



# TWMA FINANCE AS.

**FINANCE REPORT FOR QUARTER  
ENDED 31 MARCH 2024.**



**+** Turning technology to your advantage.

**TWMA.**  
The world's drilling waste specialist.

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# CEO STATEMENT.

I am pleased to present the CEO's Statement for the period ended 31 March 2024. During the 1<sup>st</sup> quarter we saw a strong demand for TWMA's services in particular offshore in the UK and the UAE. This has resulted in the utilisation of our TCC Rotomill® fleet of 73% during the quarter. As a result, the Group delivered above budgeted figures for the period with revenue of \$18.3m and an EBITDA for continuing operations of \$4.7m.

## **Review of the business.**

In Offshore UK, five TCC Rotomills operated throughout the 1<sup>st</sup> Quarter.

Our UAE drilling operations were carried out on all four islands on the 'Upper Zakum' field. In May 2024, we received a 'Letter of Award' for a new 1+1 year contract. The scope of the award covers our existing operations on 'Upper Zakum', additional Jack Up operations and an onshore facility.

With regard to the Ghasha Mega Project, operations continued on the 1<sup>st</sup> island and the mobilisation to the next progressed in line with the plan. Here drilling commenced mid-May 2024 and we currently have fifteen (15) personnel deployed on the 2<sup>nd</sup> island. The TCC Rotomill (RX1) is expected to be operational from mid-June on island 2. The 3<sup>rd</sup> and 4<sup>th</sup> island start up is provisionally planned for early July and late Q3 broadly in line with expectations.

The Solid Control's business in the US performed satisfactorily in the quarter. During the period, the division supported an average of twenty five (25) Solid Control jobs per month.

In Egypt, the organisation has begun preparations for the start of a new contract with an international operator. It is expected that the TCC Rotomill will begin processing in late Q2/early Q3, in line with expectations.

## **People.**

Safety of all our people is our number one priority. I am pleased that in the quarter we continued our good safety performance and recorded zero (0) Lost Time Incidents. The Group is very satisfied that it continues to operate at a high standard of safety and that our employees, have been free from injuries which would have resulted in them being unable to work.



**Halle Aslaksen**  
Chief Executive Officer  
May 2024

# CFO STATEMENT.

## Trading Performance.

The Group Consolidated Income Statement is shown on page 4 to these financial statements. Revenue in the period was \$18.3m and the underlying earnings before interest, taxation, depreciation and amortisation (EBITDA) of the Group was \$4.7m. The operating profit was \$5.0m in the period.

A reconciliation between operating profit per these financial statements and EBITDA is set out below.

	Quarter ended 31 March 2024 \$000
<b>Operating profit before exceptional items, depreciation and amortisation</b>	<b>5,016</b>
Loss on disposal	7
Fx	(366)
<b>EBITDA</b>	<b>4,657</b>

## Capital Investment.

During the quarter a total of \$2.4m was invested in fixed assets, all of which related to plant and equipment including \$1.7m spent on the Ghasha Mega project.

## Borrowings.

During the period, the Group completed the re-financing of its existing facilities through the issue of a new 3 year \$62.5m Sustainability Linked Nordic Bond (SNB). This process was completed on 8<sup>th</sup> February 2024. The proceeds from this were used to repay the existing Term Loan Facilities amounting to \$49.6m, the existing Revolving Credit Facility amounting to \$5.4m, existing debt fees of \$1.7m and fees associated with the bond process of \$3.4m. In addition, the Group has successfully agreed and entered into a new Super Senior Revolving Credit Facility (SSRCF) for \$10m, of which \$6m is available for Working Capital purposes and \$4m to be utilised for guarantee facilities.

## Group Cashflow and Debt.

The Group's Consolidated statement of cash flows is shown on page 6 of these financial statements.

# CFO STATEMENT CONTINUED.

An analysis of the Net debt of the Group at the end of the quarter was as follows:

	31 March 2024 \$000
Nordic Bonds	(62,500)
Asset Finance Liabilities	(1,044)
Right of Use Liabilities	(4,560)
Cash	9,938
<b>Net Debt at 31 March</b>	<b>(58,166)</b>

The leverage of the Group as at 31 March 2024 was 3.57x.

At 31 March 2024, the Group held unrestricted cash balances of \$9.9m plus unutilised available credit facilities of \$6m.



**Mark Walker**  
Chief Executive Officer  
May 2024

# FINANCIAL STATEMENTS.

## TWMA FINANCE AS CONSOLIDATED INCOME STATEMENT.

	<i>Unaudited</i> <b>Quarter ended</b> <b>31 March</b> <b>2024</b> <b>\$000</b>
Revenue	18,316
Cost of Sales	(11,516)
Gross profit	6,800
Administrative expenses	(1,784)
<b>Operating profit before exceptional items, depreciation and amortisation</b>	<b>5,016</b>
Exceptional items	(2,051)
Depreciation and amortisation	(2,906)
<b>Operating profit</b>	<b>59</b>
Finance costs	(2,950)
<b>Loss before tax</b>	<b>(2,891)</b>
Tax charge	(248)
<b>Loss for the period</b>	<b>(3,139)</b>

All financial statements are presented on an unaudited basis.

## TWMA FINANCE AS CONSOLIDATED BALANCE SHEET.

Unaudited  
As at  
31 March  
2024  
\$000

<b>Non-current assets</b>	
Goodwill and other intangible assets	32,568
Financing fees	3,169
Right of Use Assets	3,787
Property, plant & equipment	42,194
<b>Total non-current assets</b>	<b>81,718</b>
<b>Current assets</b>	
Inventories	3,653
Trade and other receivables	17,825
Cash and cash equivalents	9,938
<b>Total current assets</b>	<b>31,416</b>
<b>Total assets</b>	<b>113,134</b>
<b>Current liabilities</b>	
Trade and other payables	14,280
Tax liabilities	236
Lease liabilities	1,687
<b>Total current liabilities</b>	<b>16,203</b>
<b>Non-current liabilities</b>	
Borrowings	62,500
Owed to other Group Companies	20,258
Lease liabilities	3,917
Tax liabilities	1,091
Other liabilities	3,570
<b>Total non-current liabilities</b>	<b>91,336</b>
<b>Total liabilities</b>	<b>107,539</b>
<b>NET ASSETS</b>	<b>5,595</b>
<b>Equity</b>	
Ordinary shares	68
Other reserves	71,149
Accumulated losses	(65,622)
<b>TOTAL EQUITY</b>	<b>5,595</b>

All financial statements are presented on an unaudited basis.

## TWMA FINANCE AS CONSOLIDATED CASH FLOW.

	Unaudited Quarter ended 31 March 2024* \$000
Operating profit before exceptional items	5,016
Adjustments for:	
Exceptional costs	(2,051)
<b>Operating cash flows before movements in working capital</b>	<b>2,965</b>
Increase in stocks	(94)
Increase in debtors	(114)
Increase in creditors	1,979
Fx / Non-cash items	(1,467)
<b>Net cash inflow from operating activities</b>	<b>3,269</b>
Purchase of fixed assets	(2,395)
<b>Net cash outflow from investing activities</b>	<b>(2,395)</b>
Bank interest	(2,394)
Funding repayments	(51,338)
Nordic Bond	62,500
Financing fees	(3,355)
<b>Net cash inflow from financing activities</b>	<b>5,413</b>
<b>Net increase in cash and cash equivalents</b>	<b>6,287</b>
Cash and cash equivalents at beginning of quarter	3,651
<b>Cash and cash equivalents at end of quarter</b>	<b>9,938</b>
<b>Analysis of cash and cash equivalent at end of quarter</b>	
Cash and bank balances	6,805
Deposits	3,133
<b>Cash and cash equivalents at end of quarter</b>	<b>9,938</b>

All financial statements are presented on an unaudited basis.





# FURTHER INFORMATION.

**Halle Aslaksen.**  
Chief Executive Officer (CEO)

**Mark J Walker.**  
Chief Executive Officer (CFO)

**For administrative queries, please contact:**  
Investor Relations.  
E: [mark.walker@twma.com](mailto:mark.walker@twma.com)

TWMA's Global HQ  
Building 3  
Aberdeen International Business Park Dyce  
AB21 0BR  
Aberdeen

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