet til å investere i kapitalintensive forretningsområder. Styringen av likviditetsrisiko inngår i målet om finansiell fleksibilitet og har høy prioritet. Kontantstrømmen har vært god gjennom året. Selskapets likviditet vurderes som god.
- Selskapet har styreansvarsforsikring med en dekning på NOK 50 millioner.

5. Fortsatt drift

Årsoppgjøret er avlagt under forutsetning om fortsatt drift jfr. Regnskapsloven §3-3a

6. Arbeidsmiljø

Selskapet hadde et sykefravær på 2.1% i 2021. Styret oppfatter arbeidsmiljøet og den generelle trivselen på arbeidsplassen som god. Det har ikke vært alvorlige personskader knyttet til selskapets virksomhet.

7. Teknologiutvikling

Som en del av virksomheten utvikler selskapet en teknologi for miljømessig behandling av boreavfall.

8. Likestilling

Selskapet har innarbeidet retningslinjer som tar sikte på at det ikke forekommer forskjellsbehandling grunnet kjønn og nasjonalitet. Selskapet arbeider målrettet og planmessig med blant annet rekruttering, lønns- og arbeidsvilkår, forfremmelse og utviklingsmuligheter. Ledelsen består av både menn og kvinner. Styret har seks medlemmer hvorav alle er menn.

9. Ytre miljø

Styret kjenner ikke til at virksomheten, herunder dens innsatsfaktorer og produkter, har negativt påvirket det ytre miljø av betydning.

10. Fremtidsutsikter

Høyere oljepris og utsikter til avslutning av Corona pandemien har skapt stor optimisme i markedet. Styret forventer en fortsatt økning i selskapets aktivitet i 2022. En usikker geopolitisk situasjon kan få innvirkning på selskapets resultater.

11. Øvrige forhold

Styret kjenner ikke til andre vesentlige hendelser som vil ha påvirkning på selskapets finansielle stilling og resultat.

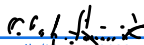
Sandnes, den 17. mars 2022

I styret for Soiltech AS



Jan Erik Tveteraas (Mar 17, 2022 12:38 GMT+1)

Jan Erik Tveteraas
Styrets leder



Olaf Skrivervik (Mar 17, 2022 18:42 GMT+1)

Olaf Skrivervik
Styremedlem



Robert Hvide Macleod (Mar 17, 2022 17:38 GMT+1)

Robert Hvide Macleod
Styremedlem



Carsten Brueckner (Mar 17, 2022 13:26 GMT+1)

Carsten Brückner
Styremedlem



Glenn Åsland
Styremedlem



eirik flatebø (Mar 17, 2022 16:13 GMT+1)

Eirik Flatebø
Styremedlem



Oluf Bergsvik
Daglig leder

Soiltech AS

RESULTATREGNSKAP FOR 2021

MORSELSKAP			KONSERN		
2021	2020	Note	Note	2021	2020
DRIFTSINNTEKTER OG KOSTNADER					
136 655 911	81 466 582	1	1	136 545 135	81 115 475
101 207	456 006	1	1	101 207	456 006
<u>136 757 118</u>	<u>81 922 588</u>	1	1	<u>136 646 342</u>	<u>81 571 481</u>
-75 697 877	-37 073 124	Vareforbruk		-30 340 110	-8 522 781
-20 102 313	-15 682 754	2, 3, Lønn og sosiale kostnader	2, 3,	-62 210 361	-41 631 870
-11 790 602	-9 302 230	4, 5,6 Ordinære avskrivninger	4, 5,6	-11 790 602	-9 302 230
1 205 361	-4 773 835	10 Nedskrivninger	10	1 205 361	-4 773 835
-14 989 738	-9 919 926	7 Andre driftskostnader	7	-17 953 574	-11 994 428
<u>-121 375 168</u>	<u>-76 751 869</u>	Sum driftskostnader		<u>-121 089 285</u>	<u>-76 225 144</u>
<u>15 381 949</u>	<u>5 170 720</u>	DRIFTSRESULTAT		<u>15 557 056</u>	<u>5 346 338</u>
FINANSINNTEKTER OG FINANSKOSTNADER					
0	180 200	Inntekt på investering i datterselskap og tilknyttet selskap		0	0
191 310	173 418	Renteinntekter		191 310	174 586
264 702	213 705	Andre finansinntekter		269 830	217 602
-1 563 556	-1 606 260	Rentekostnader		-1 563 795	-1 607 031
-179 179	-233 569	Andre finanskostnader		-179 179	-233 569
<u>-1 286 723</u>	<u>-1 272 506</u>	RESULTAT AV FINANSPOSTER		<u>-1 281 834</u>	<u>-1 448 412</u>
<u>14 095 226</u>	<u>3 898 214</u>	ORDINÆRT RESULTAT FØR SKATTEKOSTNAD		<u>14 275 222</u>	<u>3 897 926</u>
-3 348 112	-790 264	11 Skattekostnad ordinært resultat	11	-3 387 711	-790 264
<u>10 747 114</u>	<u>3 107 950</u>	ÅRSRESULTAT		<u>10 887 511</u>	<u>3 107 662</u>
Minoritetens andel av resultatet					
				0	0
Resultat etter minoritetsandel					
				<u>10 887 511</u>	<u>3 107 662</u>
OVERFØRINGER					
10 747 114	3 107 949	Overført til/fra annen egenkapital		10 887 511	3 107 949
<u>10 747 114</u>	<u>3 107 949</u>	Sum disponering av årsresultat		<u>10 887 511</u>	<u>3 107 949</u>

Soiltech AS

BALANSE PR. 31.12.2021

MORSELSKAP			KONSERN		
31.12.2021	31.12.2020	Note	Note	31.12.2021	31.12.2020
		EIENDELER			
		<i>Anleggsmidler</i>			
		<i>Immaterielle eiendeler</i>			
460 573	460 573	Konsesjoner		460 573	460 573
460 573	460 573	Sum immaterielle eiendeler		460 573	460 573
		<i>Driftsmidler</i>			
22 663 392	24 286 304	10, 16 Maskiner og anlegg	10, 16	22 663 392	24 286 304
99 812 961	70 998 659	10, 16 Driftsløsøre, inventar, verktøy og kontormaskiner	10, 16	99 812 961	70 998 659
122 476 353	95 284 963	Sum driftsmidler		122 476 353	95 284 963
		<i>Finansielle anleggsmidler</i>			
788 000	788 000	8 Investeringer i datterselskaper	8	0	0
293 891	315 263	13 Andre langsiktige fordringer	13	293 891	315 263
1 081 891	1 103 263	Sum finansielle anleggsmidler		293 891	315 263
124 018 817	96 848 799	Sum anleggsmidler		123 230 817	96 060 799
		<i>Omløpsmidler</i>			
		<i>Fordringer</i>			
34 321 539	11 095 229	13, 16 Kundefordringer	13, 16	34 321 539	11 095 229
15 658 752	2 896 770	8, 13 Andre kortsiktige fordringer	8, 13	16 059 204	3 154 348
771 716	771 716	8 Konsernfordringer	8	0	0
50 752 007	14 763 715	Sum fordringer		50 380 743	14 249 577
36 536 807	35 954 315	14 Bankinnskudd	14	39 232 210	40 696 154
87 288 814	50 718 030	Sum omløpsmidler		89 612 953	54 945 731
211 307 631	147 566 829	SUM EIENDELER		212 843 769	151 006 529

Soiltech AS

BALANSE PR. 31.12.2021

MORSELSKAP			KONSERN		
31.12.2021	31.12.2020	Note	Note	31.12.2021	31.12.2020
EGENKAPITAL OG GJELD					
<i>Egenkapital</i>					
<i>Innskutt egenkapital</i>					
720 043	659 779	9, 15	9, 15	720 043	659 779
68 913 605	60 765 999	15	15	68 913 605	60 765 999
1 131 192	0	5	5	1 131 192	0
70 764 840	61 425 778			70 764 840	61 425 778
<i>Opptjent egenkapital</i>					
42 207 460	31 460 345	15	15	42 484 629	31 597 116
42 207 460	31 460 345			42 484 629	31 597 116
0	0			0	0
112 972 300	92 886 123	15	15	113 249 469	93 022 894
<i>Gjeld</i>					
<i>Avsetning for forpliktelser</i>					
6 039 782	3 583 023	11, 12	11, 12	6 039 782	3 583 023
910 946	1 012 153			910 946	1 012 153
6 950 728	4 595 176			6 950 728	4 595 176
<i>Annen langsiktig gjeld</i>					
55 000	206 700	16	16	55 000	206 700
28 217 954	20 550 000	16	16	28 217 954	20 550 000
28 306 166	20 039 882	16	16	28 306 166	20 039 882
56 579 120	40 796 582			56 579 120	40 796 582
<i>Kortsiktig gjeld</i>					
23 912 761	5 601 972			13 320 608	2 802 318
891 353	0	11	11	930 952	0
1 168 761	980 002			7 293 230	3 599 729
8 832 608	2 706 974			14 519 662	6 189 830
34 805 483	9 288 948			36 064 452	12 591 877
98 335 331	54 680 706			99 594 300	57 983 635
211 307 631	147 566 829			212 843 769	151 006 529

Sandnes, den 17. mars 2022

I styret for Soiltech AS

Eirik Flatebø

Eirik Flatebø (Mar 17, 2022 10:13 GMT+1)

Eirik Flatebø
Styremedlem

Robert Hvide Macleod

Robert Hvide Macleod (Mar 17, 2022 13:38 GMT+1)

Robert Hvide Macleod
Styremedlem

Jan Erik Tveteraas

Jan Erik Tveteraas (Mar 17, 2022 12:28 GMT+1)

Jan Erik Tveteraas
Styrets leder

Olaf Skrivervik

Olaf Skrivervik (Mar 17, 2022 18:42 GMT+1)

Olaf Skrivervik
Styremedlem

Oluf Bergsvik
Daglig leder

Glenn Åsland

Glenn Åsland
Styremedlem

Carsten Brückner

Carsten Brückner (Mar 17, 2022 13:26 GMT+1)

Carsten Brückner
Styremedlem

Soiltech AS

KONTANTSTRØMOPPSTILLING FOR 2021

MORSELSKAP			KONSERN	
2 021	2 020		2 021	2 020
		<i>Kontantstrøm fra operasjonelle aktiviteter</i>		
14 095 226	3 898 214	Resultat før skattekostnad	14 275 222	3 897 926
0	0	Periodens betalte skatt	0	-39 600
10 585 241	14 076 065	Ordinære avskrivninger	10 585 241	14 076 065
-23 226 310	6 918 862	Endring i kundefordringer	-23 226 310	6 918 862
18 310 789	-2 766 296	Endring i leverandørgjeld	19 775 909	-3 355 952
-6 679 125	611 933	Endring i andre tidsavgrensingsposter	-10 370 678	1 070 056
<u>13 085 821</u>	<u>22 738 777</u>	Netto kontantstrøm fra operasjonelle aktiviteter	<u>11 039 384</u>	<u>22 567 356</u>
		<i>Kontantstrøm fra investeringsaktiviteter</i>		
-37 776 630	-24 080 964	Utbetalinger ved kjøp av varige driftsmidler	-37 776 630	-24 080 964
0	77 049	Innbetalinger fordring konsern	0	77 049
<u>-37 776 630</u>	<u>-24 003 915</u>	Netto kontantstrøm fra investeringsaktiviteter	<u>-37 776 630</u>	<u>-24 003 915</u>
		<i>Kontantstrøm fra finansieringsaktiviteter</i>		
0	0	Netto endring kassekreditt	0	0
30 350 000	20 550 000	Innbetaling ved opptak av ny langsiktig gjeld	30 350 000	20 550 000
9 339 063	0	Innbetalinger av egenkapital	9 339 063	0
-14 415 762	-10 437 448	Utbetaling ved nedbetaling av langsiktig gjeld	-14 415 762	-10 437 448
<u>25 273 301</u>	<u>10 112 552</u>	Netto kontantstrøm fra finansieringsaktiviteter	<u>25 273 301</u>	<u>10 112 552</u>
<u>582 492</u>	<u>8 847 414</u>	NETTO KONTANTSTRØM FOR PERIODEN	<u>-1 463 945</u>	<u>8 675 993</u>
<u>35 954 315</u>	<u>27 106 900</u>	Kontanter, bankinnskudd ved periodens begynnelse	<u>40 696 154</u>	<u>32 020 160</u>
<u>36 536 807</u>	<u>35 954 315</u>	Kontanter, bankinnskudd og ved periodens slutt	<u>39 232 210</u>	<u>40 696 154</u>

Noter til årsregnskapet 2021

Soiltech AS

Regnskapsprinsipper

Årsregnskapet er satt opp i samsvar med regnskapsloven og god regnskapsskikk.

Driftsinntekter

Inntektsføring ved salg av varer skjer på leveringstidspunktet. Tjenester inntektsføres etter hvert som de leveres. Andelen av salgsinntekter som knytter seg til fremtidige serviceytelser, balanseføres som uopptjent inntekt ved salget og inntektsføres deretter i takt med levering av ytelsen.

Klassifisering og vurdering av balanseposter

Omløpsmidler og kortsiktig gjeld omfatter poster som knytter seg til varekretsløpet. For andre poster enn kundefordringer omfattes poster som forfaller til betaling innen ett år etter transaksjonsdagen. Anleggsmidler er eiendeler bestemt til varig eie og bruk. Langsiktig gjeld er gjeld som forfaller senere enn ett år etter transaksjonsdagen.

Omløpsmidler vurderes til laveste av anskaffelseskost og virkelig verdi. Kortsiktig gjeld balanseføres til nominelt beløp på etableringstidspunktet.

Anleggsmidler vurderes til anskaffelseskost. Varige anleggsmidler avskrives etter en fornuftig avskrivningsplan. Anleggsmidlene nedskrives til virkelig verdi ved verdifall som ikke forventes å være forbigående. Nedskrivninger blir reversert når grunnlaget for nedskrivningen ikke lenger finnes å være til stede.

Direkte vedlikehold av driftsmidler kostnadsføres løpende under driftskostnader, mens påkostninger eller forbedringer tillegges driftsmidlets kostpris og avskrives i takt med driftsmiddelet.

Langsiktig gjeld med unntak av andre avsetninger balanseføres til nominelt beløp på etableringstidspunktet.

Fordringer

Kundefordringer og andre fordringer er oppført i balansen til pålydende etter fradrag for avsetning til forventet tap. Avsetning til tap gjøres på grunnlag av individuelle vurderinger av de enkelte fordringene. I tillegg gjøres det for øvrige kundefordringer en uspesifisert avsetning for å dekke antatt tap.

Skatt

Skattekostnaden i resultatregnskapet omfatter både periodens betalbare skatt og endring i utsatt skatt. Utsatt skatt er beregnet med 22% på grunnlag av de midlertidige forskjeller som eksisterer mellom regnskapsmessige og skattemessige verdier, samt skattemessig underskudd til fremføring ved utgangen av regnskapsåret. Skatteøkende og skattereduserende midlertidige forskjeller som reverserer eller kan reversere i samme periode er utlignet og skattevirkningen er beregnet på nettogrunnlaget.

Valuta

Pengeposter i utenlandsk valuta vurderes etter børskursen på valutaen etter kursnoteringen på den siste dagen i regnskapsåret

Leasing

Driftsmidler anskaffet ved finansiell leasing blir aktivert og avskrevet over antatt økonomisk levetid. Tilhørende leasingforpliktelse blir balanseført som langsiktig gjeld, hvor betaling blir ført som rentekostnad og avdrag på leasinggjeld. Driftsmidler anskaffet ved operasjonell leasing blir utgiftsført som leasingkostnad direkte i resultatregnskapet.

Forskning og utvikling

Egne utgifter til forskning og utvikling utgiftsføres løpende.

Konsolidering

Konsernregnskapet inkluderer Solitech Offshore Services AS hvor selskapet har bestemmende innflytelse. Bestemmende innflytelse oppnås normalt når konsernet eier mer enn 50% av aksjene i selskapet, og konsernet er i stand til å utøve faktisk kontroll over selskapet. Transaksjoner og mellomværende mellom selskapene i konsernet er eliminert. Konsernregnskapet er utarbeidet etter ensartede prinsipper, ved at datterselskapet følger de samme prinsipper som morselskapet. I konsernregnskapet erstattes posten aksjer i datterselskaper med datterselskapets

Noter til årsregnskapet 2021

Soiltech AS

eiendeler og gjeld, og eventuelle identifiserte merverdier på oppkjøpte selskaper. Konsernregnskapet utarbeides som om konsernet var en økonomisk enhet.

Datterselskap

Datterselskapet vurderes etter kostmetoden i selskapsregnskapet. Investeringen er vurdert til anskaffelseskost for aksjene med mindre nedskrivning har vært nødvendig.

Utbytte, konsernbidrag og andre utdelinger fra datterselskap er inntektsført i samme år som det er avsatt i givers regnskap.

Kontantstrømanalyse

Kontantstrømanalysen er utarbeidet etter den indirekte metoden

Note 1 – Driftsinntekter

Konsern:

Driftsinntekter fordelt på virksomhetsområder	2021	2020
Salgsinntekter	136 545 135	81 115 475
Andre driftsinntekter	101 207	456 006
Sum driftsinntekter	136 646 342	81 571 481

Driftsinntekter fordelt på geografisk område	2021	2020
Norge	118 945 493	73 096 171
Internasjonal*	17 700 849	8 475 310
Sum driftsinntekter	136 646 342	81 571 481

*I beløpet internasjonal inngår inntekter i Abu Dhabi, Storbritannia og Nederland

Note 2 - Lønnskostnader etc

Konsernet

	2021	2020
Lønn	50 117 277	34 824 428
Arbeidsgiveravgift	8 848 662	4 516 873
Pensjonskostnader	1 835 190	1 480 944
Andre ytelser / Refusjoner	1 409 232	809 625
Sum	62 210 361	41 631 870

Mer om lønn

Innleid personell under lønn utgjør kr 1 664 174

Morselskapet

	2021	2020
Lønn	15 242 316	13 348 094
Arbeidsgiveravgift	3 716 691	1 511 738
Pensjonskostnader	545 930	506 746
Andre ytelser / Refusjoner	597 376	316 176
Sum	20 102 313	15 682 754

Note 3 - Antall årsverk

Selskapet har hatt 11 årsverk sysselsatt i regnskapsåret i selskapsregnskapet og 67 årsverk sysselsatt i konsernet.

Note 4 - Obligatorisk tjenestepensjon

Virksomheten er pliktig til å ha tjenestepensjonsordning etter lov om obligatorisk tjenestepensjon. Gjeldende pensjonsordning oppfyller kravene etter loven.

Noter til årsregnskapet 2021

Soiltech AS

Note 5 – Opsjoner til ansatte

Selskapets har en langsiktig aksjebasert incentivplan for nøkkelpersonell og styremedlemmer. Under ordningen har opsjoner til ansatte i Inntektsåret 2021 blitt regnskapsført i henhold til IFRS 2 aksjebasert avlønning.

I tidligere år har ikke selskapet kostnadsført noe tilknyttet opsjoner da det har kommet inn under unntaksbestemmelsen for små foretak. I henhold til IFRS 8 ved overgang fra små foretak til øvrige foretak har selskapet ikke innarbeidet historiske IFRS 2 effekter.

Tegningskursen for aksjene settes til markedskurs på tildelingstidspunktet. Opsjonene har 1-3 års opptjeningstid (33% etter år 1, 33 % etter år 2 og 33% etter år 3). Alle utestående opsjoner må utøves innen 2026. Opsjonsprogrammet forutsetter at opsjonsholder er ansatt i selskapet ved opsjonens utøvelse. Totalt antall utestående opsjoner per 31.12.2021 er 829 700. Resultatført opsjonskostnad for 2021 knyttet til lønn er 3 MNOK.

Utestående Opsjoner	Antall Opsjoner 01.01.2021	Innløsnings- kurs (NOK per aksje)	Vesting period	Utøvd i 2021	Tildelte opsjoner 2021	Antall opsjoner 31.12.2021
Opsjoner til ansatte	733 470	11-13	2012-2021	-551 210		182 260
Opsjoner til ansatte	120 000	35,00	2017-2021			120 000
Opsjoner til ansatte	343 870	35,00	2021-2024	-51 430	75 000	367 440
Opsjoner til ansatte	0	45,00	2021-2024		160 000	160 000
Totalt	1 197 340			-602 640	235 000	829 700

I verdsettelsen av opsjonene til virkelig verdi benyttes Black-Scholes opsjonspringsmodell. Følgende forutsetninger er lagt til grunn.

	2021 program
Risikofri rente	1,66 %
Historisk volatilitet	10 %
Forventet levetid på opsjonen (år)	0-2,88
Aksjekurs	65

Note 6 - Ytelser til ledende personer

	Lønn	Annen godtgjørelse
Ytelser til daglig leder	1 864 017	161 210
Ledende person	Lønn	Annen godtgjørelse
Styret samlet (ex styreleder)	180 000	0
Arbeidende styreleder	1 878 851	160 931
Total ytelse til andre ledende personer	2 058 851	160 931

Daglig leder har ikke utbetalt lønn via datterselskapet. Selskapet har inngått avtale om innleie av administrasjonstjenester fra Soiltech AS og gir derav ingen endring i ytelse til ledende personer i konsernet.

Note 7 – Revisjon

	2021	2020
Konsern		
Revisjon	133 100	119 100
Andre tjenester	31 000	24 600
Sum godtgjørelse til revisor	164 100	143 700

	2021	2020
Morselskapet		
Revisjon	109 000	97 100
Andre tjenester	21 000	15 000
Sum godtgjørelse til revisor	130 000	112 100

Noter til årsregnskapet 2021

Soiltech AS

Note 8 - Investering i Datterselskap

Foretaksnavn	Foretakssted	Eierandel/ stemmeandel	Selskapets egenkapital 31. desember 2021	Selskapets resultat for 2021
Soiltech Offshore Services	Sandnes	100%	1 065 169	140 397

Følgende interne transaksjoner har funnet sted med og mellom datterselskaper 2021:

Spesifikasjon interne transaksjoner	Beløp
Kortsiktige fordringer på konsernselskap	771 716
Kjøp av varer og tjenester fra Soiltech Offshore Services AS	49 547 703

Soiltech AS utarbeider konsernregnskap der Soiltech Offshore Services AS inngår i konsolideringen

Note 9 - Aksjekapital og aksjonærer

Aksjeklasse	Antall aksjer	Pålydende	Bokført verdi
Ordinære aksjer	7 200 430	0,10	720 043
Sum	7 200 430		720 043

Aksjeeier	Antall aksjer	Eierandel	Aksjeklasse
Wintershall DEA Technology Ventures GmbH	1 067 820	14,83%	Ordinære aksjer
Hildr AS v/ daglig leder	847 430	11,77%	Ordinære aksjer
Wellex AS v/ Glenn Åsland	847 430	11,77%	Ordinære aksjer
Knatten I AS v/ styrets leder	817 200	11,35%	Ordinære aksjer
Tveteraas Invest AS	521 710	7,25%	Ordinære aksjer
Skandinaviska Enskilda Banken AB Parra AS	520 790	7,23%	Ordinære aksjer
Pima AS v/ Eirik Flatebø	428 280	5,95%	Ordinære aksjer
Havnebase Eiendom AS	201 830	2,80%	Ordinære aksjer
Skandinaviska Enskilda Banken AB	158 470	2,20%	Ordinære aksjer
Skandinaviska Enskilda Banken AB	150 370	2,09%	Ordinære aksjer
Øvrige aksjonærer	1 639 100	22,76%	Ordinære aksjer
Totalt antall aksjer	7 200 430	100,00%	

Inkludert i øvrige aksjonærer er 75 000 aksjer i Hans Hvide & Co AS eid av styremedlem Robert Hvide Macleod

Mer om aksjer og aksjeeiere

Utenlandsandelen av samlede aksjer er 31,06%

Noter til årsregnskapet 2021

Soiltech AS

Note 10 - Spesifikasjon av driftsmidler og immaterielle eiendeler

Morselskapet/Konsernet

	Maskiner og anlegg	Driftsløsøre inventar o.l	Sum
Anskaffelseskost 01.01.2021	25 303 720	104 028 906	129 332 626
Tilgang i året	125 252	37 526 126	37 651 378
Avgang i året	0	(2 609 919)	(2 609 919)
Anskaffelseskost 31.12.2021	25 428 972	138 945 113	164 374 085
Akkumulerte avskr. 31.12.2021	(2 765 580)	(35 563 679)	(38 329 259)
Akkumulerte nedskr. 31.12.2021	0	(3 568 473)	(3 568 473)
Balanseført verdi pr. 31.12.2021	22 663 392	99 812 961	122 476 353
Årets avskrivninger	(1 748 164)	(10 042 438)	(11 790 602)
Årets reversering av av nedskrivning			1 205 361
Økonomisk levetid	0 - 12 år	0 - 12 år	
Avskrivningsplan: Lineær	0 - 20 %	0 - 33,33 %	

Årets reversering av nedskrivning er bruttoført.

I sum driftsløsøre inngår leasede driftsmidler med kr 27 104 588. Inkludert i sum avskrivninger driftsløsøre inngår avskrivning på leasede driftsmidler med kr 1 131 454.

Selskapets patentrettigheter bokført til kr 460 573 pr 31.12.2021.

Note 11 – Skatt

Konsernet

	2021	2020
Ordinært resultat før skattekostnad	14 275 222	3 897 926
Konsernbidrag		0
+/- Permanente forskjeller	1 224 674	(30 299)
+/- Årets endring i midlertidige forskjeller	(4 733 917)	(3 655 866)
- Fremførbart underskudd	(6 534 377)	(392 248)
Årets skattegrunnlag	4 231 602	0
Betalbar inntektsskatt for selskapet basert på 22%	930 952	0
Sum	930 952	0
+/- Endring i utsatt skatt	2 456 759	790 264
Skattekostnad i resultatregnskapet	3 387 711	790 264
Betalbar skatt i skattekostnad	930 952	0
Betalbar skatt i balansen	930 952	0

Noter til årsregnskapet 2021 Soiltech AS

Morselskapet

	2021	2020
Ordinært resultat før skattekostnad	14 095 226	3 898 213
Konsernbidrag		180 200
+/- Permanente forskjeller	1 224 674	(30 299)
+/- Årets endring i midlertidige forskjeller	(4 733 917)	(3 655 866)
- Fremførbart underskudd / korreksjonsinntekt	(6 534 377)	(392 248)
Årets skattegrunnlag	4 051 606	0
Betalbar inntektsskatt for selskapet basert på 22%	891 353	
Sum	891 353	
+/- Endring i utsatt skatt	2 456 759	790 264
Skattekostnad i resultatregnskapet	3 348 112	790 264
Betalbar skatt i skattekostnad	891 353	
Betalbar skatt i balansen	891 353	0

Note 12 - Midl. forskjeller - Utsatt skatt/skattefordel

Morselskapet og konsernregnskap er lik

Utsatt skatt/utsatt skattefordel i balansen avsettes på grunnlag av forskjeller mellom regnskapsmessige og skattemessige verdier i henhold til norsk regnskapsstandard for skatt. Midlertidige skatteøkende og skattereduserende forskjeller som kan utlignes er nettoført.

Midlertidige forskjeller knyttet til:	01.01.2021	31.12.2021	Endring
Anleggsmidler	33 308 757	53 868 585	(20 559 828)
Omløpsmidler	0	(500 000)	500 000
Langsiktig gjeld	(10 487 913)	(23 065 031)	12 577 118
Kortsiktig gjeld	(1 012 153)	(3 760 946)	2 748 793
Skattemessig fremførbart underskudd	(6 534 377)	0	(6 534 377)
Netto forskjeller	15 274 314	26 542 608	(11 268 294)
Skattereduserende forskjeller som ikke kan utlignes	1 012 153	910 946	101 207
Sum midlertidige forskjeller	16 286 467	27 453 554	(11 167 087)
Utsatt skatt 31.12.21. basert på 22%	3 583 023	6 039 782	(2 456 759)

Noter til årsregnskapet 2021

Soiltech AS

Note 13 – Kundefordringer/ andre lang og kortsiktige fordringer

Kundefordringer er vurdert til pålydende, nedskrevet med forventet tap på fordringer. Det er ikke tapsført kundefordringer i løpet av 2021.

Morselskapet /konsernselskapet	2021	2020
Kundefordringer til pålydende	34 821 539	11 095 229
Avsatt til dekning av usikre fordringer	(500 000)	0
Netto kundefordringer	34 321 539	11 095 229

Kundefordringer hos datterselskapet er i sin helhet mot morselskapet.

Konsernselskapet	2021	2020
Langsiktige fordringer	293 891	315 263
Andre kortsiktige fordringer	16 059 204	3 154 348
Netto andre lang og kortsiktige fordringer	16 353 095	3 469 611

Morselskap	2021	2020
Langsiktige fordringer	293 891	315 263
Andre kortsiktige fordringer	15 658 752	2 896 770
Netto andre lang og kortsiktige fordringer	15 952 643	3 212 033

Andre kortsiktige fordringer består i hovedsak av 6 MNOK knyttet til MVA til gode og 8 MNOK relatert til forskuddsbetalinger ved bestilling av utstyr.

Note 14 – Bankinnskudd

Konsern

I posten for bankinnskudd inngår egen konto for bundne skattetreksmidler med kr 2 762 290. Skyldig skattetrekk er kr 2 749 660.

Morselskap

I posten for bankinnskudd inngår egen konto for bundne skattetreksmidler med kr 661 699. Skyldig skattetrekk er kr 661 699.

Note 15 – Egenkapital

Konsernet

	Aksjekapital	Overkurs	Annen EK	Sum
Egenkapital 01.01.2021	659 779	60 765 999	31 597 116	93 022 894
Økning AK/overkurs	60 264	8 147 606	0	8 207 870
Annen innskutt EK - opsjonsprogram	0	0	0	1 131 193
Årets resultat	0	0	10 887 511	10 887 511
Egenkapital 31.12.2021	720 043	68 913 605	42 484 627	113 249 469

Noter til årsregnskapet 2021

Soiltech AS

Morselskapet

	Aksjekapital	Overkurs	Annen EK	Sum
Egenkapital 01.01.2021	659 779	60 765 999	31 460 345	92 886 123
Økning AK/overkurs	60 264	8 147 606	0	8 207 870
Annen innskutt EK - opsjonsprogram	0	0	0	1 131 193
Årets resultat	0	0	10 747 114	10 747 114
Egenkapital 31.12.2021	720 043	68 913 605	42 207 460	112 972 300

Note 16 – Gjeld, pantstillelser og garantier

Spesifikasjon	2021	2020
Konvertibelt lån	55 000	206 700
Gjeld til kredittinstitusjoner	28 217 954	20 550 000
Lån Innovasjon Norge	9 041 666	11 625 000
Øvrig langsiktig gjeld (inkl. finansiell leasing)	19 264 499	8 414 882
Sum	56 579 120	40 796 582
Balanseført verdi av driftsløsøre, inventar o.l. pantsatt for egen gjeld	99 812 961	70 998 659
Balanseført verdi av maskiner og anlegg	22 663 391	24 286 303
Balanseført verdi av kundefordringer er pantsatt for egen gjeld	34 321 539	11 095 229
Sum	156 797 891	106 380 191

Av langsiktig gjeld på kr 56 579 120 forfaller kr 0 om mer enn 5 år.

Oversikt over fremtidige min. leie ved leasede driftsmidler:

Innen 1 år	7 271 218
1 til 5 år	11 993 281
Etter 5 år	0
Fremtidig minimumsleie	19 264 499

Note 17 - Lån og sikkerhetsstillelse til ledende personer

Selskapet har ikke gitt lån eller sikkerhetsstillelse til medlemmer av styrende organer.

Til generalforsamlingen i Soiltech AS

UAVHENGIG REVISORS BERETNING

Konklusjon

Vi har revidert Soiltech AS' årsregnskap som viser et overskudd for selskapsregnskapet på NOK 10 747 114 og et overskudd for konsernregnskapet på NOK 10 887 511 og består av:

- selskapsregnskapet, som består av balanse per 31. desember 2021, resultatregnskap og kontantstrømoppstilling, for regnskapsåret avsluttet per denne datoen og noter til årsregnskapet, herunder et sammendrag av viktige regnskapsprinsipper, og
- konsernregnskapet som består av balanse per 31. desember 2021, resultatregnskap og kontantstrømoppstilling, for regnskapsåret avsluttet per denne datoen og noter til årsregnskapet, herunder et sammendrag av viktige regnskapsprinsipper.

Etter vår mening

- oppfyller årsregnskapet gjeldende lovkrav,
- gir selskapsregnskapet et rettviseende bilde av selskapets finansielle stilling per 31. desember 2021 og av dets resultater og kontantstrømmer for regnskapsåret avsluttet per denne datoen i samsvar med regnskapslovens regler og god regnskapsskikk i Norge, og
- gir konsernregnskapet et rettviseende bilde av konsernets finansielle stilling per 31. desember 2021 og av dets resultater og kontantstrømmer for regnskapsåret avsluttet per denne datoen i samsvar med regnskapslovens regler og god regnskapsskikk i Norge.

Grunnlag for konklusjonen

Vi har gjennomført revisjonen i samsvar med de internasjonale revisjonsstandardene International Standards on Auditing (ISA-ene). Våre oppgaver og plikter i henhold til disse standardene er beskrevet nedenfor under Revisors oppgaver og plikter ved revisjonen av årsregnskapet. Vi er uavhengige av selskapet slik det kreves i lov, forskrift og International Code of Ethics for Professional Accountants (inkludert internasjonale uavhengighetsstandarder) utstedt av the International Ethics Standards Board for Accountants (IESBA-reglene), og vi har overholdt våre øvrige etiske forpliktelser i samsvar med disse kravene. Innhentet revisjonsbevis er etter vår vurdering tilstrekkelig og hensiktsmessig som grunnlag for vår konklusjon.

Øvrig informasjon

Styret og daglig leder (ledelsen) er ansvarlige for informasjonen i årsberetningen. Vår konklusjon om årsregnskapet ovenfor dekker ikke informasjonen i årsberetningen.

I forbindelse med revisjonen av årsregnskapet er det vår oppgave å lese årsberetningen. Formålet er å vurdere hvorvidt det foreligger vesentlig inkonsistens mellom årsberetningen og årsregnskapet og den kunnskap vi har opparbeidet oss under revisjonen av årsregnskapet, eller hvorvidt informasjon i årsberetningen ellers fremstår som vesentlig feil. Vi har plikt til å rapportere dersom årsberetningen fremstår som vesentlig feil. Vi har ingenting å rapportere i så henseende.

Basert på kunnskapen vi har opparbeidet oss i revisjonen, mener vi at årsberetningen

- er konsistent med årsregnskapet og
- inneholder de opplysninger som skal gis i henhold til gjeldende lovkrav.

Ledelsens ansvar for årsregnskapet

Ledelsen er ansvarlig for å utarbeide årsregnskapet og for at det gir et rettviseende bilde i samsvar med regnskapslovens regler og god regnskapsskikk i Norge. Ledelsen er også ansvarlig for slik intern kontroll som den finner nødvendig for å kunne utarbeide et årsregnskap som ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller utilsiktede feil.

Ved utarbeidelsen av årsregnskapet må ledelsen ta standpunkt til selskapets og konsernets evne til fortsatt drift og opplyse om forhold av betydning for fortsatt drift. Forutsetningen om fortsatt drift skal legges til grunn for årsregnskapet så lenge det ikke er sannsynlig at virksomheten vil bli avviklet.

Revisors oppgaver og plikter ved revisjonen av årsregnskapet

Vårt mål er å oppnå betryggende sikkerhet for at årsregnskapet som helhet ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller utilsiktede feil, og å avgi en revisjonsberetning som inneholder vår konklusjon. Betryggende sikkerhet er en høy grad av sikkerhet, men ingen garanti for at en revisjon utført i samsvar med ISA-ene, alltid vil avdekke vesentlig feilinformasjon som eksisterer. Feilinformasjon kan oppstå som følge av misligheter eller utilsiktede feil. Feilinformasjon blir vurdert som vesentlig dersom den enkeltvis eller samlet med rimelighet kan forventes å påvirke økonomiske beslutninger som brukerne foretar basert på årsregnskapet.

Som del av en revisjon i samsvar med ISA-ene, utøver vi profesjonelt skjønn og utviser profesjonell skepsis gjennom hele revisjonen. I tillegg:

- identifiserer og anslår vi risikoen for vesentlig feilinformasjon i årsregnskapet, enten det skyldes misligheter eller utilsiktede feil. Vi utformer og gjennomfører revisjonshandlinger for å håndtere slike risikoer, og innhenter revisjonsbevis som er tilstrekkelig og hensiktsmessig som grunnlag for vår konklusjon. Risikoen for at vesentlig feilinformasjon som følge av misligheter ikke blir avdekket, er høyere enn for feilinformasjon som skyldes utilsiktede feil, siden misligheter kan innebære samarbeid, forfalskning, bevisste utelatelser, uriktige fremstillinger eller overstyring av intern kontroll.
- opparbeider vi oss en forståelse av den interne kontroll som er relevant for revisjonen, for å utforme revisjonshandlinger som er hensiktsmessige etter omstendighetene, men ikke for å gi uttrykk for en mening om effektiviteten av selskapets og konsernets interne kontroll.
- evaluerer vi om de anvendte regnskapsprinsippene er hensiktsmessige, og om regnskapsestimatene og tilhørende noteopplysninger utarbeidet av ledelsen er rimelige.
- konkluderer vi på hensiktsmessigheten av ledelsens bruk av fortsatt drift-forutsetningen ved avleggelsen av regnskapet, basert på innhentede revisjonsbevis, og hvorvidt det foreligger vesentlig usikkerhet knyttet til hendelser eller forhold som kan skape tvil av betydning om selskapets og konsernets evne til fortsatt drift. Dersom vi konkluderer med at det eksisterer vesentlig usikkerhet, kreves det at vi i revisjonsberetningen henleder oppmerksomheten på tilleggsopplysningene i årsregnskapet, eller, dersom slike tilleggsopplysninger ikke er tilstrekkelige, at vi modifierer vår konklusjon om årsregnskapet og årsberetningen. Våre konklusjoner er basert på revisjonsbevis innhentet inntil datoen for revisjonsberetningen. Etterfølgende hendelser eller forhold kan imidlertid medføre at selskapet og konsernet ikke fortsetter driften.
- evaluerer vi den samlede presentasjon, strukturen og innholdet i årsregnskapet, inkludert tilleggsopplysningene, og hvorvidt årsregnskapet gir uttrykk for de underliggende transaksjonene og hendelsene på en måte som gir et rettviseende bilde.
- Innhenter vi tilstrekkelig og hensiktsmessig revisjonsbevis vedrørende den finansielle informasjonen til enhetene eller forretningsområdene i konsernet for å kunne gi uttrykk for en mening om det konsoliderte årsregnskapet. Vi er ansvarlige for å lede, følge opp og gjennomføre konsernrevisjonen. Vi alene er ansvarlige for vår revisjonskonklusjon.

Vi kommuniserer med styret blant annet om det planlagte omfanget av revisjonen og til hvilken tid revisjonsarbeidet skal utføres. Vi utveksler også informasjon om forhold av betydning som vi har avdekket i løpet av revisjonen, herunder om eventuelle svakheter av betydning i den interne kontrollen.

Tau, den 17. mars 2022

Anita Bygdevoll
Statsautorisert revisor

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Anita Bygdevoll

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Soiltech ASA



Koppholen 25
4313 Sandnes
Norway

Listing advisor

Fearnley Securities AS

Dronning Eufemias gate 8
0191 Oslo
Norway

Legal advisor to the Company

Schjødt

Advokatfirmaet Schjødt AS

Ruseløkkveien 14-16
N-0251 Oslo
Norway