



TWMA FINANCE AS.

**FINANCE REPORT FOR QUARTER
ENDED 30 SEPTEMBER 2024.**



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The world's drilling waste specialist.

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CEO STATEMENT.

I am pleased to present the CEO's Statement for the Q3 period ended 30 September 2024 - the Group continued to deliver strong results for the period with revenue of \$18m and an EBITDA for continuing operations of \$4.9m. The first nine months of 2024 have delivered \$55.8m revenue and an EBITDA of \$14.4m compared to revenue of \$52.3m and an EBITDA of \$10.9m in 2023.

During the 3rd quarter we continued to see a good demand for TWMA's services. The utilisation of our RotoMill® fleet was 60% for the period, which was slightly lower than the previous quarter due to the relocation of RotoMills from the UK to the Middle East as drilling operations in the UK came to the end of their campaigns. Year to date, the utilisation of the RotoMill assets is 67%.

Review of the Business.

After a busy H1 24, Offshore UK was quieter with only one RotoMill operating through the period, along with 6-7 skip and ship operations. A second RotoMill should start up in Q4. We have been successfully awarded a framework agreement for the full suite of offshore and onshore drilling waste management services with one major operator on the UK Continental Shelf and additionally a 3-year extension to an existing contract with another client. In Norway, after a quiet first half of the year, operations restarted in September in line with expectations and are expected to continue through to 2025/26. Lastly in the North Sea, our UK onshore facility continued to deliver satisfactory results where a high level of drill cuttings and slops were processed and treated.

In the UAE, drilling operations were carried out on all four islands on the 'Upper Zakum' contract. Following the receipt of the 'Letter of Award' in Q2, the Group signed the full 1+1 year contract in mid Q3. The scope of the contract covers our existing operations on 'Upper Zakum', as well as additional personnel and equipment for skip & ship services for up to ten Jack Up operations and the construction and operation of a major onshore facility which will require two RotoMills.

With regards to the Ghasha Mega Project, following a successful start-up on the 2nd island, the Group enjoyed full operations on both the 1st and 2nd island throughout Q3. In respect of the 3rd island, the mobilisation of the equipment and RotoMill commenced towards the end of the quarter and we expect that it will become fully operational towards the end of 2024.

In Egypt, the onshore facility and RotoMill successfully restarted operations and is expected to run for the foreseeable future. During the quarter, TWMA was successful in winning further work with an international oil operator. There continues to be a high level of tender activity in Egypt where the Group is well placed to be successful.

The Solid Control business in the US performed satisfactorily in the quarter. The land rig market in the US continues to be 'soft' which has resulted in a lower than expected Solid Control work. During the quarter, the division supported an average of 20 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 have been free from an injury which would have resulted in them being unable to work for the last 2 years.

Halle Aslaksen

Chief Executive Officer

November 2024

CFO STATEMENT.

Trading Performance.

The Group Consolidated Income Statement is shown on page 3 to these financial statements. Revenue in the quarter was \$18.0m and the underlying earnings before interest, taxation, depreciation and amortisation (EBITDA) of the Group was \$4.9m. The operating profit was \$4.5m in the quarter. A reconciliation between operating profit per these financial statements and EBITDA is set out below.

	Quarter ended	
	30 September	30 September
	2024	2023
	\$000	\$000
Operating profit before exceptional items, depreciation and amortisation	4,456	2,604
Gain on disposal	(39)	(2)
Fx	460	1,359
EBITDA	4,877	3,961

Year to date, the EBITDA of the group stands at \$14.4m. This compares to \$10.9m for the nine months to 30 September 2023.

Capital Investment.

During the quarter, a total of \$3.8m was invested in fixed assets, all of which related to plant and equipment including \$1.5m 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 September
	2024
	\$000
Nordic Bonds	(62,500)
Asset Finance Liabilities	(905)
Right of Use Liabilities	(4,681)
Cash	3,430
Net Debt at 30 September	(64,656)

The leverage of the Group as at 30 September 2024 was 3.55x.

At 30 September 2024, the Group held unrestricted cash balances of \$3.4m plus unutilised available credit facilities of \$4.8m.

Mark Walker

Chief Financial Officer
November 2024

FINANCIAL STATEMENTS.

TWMA FINANCE AS CONSOLIDATED INCOME STATEMENT.

	Unaudited Quarter ended 30 September 2024 \$000	Unaudited Quarter ended 30 September 2023 \$000
Revenue	18,009	17,152
Cost of Sales	(11,041)	(11,194)
Gross profit	6,968	5,959
Administrative expenses	(2,512)	(3,355)
Operating profit before exceptional items, depreciation and amortisation	4,456	2,604
Exceptional items	(822)	(158)
Depreciation and amortisation	(3,370)	(2,840)
Operating profit	264	(395)
Finance Income	13	0
Finance costs	(1,372)	(1,674)
Loss before tax	(1,095)	(2,068)
Tax charge	(316)	(12)
Loss for the period	(1,411)	(2,080)

All financial statements are presented on an unaudited basis.

TWMA FINANCE AS CONSOLIDATED INCOME STATEMENT - YEAR TO DATE.

	Unaudited YTD 30 September 2024 \$000	Unaudited YTD 30 September 2023 \$000
Revenue	55,805	52,326
Cost of Sales	(34,774)	(35,619)
Gross profit	21,031	16,708
Administrative expenses	(6,621)	(6,381)
Operating profit before exceptional items, depreciation and amortisation	14,410	10,327
Exceptional items	(3,354)	(650)
Depreciation and amortisation	(9,176)	(8,385)
Operating profit	1,880	1,292
Finance Income	54	0
Finance costs	(7,431)	(4,739)
Loss before tax	(5,497)	(3,447)
Tax charge	(780)	(36)
Loss for the period	(6,277)	(3,483)

All financial statements are presented on an unaudited basis.

TWMA FINANCE AS CONSOLIDATED BALANCE SHEET.

	Unaudited As at 30 September 2024 \$000
Non-current assets	
Goodwill and other intangible assets	33,911
Financing fees	2,714
Right of Use Assets	3,707
Property, plant & equipment	45,616
Total non-current assets	85,948
Current assets	
Inventories	4,153
Trade and other receivables	22,166
Cash and cash equivalents	3,430
Total current assets	29,749
Total assets	115,697
Current liabilities	
Trade and other payables	15,976
Tax liabilities	440
Lease liabilities	1,065
Total current liabilities	17,481
Non-current liabilities	
Borrowings	62,500
Owed to other Group Companies	20,736
Lease liabilities	4,521
Tax liabilities	1,413
Other liabilities	3,784
Total non-current liabilities	92,954
Total liabilities	110,434
NET ASSETS	5,263
Equity	
Ordinary shares	68
Share premium account	0
Other reserves	73,955
Accumulated losses	(68,760)
TOTAL EQUITY	5,263

All financial statements are presented on an unaudited basis.

TWMA FINANCE AS CONSOLIDATED CASH FLOW.

	Unaudited Quarter ended 30 September 2024 \$000
Operating profit before exceptional items	4,456
Adjustments for:	
Exceptional costs	(822)
Operating cash flows before movements in working capital	3,634
Increase in stocks	(322)
Increase in debtors	(2,596)
Increase in creditors	(1,383)
Fx / Non-cash items	2,655
Net cash inflow from operating activities	1,988
Purchase of fixed assets	(4,151)
Net cash outflow from investing activities	(4,151)
Bank interest	(4,172)
Funding repayments	(378)
Nordic Bond	408
Financing fees	0
Net cash inflow from financing activities	(4,142)
Net increase in cash and cash equivalents	(6,305)
Cash and cash equivalents at beginning of quarter	9,735
Cash and cash equivalents at end of quarter	3,430
Analysis of cash and cash equivalent at end of quarter	
Cash and bank balances	3,297
Deposits	133
Cash and cash equivalents at end of quarter	3,430

All financial statements are presented on an unaudited basis.

TWMA FINANCE AS CONSOLIDATED CASH FLOW – YEAR TO DATE.

	Unaudited YTD 30 September 2024 \$000
Operating profit before exceptional items	14,410
Adjustments for:	
Exceptional costs	(3,354)
Operating cash flows before movements in working capital	11,056
Increase in stocks	(594)
Increase in debtors	(4,456)
Increase in creditors	3,157
Fx / Non-cash items	(919)
Net cash inflow from operating activities	8,244
Purchase of fixed assets	(9,251)
Net cash outflow from investing activities	(9,251)
Bank interest	(6,684)
Funding repayments	(52,080)
Nordic Bond	62,908
Financing fees	(3,355)
Net cash inflow from financing activities	789
Net increase in cash and cash equivalents	(218)
Cash and cash equivalents at beginning of quarter	3,648
Cash and cash equivalents at end of quarter	3,430
Analysis of cash and cash equivalent at end of quarter	
Cash and bank balances	3,297
Deposits	133
Cash and cash equivalents at end of quarter	3,430

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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