



# TWMA FINANCE AS.

**FINANCE REPORT FOR QUARTER  
ENDED 30 JUNE 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 30 June 2024. During the 2<sup>nd</sup> quarter we continued to see a strong demand for TWMA's services. The utilisation of our Rotomill fleet was 67% for the period which was lower than the previous quarter due to UK drilling campaigns coming to an end and subsequent relocation of Rotomill to the Middle East. Year to date, the utilisation of the Rotomill assets was 70%. Despite the lower utilisation in the UK, the Group started operations on the second of four new islands on the Ghasha Mega Project in Abu Dhabi and also performed well onshore in the UK. As a result the Group delivered above budgeted figures for the period with revenue of \$19.4m and an EBITDA for continuing operations of \$4.8m. The first six months of 2024 have delivered \$37.8m revenue and an EBITDA of \$9.5m compared to revenue of \$35.2m and an EBITDA of \$7.0m in 2023.

## **Review of the business.**

In Offshore UK, three Rotomills were demobilised mid Q2, two of which were deployed to the UAE to satisfy the requirements of the 3<sup>rd</sup> and 4<sup>th</sup> island on the Ghasha Mega project. The third Rotomill is due to mobilise to another UK operator by the end of Q3 2024. In Norway, after a quiet first half of the year, preparations for the restart of our operations in September 2024 are proceeding and are in line with plans. Lastly in the North Sea, our UK onshore facility had a strong quarter with a high level of drill cuttings and slops processed and treated.

In the UAE, drilling operations were carried out on all four islands on the 'Upper Zakum' contract. During the quarter, the Group received a 'Letter of Award' for a new 1+1 year contract. We expect to complete the contract signing within Q3 2024. The scope of the award covers our existing operations on 'Upper Zakum', additional Jack Up operations and an onshore facility.

With regards to the Ghasha Mega Project, operations continued on the 1<sup>st</sup> island. In respect of the 2<sup>nd</sup> island, the mobilisation of equipment and personnel were completed on time and on budget. Drilling commenced in May 2024 and products and services became fully chargeable during this period. We now have 22-24 personnel deployed on the second island. The 3<sup>rd</sup> island start up is provisionally planned for September 2024.

In Egypt, the operation continued to prepare for the start of a new contract with an international operator. The contract with TWMA is to remove, recycle and treat the drilling waste. It is expected that the Rotomill will begin processing in September 2024 in line with expectations. There is currently a high level of tender activity in Egypt where the Group is well placed to be successful.

The Solid Control's business in the US performed satisfactorily in the quarter. The land rig market in the US continues to be 'soft' which has resulted in lower than expected volume of Solid Control work. During the quarter, the division supported an average of 24 Solid Control jobs per month.

## **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 0 Lost Time Incidents (2023: 0). The Group is very satisfied that it continues to operate at a high standard of safety and that our employees, for the last two years have been free from an injury which would have resulted in them being unable to work.

## **Halle Aslaksen**

Chief Executive Officer  
August 2024

# CFO STATEMENT.

## Trading Performance.

The Group Consolidated Income Statement is shown on page 3 to these financial statements. Revenue in the quarter was \$19.5m and the underlying earnings before interest, taxation, depreciation and amortisation (EBITDA) of the Group was \$4.8m. The operating profit was \$4.9m in the quarter. A reconciliation between operating profit per these financial statements and EBITDA is set out below.

	Quarter ended 30 June 2024 \$000	Quarter ended 30 June 2023 \$000
<b>Operating profit before exceptional items, depreciation and amortisation</b>	4,938	3,952
Gain on disposal	(46)	(1)
Fx	(45)	(412)
<b>EBITDA</b>	<b>4,847</b>	<b>3,539</b>

Year to date, the EBITDA of the group stands at \$9.5m. This compares to \$7.0m for the six months to 30 June 2023.

## Capital Investment.

During the quarter a total of \$3.6m was invested in fixed assets, all of which related to plant and equipment including \$2.7m spent on the Ghasha Mega project.

## Group Cashflow and Debt.

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

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

	30 June 2024 \$000
Nordic Bonds	(62,500)
Asset Finance Liabilities	(1,268)
Right of Use Liabilities	(4,289)
Cash	9,736
<b>Net Debt at 30 June</b>	<b>(58,321)</b>

The leverage of the Group as at 30 June 2024 was 3.34x.

At 30 June 2024, the Group held unrestricted cash balances of \$9.7m plus unutilised available credit facilities of \$6m.

## Mark Walker

Chief Financial Officer  
August 2024

# FINANCIAL STATEMENTS.

## TWMA FINANCE AS CONSOLIDATED INCOME STATEMENT.

	Unaudited Quarter ended 30 June 2024 \$000
Revenue	19,480
Cost of Sales	(12,217)
Gross profit	7,263
Administrative expenses	(2,325)
<b>Operating profit before exceptional items, depreciation and amortisation</b>	<b>4,938</b>
Exceptional items	(481)
Depreciation and amortisation	(2,900)
<b>Operating profit</b>	<b>1,557</b>
Finance Income	41
Finance costs	(3,109)
<b>Loss before tax</b>	<b>(1,511)</b>
Tax charge	(216)
<b>Loss for the period</b>	<b>(1,727)</b>

All financial statements are presented on an unaudited basis.

## TWMA FINANCE AS CONSOLIDATED INCOME STATEMENT – YEAR TO DATE.

	Unaudited YTD 30 June 2024 \$000
Revenue	37,796
Cost of Sales	(23,733)
Gross profit	14,063
Administrative expenses	(4,109)
<b>Operating profit before exceptional items, depreciation and amortisation</b>	<b>9,954</b>
Exceptional items	(2,532)
Depreciation and amortisation	(5,806)
<b>Operating profit</b>	<b>1,616</b>
Finance income	41
Finance costs	(6,509)
<b>Loss before tax</b>	<b>(4,402)</b>
Tax charge	(464)
<b>Loss for the period</b>	<b>(4,866)</b>

All financial statements are presented on an unaudited basis.

## TWMA FINANCE AS CONSOLIDATED BALANCE SHEET.

Unaudited  
As at  
30 June  
2024  
\$000

<b>Non-current assets</b>	
Goodwill and other intangible assets	32,564
Financing fees	2,982
Right of Use Assets	3,847
Property, plant & equipment	43,255
<b>Total non-current assets</b>	<b>82,648</b>
<b>Current assets</b>	
Inventories	3,831
Trade and other receivables	19,570
Cash and cash equivalents	9,736
<b>Total current assets</b>	<b>33,137</b>
<b>Total assets</b>	<b>115,784</b>
<b>Current liabilities</b>	
Trade and other payables	17,728
Tax liabilities	440
Lease liabilities	1,189
<b>Total current liabilities</b>	<b>19,357</b>
<b>Non-current liabilities</b>	
Borrowings	62,500
Owed to other Group Companies	20,954
Lease liabilities	4,367
Tax liabilities	1,065
Other liabilities	3,578
<b>Total non-current liabilities</b>	<b>92,465</b>
<b>Total liabilities</b>	<b>111,821</b>
<b>NET ASSETS</b>	<b>3,964</b>
<b>Equity</b>	
Ordinary shares	68
Share premium account	0
Other reserves	71,245
Accumulated losses	(67,349)
<b>TOTAL EQUITY</b>	<b>3,964</b>

All financial statements are presented on an unaudited basis.

## TWMA FINANCE AS CONSOLIDATED CASH FLOW.

	Unaudited Quarter ended 30 June 2024* \$000
Operating profit before exceptional items	4,938
Adjustments for:	
Exceptional costs	(481)
<b>Operating cash flows before movements in working capital</b>	<b>4,457</b>
Increase in stocks	(178)
Increase in debtors	(1,746)
Increase in creditors	2,561
Fx / Non-cash items	(2,109)
<b>Net cash inflow from operating activities</b>	<b>2,985</b>
Purchase of fixed assets	(2,705)
<b>Net cash outflow from investing activities</b>	<b>(2,705)</b>
Bank interest	(118)
Funding repayments	(364)
Nordic Bond	0
Financing fees	0
<b>Net cash inflow from financing activities</b>	<b>(482)</b>
<b>Net increase in cash and cash equivalents</b>	<b>(202)</b>
Cash and cash equivalents at beginning of quarter	9,938
<b>Cash and cash equivalents at end of quarter</b>	<b>9,736</b>
<b>Analysis of cash and cash equivalent at end of quarter</b>	
Cash and bank balances	6,603
Deposits	3,133
<b>Cash and cash equivalents at end of quarter</b>	<b>9,736</b>

All financial statements are presented on an unaudited basis.



## TWMA FINANCE AS CONSOLIDATED CASH FLOW -YEAR TO DATE.

	Unaudited YTD 30 June 2024* \$000
Operating profit before exceptional items	9,954
Adjustments for:	
Exceptional costs	(2,532)
<b>Operating cash flows before movements in working capital</b>	<b>7,422</b>
Increase in stocks	(272)
Increase in debtors	(1,859)
Increase in creditors	4,540
Fx / Non-cash items	(3,573)
<b>Net cash inflow from operating activities</b>	<b>6,257</b>
Purchase of fixed assets	(5,100)
<b>Net cash outflow from investing activities</b>	<b>(5,100)</b>
Bank interest	(2,512)
Funding repayments	(51,702)
Nordic Bond	62,500
Financing fees	(3,355)
<b>Net cash inflow from financing activities</b>	<b>4,931</b>
<b>Net increase in cash and cash equivalents</b>	<b>6,088</b>
Cash and cash equivalents at beginning of quarter	3,648
<b>Cash and cash equivalents at end of quarter</b>	<b>9,736</b>
<b>Analysis of cash and cash equivalent at end of quarter</b>	
Cash and bank balances	6,603
Deposits	3,133
<b>Cash and cash equivalents at end of quarter</b>	<b>9,736</b>

All financial statements are presented on an unaudited basis.



# FURTHER INFORMATION.

## **Halle Aslaksen.**

Chief Executive Officer (CEO)

## **Mark J Walker.**

Chief Financial Officer (CFO)

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