Powering the ocean industries

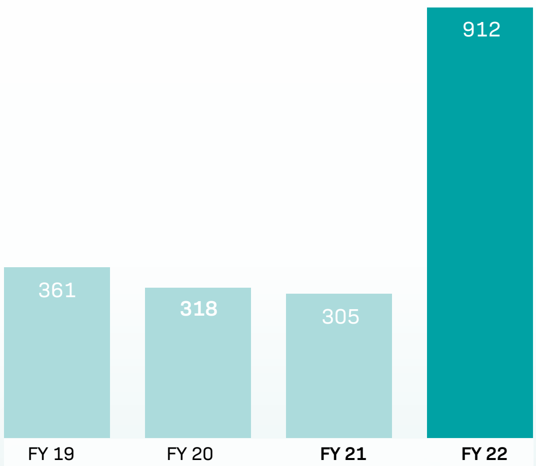
ANNUAL REPORT 2022

Bergen, 28 April 2023

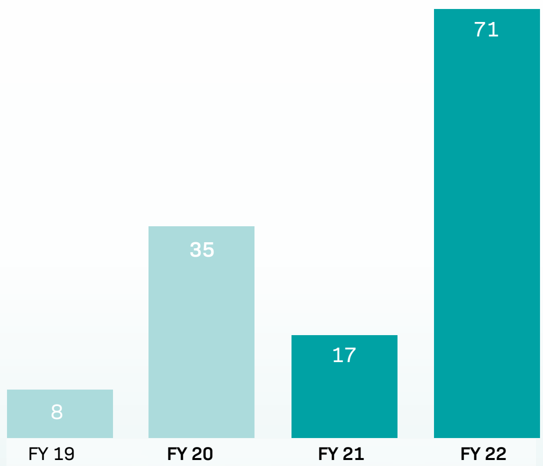
Content

Key numbers

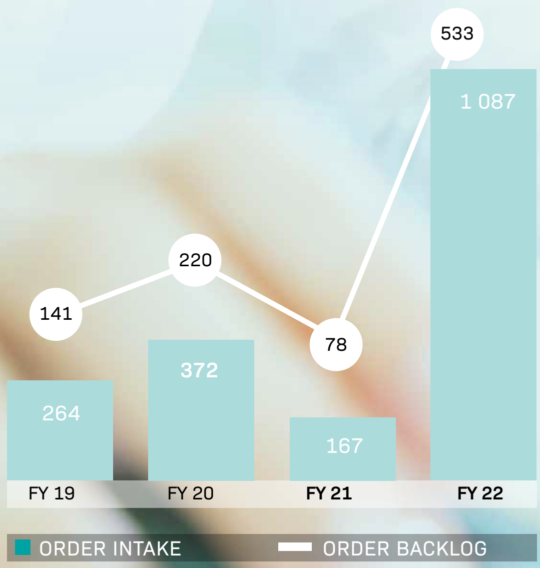
REVENUE



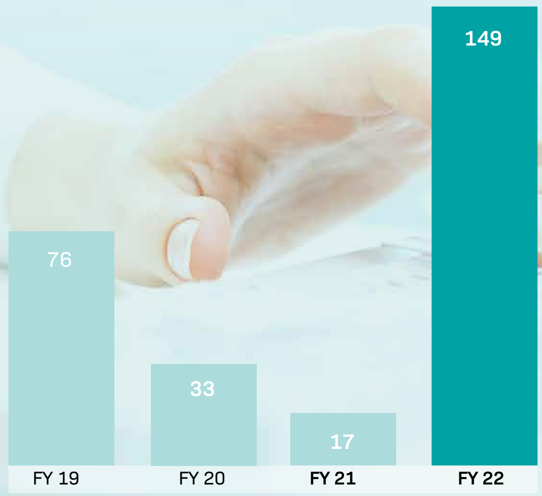
EBITDA



ORDER RESERVE



NIBD



Greetings from CEO

Looking back at 2022 I would say the year was characterized by high activity in all our business areas and good progress on our strategic goals.

By January 2022 Scana increased its portfolio from three to six companies over night by acquiring PSW and their three companies PSW Technology, PSW Solutions and PSW Power & Automation. A key milestone in our strategy of *"powering the ocean industries"*. By the end of January also another energy-company was added; Trans Construction – now seven companies onboard and ready to grow!

Each portfolio company has its own organization, management, and board with full responsibility for its own operation and development. Scana aims to be an active owner by guiding and assisting wherever needed in our organization exploiting our Group synergies. Scana consists of a small, efficient, and motivated team, aiming for results across the group.

Our companies are spread in three business areas: ENERGY, OFFSHORE and MARITIME. Let's dig into each business area.

Our business area OFFSHORE signed several important riser-contracts last year. Our negative result can be explained with postponement of larger projects and a challenge to fill the available capacity at our facilities. Maintaining competence and capacity to meet expected growth has been prioritized, and with the recent contract awards we are pleased with the prospects for 2023.

For PSW, the "Equinor-contract" at Mongstad is a game changer. After seven lean years in the drilling industry, PSW Technology has secured an important foundation for the activity in the coming years. The contract doubles the company's turnover and provides a welcomed long-term perspective.

Demand for ENERGY is increasing globally. Scana will continue adapting to new market situations to secure our position as a market leader in our industry. Our business area energy experienced great demand for sustainable energy solutions in Norway and the rest of Europe. Our companies have positioned itself well in the market and had several breakthroughs in 2022; mobile battery containers have recently been delivered to Germany, and the company has also demonstrated that ships at quay can get shore power produced from hydrogen! Our employees work hard to create sustainable and innovative solutions for customers and has succeeded.

Our business area MARITIME has market exposure to all the important marine industries, and we see several interesting opportunities to be pursued in the next year. Tendering activities have increased within segments such as FSRU and FPSO. In the medium term, the energy crisis seems to accelerate the offshore wind project, where we are well positioned with our mooring solutions.
Among other things, we can look back on a successful delivery of mooring equipment to the floating wind farm Hywind Tampen.

Oddbjørn Haukøy, interim CEO, Scana ASA

// With our leading expertise, our purpose is to solve global energy challenges for both today's customers and for future generations!

Oddbjørn Haukøy

Last year's underlying financial results ended revenue of NOK 912 million and an EBITDA of NOK 71 million. In 2022 we have strengthened our capital structure following conversion of seller credit and we ended the year with strong and growing order intake that has improved earnings visibility.

We will continue the good work within all our business areas and aim to create value for all our shareholders. I am looking forward to what we will achieve together in 2023!

Best regards,

Oddbjørn Haukøy
Interim CEO of Scana ASA

Report from the board of directors

Scana ASA is the parent company of an industrial Group supporting the electrification and decarbonization of maritime and energy sectors through the business areas OFFSHORE, ENERGY and MARITIME. The company is run by seven employees from its headquarter in Bergen, with operational businesses in Norway and Sweden, supported by external resources adding competence and capacity.

In 2022 the acquisition of PSW was completed in January and the new strategy of *"powering the ocean industries"* was released. Within ENERGY a strong position in the Norwegian shore power market has been exported to several Nordic countries, and customer near product development has opened a large market for mobile battery solutions for land based industry where strategically important contracts was entered into in the German and Dutch market. For OFFSHORE an improved market sentiment has led to high bidding activities while contract awards has been postponed. Maintaining capacity and competence to deliver on expected growth has been prioritized and has impacted the results in this area negatively in 2022. Significant contract awards in December and first quarter of 2023 gives a strong foundation for profitable growth in 2023. The MARITIME business area has benefited from its diversified market offering where mooring solutions for FPSO's has driven the order intake while tendering activities within LNG, aquaculture and offshore wind remain high. The valve control business has delivered weaker results within new projects while the aftermarket continues to deliver strong results.

The restrictions related to the covid-19 pandemic continued in 2022 but were eased significantly in most countries during the year and has had limited impact on Scana. However supply chain issues especially from Asian countries have caused delays and price increases on certain components delaying project progress and impacting margins to a certain extent.

Russia's invasion of Ukraine has significantly influenced market dynamics, primarily through the impact on energy prices and for a period significant volatility in steel prices. With a few exemptions the increased volatility in steel prices and subsequently hardware cost has been delt with through price increases on our deliveries while a few projects were negatively impacted. At the outbreak, Scana did not have any employees in Ukraine or Russia and these countries accounted for a very limited part of our revenue. Scana continuously monitor and comply with all sanctions on Russia relevant to our operations.

BUSINESS AREAS

- **OFFSHORE**
- **ENERGY**
- **MARITIME**

HIGHLIGHTS

- Transformative acquisition of PSW and ATC has lifted revenue and other operating income from NOK 305 million to NOK 912 million
- Scana raised gross proceeds of NOK 452 million through private placements in January 6th and December 19th 2022
- Order intake increased from NOK 167 million to NOK 1 087 million
  - Commercial breakthrough for mobile battery systems for industrial use in Germany and Holland
  - European expansion of shore power and fast charging solutions through contracts in Sweden and Iceland
  - Mooring solutions for 2 FPSO's destined to Brazil from undisclosed repeat customer
  - Sale and recertification of deep-water riser system to Northern Ocean Operations Ltd

SUBSEQUENT EVENTS

- Game-changing contract award from Equinor of NOK 1.8 billion including options
- Scana company with Letter of intent (LOI) for FSRU mooring system to a floating LNG terminal in Germany.
- Oddbjørn Haukøy constituted as new CEO following the resignation of Styrk Bekkenes.
- New BoD for Scana consisting of chair Pål Selvik, Vidar Rabben, Ida Ianssen Lundh and Birgitte Feginn Angelil.
- Scana strengthens its management team with Baste Tveito as EVP Operations and Espen Thomassen as CCO.
- Scana company awarded a substantial contract for an offshore development project.

INCOME STATEMENT

Scana is positioned towards the electrification megatrend and to deliver cost effective solutions at a low carbon footprint to the ENERGY sector through a highly skilled workforce and from state of the art facilities at Mongstad and Ågotnes.

With strong demand for the services and products of the Group maintaining capacity to deliver on future growth has been prioritized and has also impacted the results for 2022. Furthermore geographic and product range expansion has been prioritized within the ENERGY business area where short term cost is expected to generate longer term profits in the future.

Scana reported revenue and other operating income in 2022 of NOK 912 million, up 199 % from NOK 305 million in 2021. The growth is driven by the acquired business area ENERGY with NOK 355 million, and OFFSHORE increasing from NOK 74 million to 367 million where NOK 317 million relates to acquired companies. MARITIME had a decrease in revenue from NOK 230 million to NOK 201 million. While delivering significant growth in 2022 revenue has been negatively impacted by postponements of project sanctioning within the OFFSHORE area specifically related to the drilling-companies.

On the back of a significant increase in revenue the operating expenses has increased from NOK 288 million to NOK 841 million resulting in an EBITDA of NOK 71 million. Depreciations have increased from NOK 8 million to NOK 90 million and is mainly driven by the acquisition of PSW.

Finance cost has increased from NOK 10 million to NOK 42 million where the increase relates to interest expense. Interest expenses increased through the financing the acquisition of PSW and from the significant increase in right of use assets mainly related to long term property leases.

The Group recognized a tax income of NOK 11 million compared to NOK 24 million in 2021 which relates to increased deferred tax asset. See further information in disclosure 11.

The Group loss was NOK 45 million compared to a profit of NOK 27 million in 2021. The earnings per share was negative NOK 0.12 compared to NOK 0.25 in 2021.

Order intake in 2022 was NOK 1 087 million compared to NOK 167 million in 2021 where all business areas contribute to the growth. OFFSHORE increased with NOK 466 million (acquired companies), ENERGY with NOK 362 million and MARITIME with 103 million. Bidding activities has remained high throughout 2022 with several larger contracts first being awarded in Q1 2023. An increased focus on electrification across industries and a recurring offshore market are the two main drivers behind the order intake. The increased order intake contributed to a record high order backlog of NOK 533 million year end 2022. The majority of the order backlog is for delivery in 2023.

BALANCE

Total assets as of 31.12.22 was NOK 1 378 million compared to NOK 223 million last year. The increase is related to the acquisition of PSW, see disclosure 3 related to business combinations. Gross interest bearing debt was NOK 152 million as of 31.12.2022 compared to NOK 38 million last year. As of 31.12.22 intangible assets was NOK 398 million of which NOK 274 million was goodwill and NOK 72 million intangible assets where the majority is related to the acquisition of PSW. Right of use assets increased to NOK 403 million compared to NOK 8 million last year which lead to an increase in lease liabilities to NOK 412 million from NOK 8 million last year.

CASHFLOW

Net cashflow from operating activities was NOK 70 million. The deviation from operating profit is mainly related to depreciation, amortizations and changes in working capital.

In 2022 net cash from investing activities was NOK 205 million where the majority is related to the net cash outflow from the acquisition of PSW and ATC.

Net financing activities was NOK 109 million. To finance the acquisition net cash proceed from issuing of new share capital contributed with NOK 176 million and bank borrowings with NOK 165 million of which NOK 125 million was used to repay short term debt and NOK 15 million in installments of long term debt. Payments of leasing liabilities was NOK 54 million and NOK 36 million has been paid in interest.

SCANA ASA ACCOUNTS

The parent company Scana ASA had a loss of NOK 15 million in 2022 compared to a profit of NOK 56 million in 2021. The major deviations relate to income from subsidiaries and tax cost.

Total assets as of 31.12.22 was NOK 1 096 million, compared to NOK 433 million last year. This is mainly derived from the acquisition of PSW.

Equity amounted to NOK 681 million at the end of 2022, compared to NOK 260 million last year. The increase in equity is driven by the capital increases in January and December with reference to disclosure 9 in the Scana ASA accounts.

Scana ASA had no research and development activities in 2022. The R&D activities of the Group are presented in the annual reports of the respective operational portfolio companies.

The loss of NOK 15 million in 2022 was allocated to other equity.

BUSINESS AREAS

OFFSHORE

OFFSHORE consist of the subsidiaries PSW Technology and PSW Solutions located at Mongstad, Norway and Subseatec located in Kristinehamn, Sweden. The business area provide products, services and life-time extensions to critical equipment within several segments of the offshore industries.

The business area delivered NOK 367 million in revenue in 2022 compared to NOK 74 million in 2021 where the growth is related to the acquisition of PSW. Throughout 2022 there has been a strong market sentiment due to increased energy prices but contract awards and commencements has been delayed. Maintaining capacity to deliver on expected growth has been prioritized over short term cost cuts which has impacted profitability negatively in 2022. EBITDA increased from NOK 10 million to NOK 50 million where the surface treatment business delivered strong margins. With NOK 64 million in depreciations related to long term property leases on the Mongstad facilities and depreciations on tangible and intabible assets, EBIT was negative with NOK 14 million compared to NOK 9 million last year.

With significant contract awards in Q4 and the game changing contract award from Equinor in January 2023 the outlook for the business area is strong for 2023. A strong topline growth is expected to lead to improved operating margins.

ENERGY

ENERGY consist of PSW Power & Automation and ATC (Trans Construction) located at Ågotnes and Gardermoen respectively. The business area provides complete solutions within electrification and renewable energy to offshore, marine and shore-based activities.

The business area was new for Scana in 2022 and delivered NOK 355 million in revenue with the majority of the revenue being related to electrification of land based and ocean industries. EBITDA for 2022 was NOK 28 million where margins were negatively impacted by challenges in a few projects and challenges within supply chain. With NOK 18 million in depreciations related to facilities on Ågotnes and tangible and intangible assets EBIT in 2022 became NOK 10 million.

The continuous focus on electrification is expected to drive demand within this business area. The order backlog of NOK 193 million as of 31.12.2022 and several contract awards in Q1 2023 provides a foundation for growth in 2023.

MARITIME

MARITIME consist of Seasystems and Skarpenord located at Vestby and Rjukan/Husnes respectively. The business area provides mooring solutions and valve remote control systems across the ocean industries.

The business area delivered NOK 201 million in revenue compared to NOK 230 million last year. The decline in revenue was mainly related reduced project activity while aftersales activities remained consistent to last year. EBITDA was NOK 20 million compared to NOK 29 million where the mooring business was the main contributor. The business area has an asset light business model with NOK 3 million in depreciations resulting in an EBIT of NOK 11 million compared to NOK 17 million last year.

High tendering activities resulted to in an LOI for mooring of a large FSRU-project in Germany which is expected to result in a substantial contract award in Q1 2023. The outlook for the business area is strong with LNG and offshore expected to be the short term driver and offshore wind a large potential for the medium term.

STRATEGY

Scana has a strategy of *"powering the ocean industries"* through a Group of strong service- and equipment suppliers and become a partner for our customers in reducing the climate footprint.

Scana shall create long term value for its shareholder through professional and active ownership in its portfolio companies.

CORPORATE GOVERNANCE

Scana follows Norwegian Code of Practice for Corporate Governance. The companies practices are largely in accordance with these recommendations. Reference is made to the Corporate Governance report on page 45.

RISK MANAGEMENT

The Groups main risk is the macroeconomic environment and the development of global markets. The companies have implemented a series of measures to adopt to changing market conditions. This includes but is not limited to increased market- and sales effort, supplychain optimalisation and focused product development.

Furthermore the companies are exposed to risk within project execution and availability and pricing of key input factors and components. The risk is handled through balancing contract risk between customer and suppliers.

The directors and officers of Scana ASA are covered under an Scana Group Director & Officer's Liability Insurance (D&O). The insurance covers personal legal liabilities including defence- and legal costs. The officers and directors of the parent company and all subsidiaries globally (owned more than 50 percent) are covered by the insurance.

The company is exposed to financial risk:

MARKET RISK
Market risk is the risk that fluctuations in market prices, e.g. exchange rates and interest rates, will affect future cash flows or the value of financial instruments. Market risk management aims to ensure that risk exposure stays within the defined limits, while optimising the risk-adjusted return.

Scana has a centralized finance function. Hedging of currency and interest rate exposure is done in accordance with the Group's policy and routines. Scana seeks to reduce the risk associated with currency and interest rates by using hedging instruments. This is done centrally by the finance department on the basis of the exposure reported by the operational units.

CURRENCY RISK
The Group is exposed to transactional foreign currency risk to the extent that there is a mismatch between the currencies in which sales, purchases, receivables and borrowings are denominated and the respective functional currencies of Group companies. The Group's management continuously monitors and reports on the Group's currency positions. The Group's risk management policy is to hedge material estimated foreign currency exposure in respect of forecast sales and purchases over the following 12 months at any point in time. The Group uses forward exchange contracts to hedge its currency risk, most with a maturity of less than one year from the reporting date.

INTEREST RATE RISK
The Group's interest rate risk relates to the Group's debt portfolio and is managed at Group level. The Group's objective is to secure and counteract major effects from changes in the market interest rate. Scana has no interest rate hedges on the balance sheet date.

LIQUIDITY RISK

An important goal for the Group is to secure financial flexibility to make optimal business decisions. The Group works continuously with reducing financial risk through close cooperation with the subsidiaries monitoring short- and long term cashflow prognosis. Strong focus on reducing working capital requirements in close cooperation with customers and suppliers. On larger contracts liquidity risk is managed through balanced milestone structures with our customers and suppliers.

As of December 31st 2022 the Group had a liquidity reserve of NOK 113 consisting of NOK 3 million in cash and NOK 110 million in undrawn creditfacility. The main financing agreements for the Group are with DNB and consist of termloans of NOK 150 million, workingcapital facility of NOK 110 million and a trade finance facility of NOK 60 million. As of December 31st 2022 Scana is compliant with all financial covenants.

CREDIT RISK

The Group has policies to ensure orders are not entered into with financial distressed customers. Credit assessments are considered prior to entering into contracts while accounts receivables are continuously monitored on both subsidiary and Group level.

The Group considers it largest exposure to credit risk to be book value of accounts receivables and contract asset and other receivables.

The credit risk on larger customer contracts is mainly handled through prepayments and milestone-invoicing throughout the project period. Credit insurance is considered on a case to case basis. The majority of the customers are to international solid customers or customers with a long track record. Historically, losses on accounts receivables has been low.

FURTHER REFERENCES TO DISCLOSURE 20 FOR FURTHER DESCRIPTION OF FINANCIAL RISK

CORPORATE SOCIAL RESPONSIBILITY

As a listed industrial owner to companies powering the ocean industries, Scana believes strongly in growing our businesses to the point where we can give back to society. Closely connected to our prioritized SDG's, we commit to being accountable to ourselves and our stakeholders through corporate responsibility programs and initiatives.

Scana ASA is responsible for the overall guidelines applicable for the company's subsidiaries. Each subsidiary is responsible for implementing guidelines suited for the activities and the market the company operates in. Scana ASAs subsidiaries shall be governed in an economic, social and environmentally responsible manner. Corporate social responsibility shall have a core part in planning and performing the company's services. Companies shall comply with international conventions and protocols for corporate governance, ethical guidelines and security procedures.

Scana ASA's corporate social responsibility guidelines have five main priority target areas:

- Human rights
- Corruption
- Employee rights
- Social conditions
- The external environment

HUMAN RIGHTS

Scana ASA and the subsidiaries must actively ensure that the activities carried out do not violate basic human rights. Human values such as integrity, honesty, justice and respect must form the basis for how social responsibility is exercised. For 2022 we have prepared a report on the work on fundamental human rights and decent working conditions according to the Transparency Act, which is published on Scana ASAs webpage within 30 June 2023. In this report we have assessed and identified possible Human Rights issues in our supply chain, and will work closely with our stakeholders to prevent, act upon, or influence negative impacts.

Scana ASA and its subsidiaries have not had any incidents in 2022 that indicate that these values have been violated and will continue to work in 2023 to always promote the safeguarding of human rights, including assessing our supply chain.

CORRUPTION

Scana ASA and its subsidiaries must always follow the laws, guidelines and regulations that apply in each country and region where the companies and associated subsidiaries are located and operate the companies must pay taxes and fees, as well as implement measures to prevent corruption and mismanagement. Scana ASA has zero tolerance for corruption and encourages employees to report the slightest suspicion of violations.

EMPLOYEE RIGHTS

Scana ASA has a stated goal to ensure safe working conditions and to facilitate a good working environment where employees thrive and develop their skills. The working environment is considered good. Young workers are the future of the Scana companies, and we aim to play an active role in the facilitation of traineeships and internships in our companies. Scana ASA supports the employees' right to organize in trade unions and trade organizations. Procedures have been drawn up and implemented for the personal data legislation that was introduced in 2018 (GDPR).

The Group is exposed to risks related to health, safety, and security in the workplace and while travelling. In 2022 the coronavirus had consequences of increased sick leave in the Group in 2022, especially in the first part of the year. The virus had no other material consequences for our operations in 2022.

SOCIAL CONDITIONS

Scana ASA and its subsidiaries work actively to promote the objectives of the Discrimination Act. We believe in fair treatment in our recruitment, promotion, development opportunities and protection against harassment. We believe strongly in an inclusive working environment.

The companies aim to be a workplace where there is no discrimination across all types of stakeholders regardless of age, gender, religion, race, national or ethnic origin, cultural background, social affiliation, disability, sexual orientation, marital status or political opinion.

All Scana companies have ethical guidelines, and it clearly states how to secure fair employment, equal pay and equal rights. These guidelines include how we work and are described further in our Sustainability report where we have chosen Sustainable Development Goal 5: Gender equality as one of our goals.

EQUALITY

Scana ASA had 7 full-time employees at the end of 2022, 2 were women. The company works to promote equal development opportunities and to ensure that there is no discrimination of any kind. This work is described in the company's ethical guidelines and the order also applies to all Scana ASA's portfolio companies.

Scana ASA and the portfolio companies had 345 employees as of 31 December 2022, an increase from 91 employees at the end of 2021, but this is due to the acquisition of the PSW Group and ATC. 14 percent of the employees are women and 86 percent are men.

THE OVERALL GENDER BALANCE IN THE GROUP

Number of women and men, per company and in total:

	Scana HQ	SEASYSTEMS	SKARPENORD	SUBSEATEC	PSW Technology	PSW Solutions	PSW Power & Automation incl ATC	Total
Women	2	4	9	3	17	5	7	47
Men	5	25	27	8	106	43	84	298
Total	**7**	**29**	**36**	**11**	**123**	**48**	**91**	**345**

There is no involuntary part-time work at Scana. The part-time positions are few, and these are voluntary and linked to specific projects. From 2023, voluntary part-time will also be reduced due to the EU's temporary agency directive, which comes into force from 1 April 2023. Temporary employment occurs to a small extent, but when these are in use, this is especially with regard to projects. When it comes to parental leave, we see that women still take most of the flexible weeks, although men also take some here.

Number of temporary employees, part time positions and average number of parental leave per gender:

	WOMEN	MEN	Total
Temporary employees (gender difference in number or percentage)	2 %	98 %	82
Employees in part-time positions (gender difference in number or percentage)	6 %	94 %	17
Number of employees working involuntarily part-time	0	0	0
Average number of weeks of parental leave	11.5	8.5	

Salary level based at position/level, with distribution by gender:
In the operating companies there is a predominance of men, which can be attributed to historical and industrial traditions. However, women are represented in all the subsidiaries' management Groups. Scana ASA also meets the Public Limited Liability Companies Act's requirement for gender representation in that two out of four board members are women.

In our recruitment processes, we work actively to find female candidates to increase the proportion of women in the Group, in line with the Sustainable Development Goal 5, gender equality. When it comes to recruiting processes, we see more men than women applying for these technical/operational positions, while when it comes to apprentices/trainees within the same type of position, both sexes apply. For administrative positions, the pool of applicants is probably equally distributed. We actively work towards the market to find female and male candidates for our positions because we believe that the workplace achieves better results with increased equality and increased diversity.

The table below shows an overview per position level (set based on similarities and salary level) for average women's salary at a set level relative to the average salary for men. It shows an average level where women's pay in total for the Group amounts to 88 % of a man's level. The difference does not show differences such as seniority, differences in type of positions in position level, number of years and responsibility/risk linked to the different employees.

POSITION/LEVEL	WOMEN	MEN	Average salary for women relative in % of average salary for men
Executive management	10 %	90 %	-48 %
Management subsidiaries/middle managers/department managers	18 %	82 %	-13 %
Bas/Foreman/Project management	4 %	96 %	-18 %
Operators/Engineers/Technical staff	8 %	92 %	-28 %
Administrative personell	40 %	60 %	-20 %
Total	14 %	86 %	-12 %

We have routines to ensure that pay adjustment processes do not discriminate based on gender and work continuously to further develop these processes to ensure equal pay for equal work.

See Guidelines for Senior executives and other remuneration and the 2022 Report of remuneration for senior executives included in the Annual report for information regarding remuneration at executive level and per gender.

Injuries and sickness leave, per company and in total:
There was an increase in sickness absence in Scana ASA in 2022 of 2% compared to 0.3 % in 2021. This is mainly due to the corona pandemic. For the Scana ASA and subsidiaries in total, sickness absence in 2022 was 5 % (2021: 5 %). There were no fatal accidents in the companies in 2022, equal to in 2021.

	Scana HQ	Seasystems	Skarpenord	Subseatec	PSW Technology	PSW Solutions	PSW Power & Automation incl ATC	Total
Number of injuries with leave	0	0	0	0	0	0	1	1
Number of first aid injuries	0	0	0	0	2	2	1	5
Number of medical treatment injuries	0	0	1	0	0	0	3	4
Fatal accidents	0	0	0	0	0	0	0	0
Total sick leave	2 %	3 %	10 %	2 %	6 %	4 %	5 %	5 %
Short time sick leave	2 %	1 %	2 %	1 %	1 %	1 %	2 %	1 %
Long time sick leave	0 %	2 %	8 %	1 %	5 %	2 %	4 %	4 %

There is no information on specification per individual case as this would be considered a breach of GDPR guidelines.

THE EXTERNAL ENVIRONMENT

Scana ASA's portfolio companies have licenses for their operations and do not affect the external environment beyond the allocated emission permits. Through measures such as the use of renewable energy sources, recycling, waste reduction and the development of sustainable solutions for the ocean industries, the Scana companies improve the environmental sustainability of their operations as well as for their stakeholders. We assess our supply chains, and we eliminate reliance on stakeholders with a risk for unethical labor practices.

ENVIRONMENTAL RESPONSIBILITY

- We commit to reducing pollution, waste and emissions in our businesses and for our stakeholders. We focus on responsible consumption and production.
- We commit to a "zero" strategy, meaning that we base our sustainability strategy on the vision of reaching zero CO_2 emissions by 2050.
- By planning and strategic placement, we aim to support our stakeholders in consciously choosing sustainable methods for maintenance and production.
- We create product lines that enhance our CSR values, and aim for the mindset of "reduce, recycle, re-use" in all that we do.

See the Sustainability Report Included in the Annual report for additional information including the assessment related to environmental factors.

GOING CONCERN

In accordance with the Accounting Act § 3–3c, we confirm that the financial statements have been prepared under the assumption of going concern. This assumption is based on a strong order backlog and subsequent order intake in 2023 and the estimated working capital requirements for the 12 months following the balance sheet date. Reference is made to disclosure 5 on page 74.

Bergen, 28 April 2023

Pål Selvik
CHAIRMAN OF THE BOARD

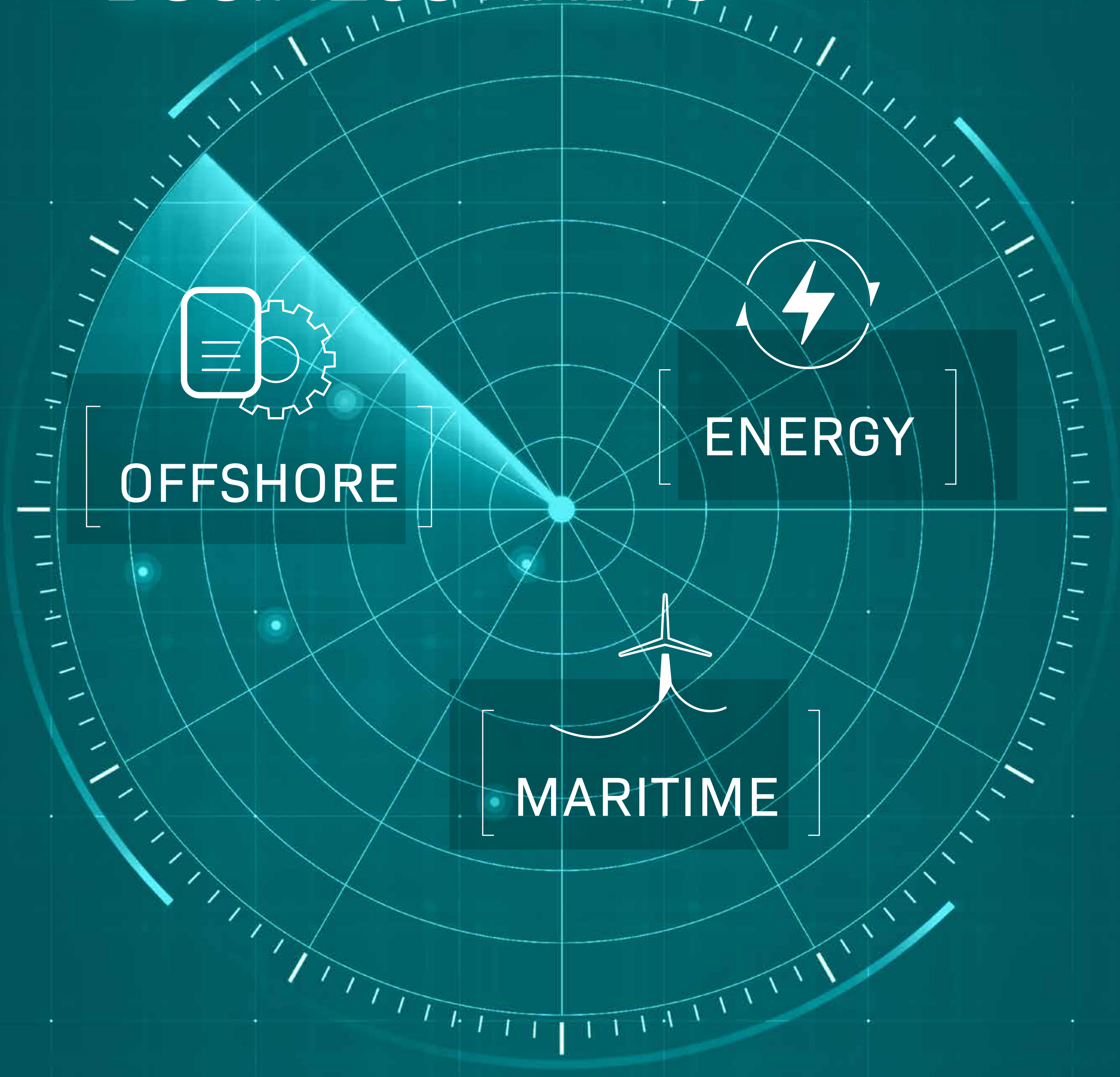
Ida Ianssen Lundh
BOARD MEMBER

Vidar Rabben
BOARD MEMBER

Birgitte Feginn Angelil
BOARD MEMBER

Oddbjørn Haukøy
INTERIM CEO

SCANA GROUP – BUSINESS AREAS



Scana and portfolio companies

Scana is a listed industrial owner company in the ocean industries creating value through active ownership in market-leading portfolio companies. Our vision is to accelerate decarbonisation of the maritime and offshore sector by being a driving force in electrification and emission reduction solutions.

Scana's portfolio companies have a solid innovation and commercialisation history based on core competence in selected niches. Scana is headquartered in Bergen and has around 350 employees. Scana's portfolio companies are divided into three business areas:

OFFSHORE

Throughout the entire lifetime of offshore assets, we provide products, services and life-time extensions to critical equipment within several segments of the offshore industries.

- PSW Technology
- PSW Solutions
- Subseatec

ENERGY

All the way from shoreline to seabed, we power the ocean industry with sustainable energy solutions – providing complete solutions within electrification and renewable energy to offshore, marine and shore-based activities.

- PSW Power & Automation
- Trans Construction – ATC

MARITIME

We supply sophisticated and dependable valve remote control systems and mooring solutions to vessels, rigs, and floating structures serving the shipping, oil and gas, aquaculture, and energy industries.

- Seasystems
- Skarpenord

VISION AND MISSION

VISION Contributing to a smarter world of marine products and services through our Group of quality suppliers.

MISSION Through active and experienced ownership, Scana ASA shall guide and develop our Group of companies to achieve their respective targets in a profitable, sustainable and safe way.

OFFSHORE

Products, services and life-time extensions to critical equipment within several segments of the offshore industries.

OFFSHORE

PORTFOLIO COMPANIES:

- PSW TECHNOLOGY
- PSW SOLUTIONS
- SUBSEATEC

Throughout the entire lifetime of offshore assets, we provide products, services and life-time extensions to critical equipment within several segments of the offshore industries. In 2022 this business area accounted for 40 % of the turnover.

SHORT ABOUT OUR OFFSHORE COMPANIES

PSW Technology offers a wide range of services and solutions to the global drilling industry. The company has all the expertise our customers require in one place. Our facilities at Mongstad are ideally situated to provide IMR services to both the Norwegian and British sectors of the North Sea.
The company works within subsea and well control, lifecycle services and has unique yard facilities available. Our proximity to Sløvåg and PSW Offshore Wind & Yard makes us a full-service provider for your rig or vessel maintenance needs.

PSW Solutions has extensive experience from on/offshore installations and provides a unique expertise in the planning and execution of ISS (Insulation, Scaffolding and Surface treatment) services. The company also performs NDT services and control of lifting equipment both onshore and offshore.

Subseatec is one of the world's most experienced specialist companies in the world regarding for riser applications to the oil and gas industry. Subseatec handles product development, sales, and contract management. Product range consists of risers, pipe and flow lines, bodies and other subsea accessories.

STATUS

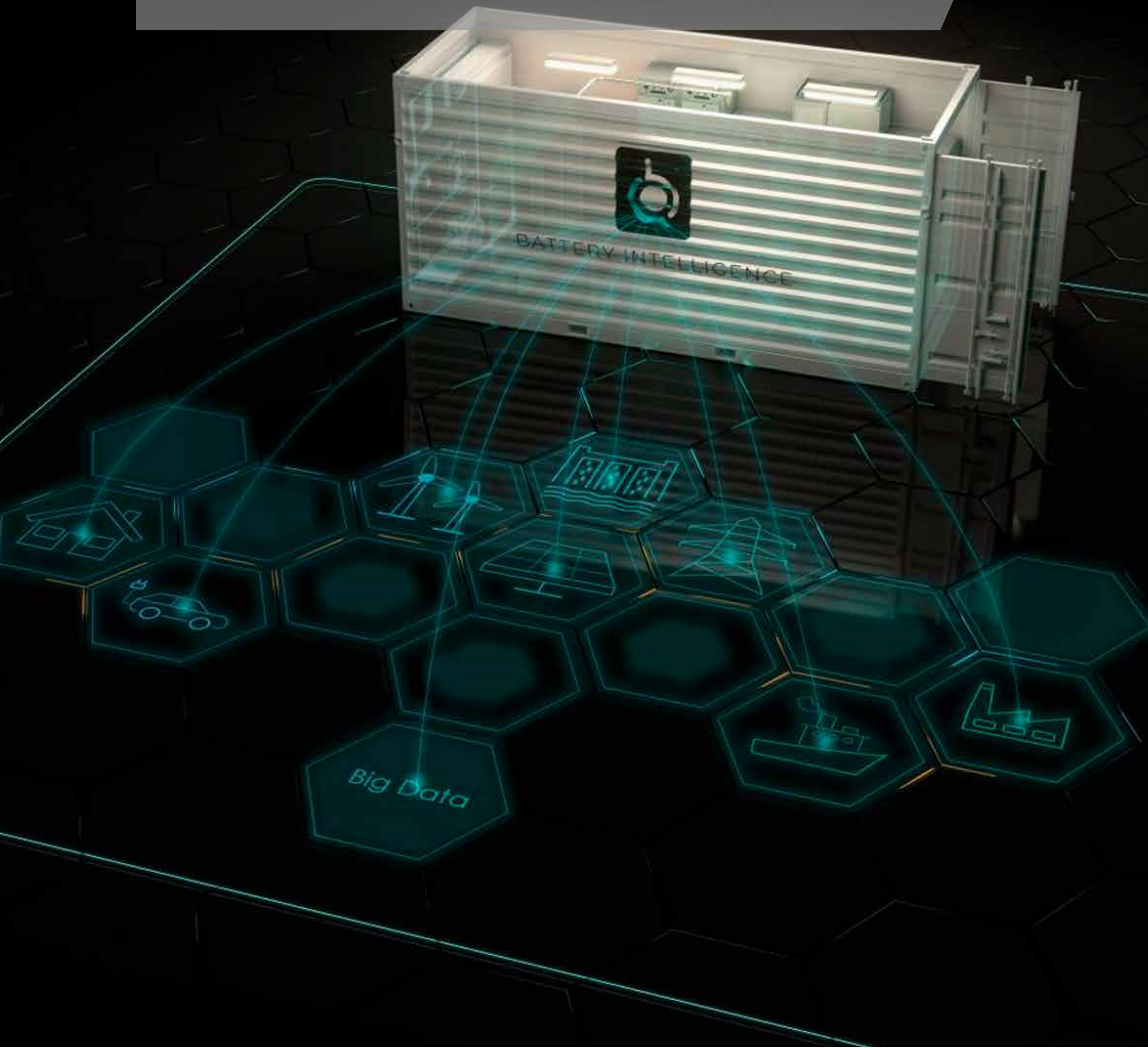
The offshore market is recovering with increased demand driven by energy security, at the same time the supply side has been reduced resulting in favorable market conditions. The offshore business area is well positioned to fill up its facilities and seize an even larger market. The key drivers are rising demand for service and products with low carbon footprint, growing maintenance lag.

Our companies within the offshore area are well-positioned for strong offshore project pipeline through unique infrastructure and carbon reducing solutions.

	FULL YEAR
NOK million	**2022**
Revenue	367.3
EBITDA	49.9
EBIT	(14.4)
EBT	(46.4)
Ordinary investments	13.2
Order intake	500.5
Order backlog	250.4

ENERGY

Sustainable energy solutions – providing complete solutions within electrification and renewable energy to offshore, marine and shore-based activities.



ENERGY

PORTFOLIO COMPANIES:

- PSW POWER & AUTOMATION
- TRANS CONSTRUCTION/ATC

All the way from shoreline to seabed, we power the ocean industry with sustainable energy solutions – providing complete solutions within electrification and renewable energy to offshore, marine and shore-based activities.

Our business area Energy is a leading player within electrification with shore power systems, energy storage systems and e-house modules as key offerings.
This business area accounted for 38 % of the turnover in 2022.

SHORT ABOUT OUR ENERGY-COMPANIES

PSW Power & Automation delivers complete solutions within electrification and renewable energy. The company specializes in the design and integration of electrical power systems, electrical infrastructure, energy storage systems and control systems.

Trans Construction is a leading engineering company with extensive track record and which has specialized itself on design and production of E-house modules to the maritime-, offshore and onshore based industry.

STATUS

The continuous focus on energy prices and decarbonisation attracts interest, both for current product offerings and for spinoff products where mobile battery systems were added to the product portfolio this year. The electrification of European shores will continue to drive demand for Scana's services, and there is also a strong demand for e-house modules to support offshore decarbonisation.

Our companies within the energy area offer complete solutions for electrification in fast-growing markets with powerful underlying drivers.

	FULL YEAR
NOK million	**2022**
Revenue	354.6
EBITDA	28.4
EBIT	10.0
EBT	0.2
Ordinary investments	9.7
Order intake	362.0
Order backlog	193.0

MARITIME

Reliable and sophisticated valve control systems and mooring solutions to vessels, rigs and floating structures.

seasystems.no

MARITIME

PORTFOLIO COMPANIES:

- SKARPENORD
- SEASYSTEMS

We supply sophisticated and dependable valve remote control systems and mooring solutions to vessels, rigs, and floating structures serving the shipping, oil and gas, aquaculture, and energy industries.

MARITIME consists of Seasystems AS, delivering mooring solutions to floating structures across ocean industries, and Skarpenord AS, supplying valve remote control systems for the shipping and oil & gas industry. This business area accounted for 22 % of the turnover in 2022.

SHORT ABOUT OUR MARITIME COMPANIES

Seasystems has high internal competence within project management, engineering, fabrication, and installation, we offer sophisticated and reliable mooring solutions to floating structures.
Through a continuous focus on quality and functional design, we always strive to find the optimal solution for each project. Seasystems operates in several segments, such as floating wind, oil & gas and fish farming.

Skarpenord is our second company within MARITIME – a leading supplier of valve remote control systems for shipping and the oil and gas industry. More than 40 years in the business makes us an experienced supplier. The company delivers actuators, solenoid valve cabinets, hydraulic power units and computerized valve control.

STATUS

Our companies within MARITIME are leading provider of innovative mooring solutions and valve remote control systems for vessels, rigs and floating structures. Since 2015 diversifying into offshore aquaculture and wind with milestone contracts, in addition to historical maritime services. The energy crisis accelerates offshore wind projects, where we are well positioned. Continued growth in LNG (FSRU) as a catalyst for long-term energy transition.

MARITIME is a niche leader with strong track record in growing market segments.

	FULL YEAR
NOK million	**2022**
Revenue	200.9
EBITDA	20.3
EBIT	13.9
EBT	10.8
Ordinary investments	1.6
Order intake	235.7
Order backlog	89.5

HIGHLIGHTS 2022

Highlights for Scana 2022

2022 has been characterized by a strong operational focus. Several large projects were delivered and completed. Here is an overview of the most important events of the past year.

JANUARY

Acquisition of PSW completed. Scana increased its portfolio from three to six daughter companies by acquiring PSW and its three Bergen-based companies.

PSW Power & Automation awarded contract by Havnekraft AS The contract includes delivery of a high-voltage shore power solution. PSW Power & Automation will design, assemble, and test the complete system in their facilities at Ågotnes before it is shipped to Haugesund for installation and commissioning.

Scana expanded its Group management by hiring Oddbjørn Haukøy in the position as Chief Commercial Officer, he came from the position as CEO of PSW.

PSW Power & Automation acquires Trans Construction AS – hoping to take a larger position in the market. As part of the strategy to strengthen the position within modular based power systems, PSW Power & Automation entered into an agreement to acquire the leading engineering company Trans Construction AS.

FEBRUARY

PSW Technology entered a strategic agreement with Cameron. PSW Technology signed an exclusive licence agreement with global oil service provider Cameron, a Schlumberger company. The agreement allows PSW to carry out recertifications of risers produced by Cameron in accordance with OEM (Original Equipment Manufacturer) standards.

Skarpenord wins another important contract in the LNG market. Skarpenord secured the delivery of valve remote control system for 12 x LNG - driven container vessels.

MARCH

More mooring within aquaculture. Seasystems won another important contract within aquaculture, this time to the Hydra project. Hydra is a result of the government's development concessions, which facilitate the use of new technology to create growth in the fish farming industry.

Seasystems delivers anchoring system for Brazilian FPSO,signed another contract for the delivery of anchoring equipment such as chain stops, jacks, and winches.

Seasystems had its important breakthrough as a supplier of mooring to the first floating tidal energy array.

Seasystems delivered 33 mooring brackets for the Hywind Tampen project.

APRIL

PSW Power & Automation signed another sizeable contract for a shore power solution to Iceland.

PSW Power & Automation and Westgass Hydrogen entered a strategic collaboration aimed towards deployment of container-based hydrogen fuel cell systems for power applications. The story continues in September 2022.

MAY

Seasystems has signed a contract for the delivery of anchoring system to an FPSO project in Brazil.

JUNE

PSW Technology has signed an important agreement with an unnamed rig company for the delivery of marine risers to operations in West Africa.

PSW Power & Automation signed a contract with Västtrafik for the delivery of fast charging system to electric ferries in Strömstad in Sweden.

PSW Technology signed a one-year extension of its frame agreement with Odfjell Drilling for maintenance and recertification of marine riser and subsea equipment for alle the drilling units of the company.

JULY

PSW Power & Automation signed a contract with Zeppelin Rental GmbH in Germany for the delivery of multiple mobile battery systems. The battery solution can replace or optimize the operation of traditional diesel generators and will be a significant contributor to the environmental decarbonization.

Actuators manufactured at Skarpenord, Rjukan.

PSW Power & Automation signed a contract for the design, assembly, and testing of a topside E-House module for an international subsea company.

PSW Power & Automation signed another contract for the delivery of mobile battery systems, with Energyst Rental Solutions.

AUGUST

More riser joints in the market. Subseatec signed a contract with an international energy company for the delivery of riser joints.

SEPTEMBER

PSW Technology signed an important agreement with Odfjell Drilling for the delivery of marine risers to operations in West Africa.

PSW Power & Automation demonstrated a hydrogen-based shore power solution. A Norwegian consortium comprised by four local players, PSW Power & Automation, Westgass Hydrogen, CCB and H2 Production, was established to provide a high-capacity hydrogen-based shore power solution to the maritime sector.

The groundbreaking system, which has been designed by PSW and piloted last autumn at CCB's shipyard in Ågotnes, was demonstrated to the maritime industry at on 19 September 2022.

Shore power fuelled by clean hydrogen – another milestone!

Shore power solution in Hafnarfjordur harbor (Iceland), supplied by PSW Power & Automation.

OCTOBER

PSW Power & Automation has entered into an agreement with Kongsberg Maritime for the design, production, assembly, and testing of a series of energy storage deck-house modules.

NOVEMBER

Trans Construction (ATC) has secured a contract with Pon Power AS for delivery of 3 x modules for generator sets. The delivery includes design and fabrication, as well as installation of client supplied equipment.

DECEMBER

Awarded contract for deep-water riser system. PSW Technology has signed an important agreement with Northern Ocean Operations Ltd. ("Northern Ocean") for a deep-water riser system.

Shore power fuelled by clean hydrogen. Demonstrated at Ågotnes, 19 September 2022.

OUR PATH TO NET-ZERO

Scana's sustainability journey – our path to net-zero

In Scana we work together for a sustainable future by accelerating the decarbonization of the MARITIME and OFFSHORE sector by being a driving force in Sustainable electrification- and emission reducing solutions.

Scana's policy for sustainability is part of our management system. The system describes ambitions, direction, and more detailed requirements on the topics of ESG. Our formal ESG journey started in 2021, and continued in 2022 by appointing a Sustainability & HSEQ Manager. Implementation initiatives will continue in 2023 and onward.

In 2022, Scana and portfolio companies came together to establish the "Scana QHSE group". This group consist of key QHSE resources from Scana and all the portfolio companies. Together we take meaningful steps towards sustainable business conduct, through initiatives implemented within the respective companies. Resources and responsibility are appointed in the portfolio companies and on group level.

Our Sustainability strategy is based on the vision of "reaching zero". The goal is to cut greenhouse gas emissions (GHG) to as close to zero as possible. We aim to achieve a "net-zero" emission target within 2050 for Scana and our portfolio companies, with a 50 % reduction of scope 1 and 2 emissions within 2030.

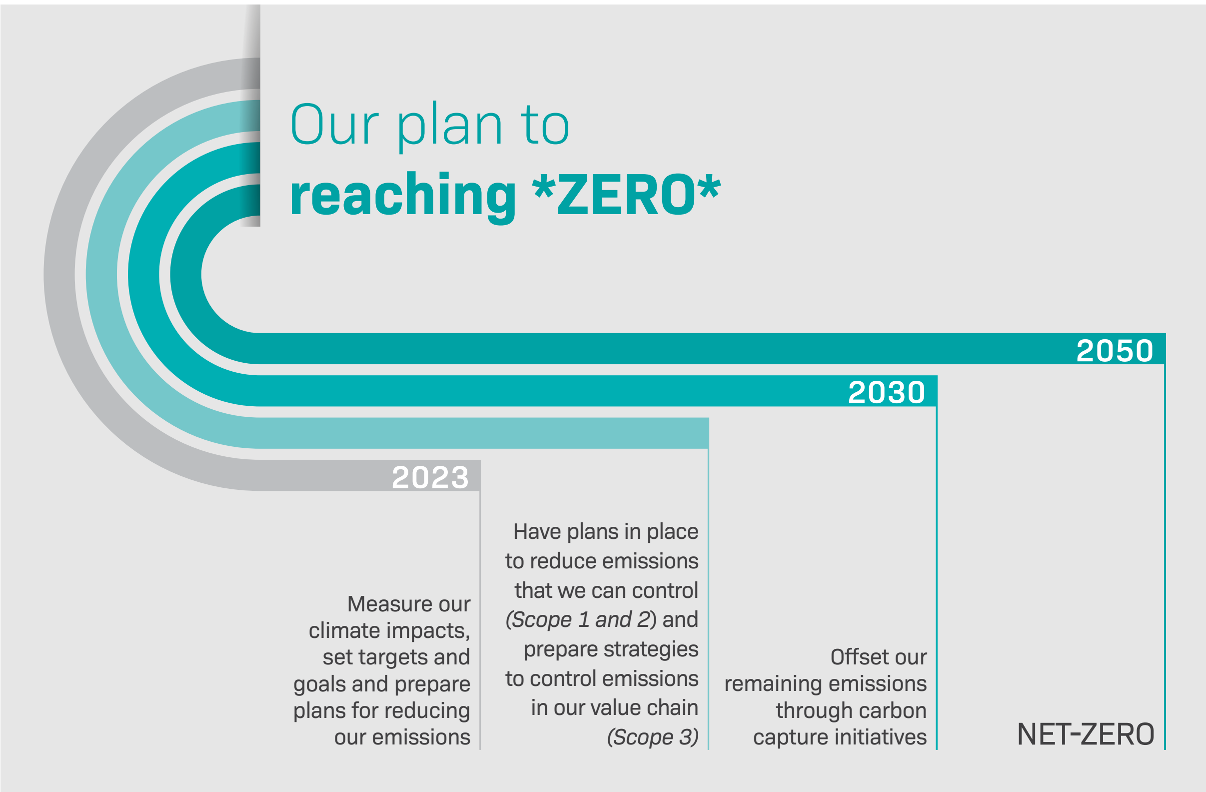
STEP 1: Knowledge is key: We start by understanding our base-line overview, measuring our greenhouse gas emissions Scope 1 and 2 (CO_2). Some scope 3 emissions are added.

STEP 2: We establish effective emission reduction initiatives, through targeted actions such as green energy, solar panels, electric vehicles etc. Further initiatives are implemented: waste management, "reduce, reuse, recycle" initiatives and digitalization projects are some of the examples that are implemented in our portfolio companies.

STEP 3: Any emissions that remain, we aim to offset by co-operation with emission compensation initiatives ("carbon offsets") on land and in the oceans by replenishing natural resources or supporting causes that can help neutralize the company's impact.

Our vision: **reaching *ZERO***

- ZERO injuries, and workrelated illness
- ZERO incidents of discrimination
- ZERO security incidents
- Net-ZERO emissions*



SCOPE 1

Direct ***greenhouse*** gas (GHG) emissions from sources owned or directly controlled by the organization.
(e.g. physical or chemical processing, transportation and the combustion of fuels, fugitive emissions, combustion of fuels for heating or electricity)

SCOPE 2

Indirect GHG emissions from purchased energy (renewable or non-renewable sources).

SCOPE 3

Indirect GHG emissions that are a consequence of the organization's activities but arises from sources that are not owned or directly controlled by the organization.

[SOURCE: GHG Protocol Corporate Accounting and Reporting Standard, IWA 42:2022(E)]

OUR COMMITMENT TO THE UN SDG'S

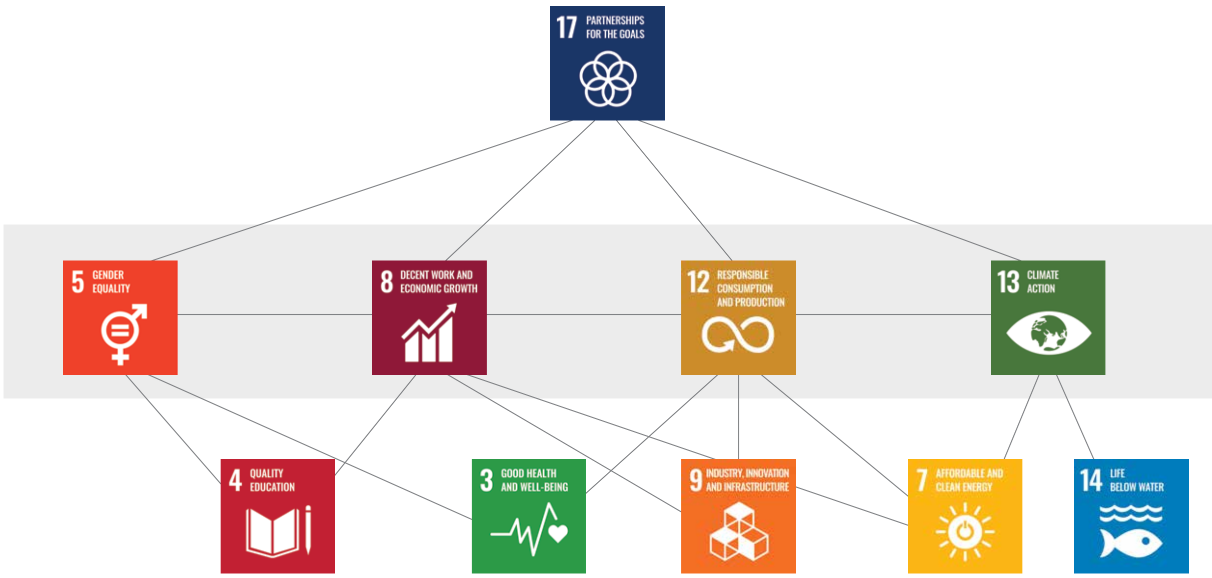
In 2021 we defined four of the UN's Sustainable Development goals (SDGs) as our primary goals, and together with our portfolio companies, we have implemented processes for working towards these goals. Scana has implemented ethical guidelines that specify how our companies should behave and comply, also including requirements for ethical business conduct.
Our updated ethical guidelines can be found at: ***www.scana.no***

We started gathering information on the performance towards the SDGs in 2021 and 2023, and in 2023 we will continue to work towards KPIs, and strategic goals related to the SDGs.

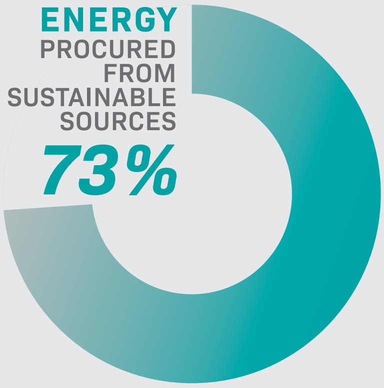
OUR PRIORITIZED SDGS ARE:

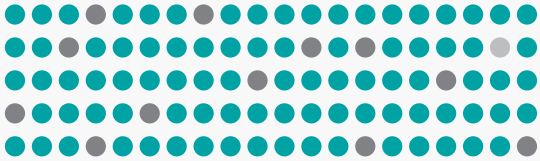
5 – Gender equality
8 – Decent work and economic growth
12 – Responsible consumption and production
13 – Climate action

In addition to our primary goals, several of our companies have identified other key SDGs to contribute towards sustainable business conduct. In 2022 we have performed a materiality assessment, aiming to identify the most critical Environmental, Social and Governance issues for the Scana companies and our stakeholders. We see that these issues evolve around gender equality, safe working environments, responsible production and taking urgent climate actions.



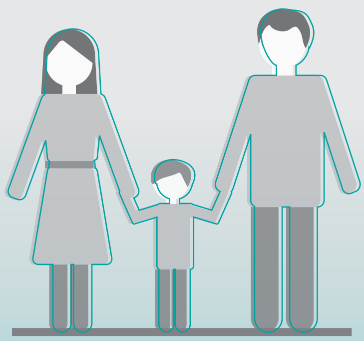
ENERGY
PROCURED FROM SUSTAINABLE SOURCES
73%





13% OF THE POSITIONS IN THE SCANA COMPANIES **HELD BY WOMEN**

WORK-LIFE BALANCE
PARENTAL LEAVE
– *IN AVERAGE WEEKS*



12 **9**

88%
AVERAGE FEMALE WAGES
COMPARED TO AVERAGE MALE WAGES

AVERAGE
SICK LEAVE
2022
5%

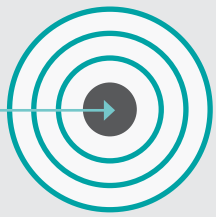
WASTE MANAGEMENT
% OF RESIDUAL WASTE
– NOT COUNTING METAL
(ALMOST 100 % OF METAL WASTE IS RECYCLED)

60%

0
HI-PO'S
HIGH POTENTIAL INCIDENTS
2022

1
LTI
LOSS TIME INCIDENTS
2022

STRATEGIES IN PLACE
TO REDUCE EMISSIONS RELATED TO INTERNAL TRANSPORT & LOGISTICS

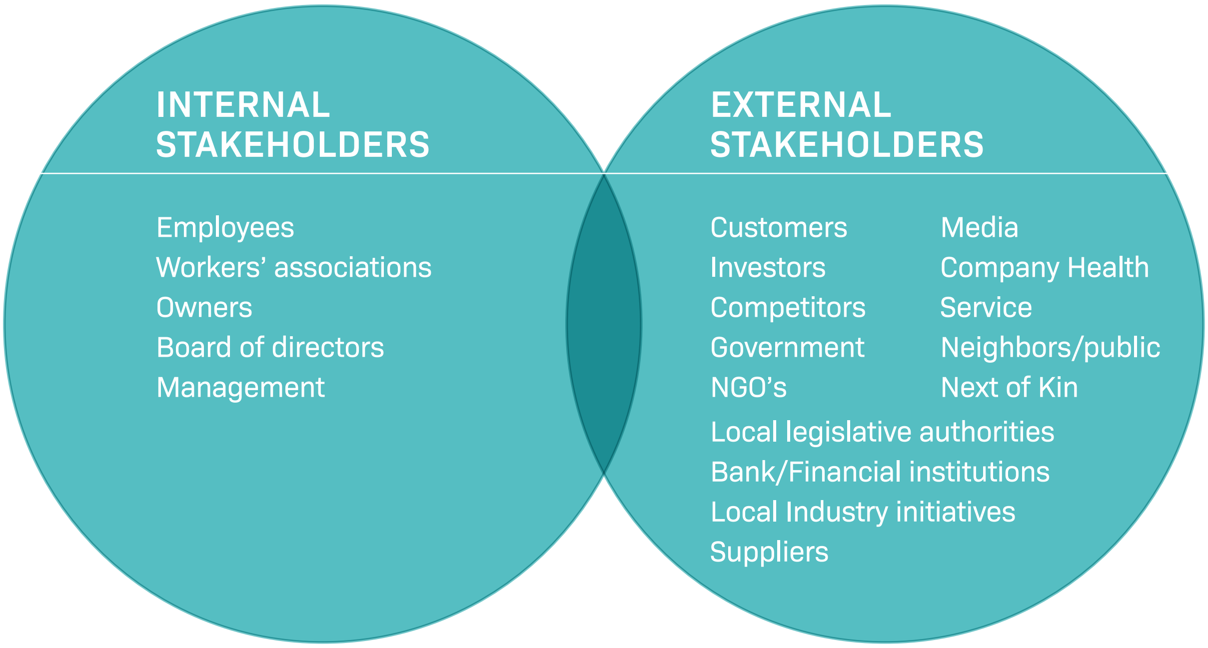


STAKEHOLDERS AND MATERIALITY

In Scana, our aim is to understand the importance of specific ESG- and sustainability topics. We do this by performing a “Materiality Assessment” .

“Materiality Assessment” is a tool to help identify and prioritize which ESG issues are the most urgent. It helps us to determine which environmental, social, and governance (ESG) issues matter most, not only to our internal-, but also to our external stakeholders. With this knowledge, we determine what strategic actions must be put in place to meet the expectations of our stakeholders.

Through a process of involving all Scana companies, we have gathered input identifying our most relevant stakeholders and their material issues. Through this process, we’ve asked ourselves “what is the most important issue of interest for this interested party, and how does it compare to other issues?”



The information in this report covers Scana and all its portfolio companies, unless otherwise specified.

Based on the materiality analysis, we prioritized the ESG issues and ranked them in order of importance. Points of action have been defined, outlining our ESG strategy.

In the upcoming year, a more detailed action plan will be developed outlining the specific actions we will take to manage and address our ESG risks and opportunities, and to achieve our ESG goals and targets. Based on the prioritized ESG issues, we will set specific, measurable, and time-bound goals and targets that we aim to achieve: our KPI's.

We will monitor progress regularly to ensure that we are on track to meet our ESG goals and targets.

MATERIALITY MATRIX

IMPORTANCE TO INTERNAL STAKEHOLDERS ↑

Emissions from production Chemical handling Equality and diversity	Anti-corruption and information security Good working conditions and safe workplaces	Sustainable investments Transparency
Climate risk Green energy Waste-handling Emissions from transport Recyclable products Create workplaces for young workers	Human rights Partnerships and co-operation Competence and learning Certified management systems	Compliance Risk management
		Supplier Management

MOST IMPORTANT EXTERNAL STAKEHOLDERS →

- *Environment*
- *Social*
- *Governance*

MATERIAL TOPICS, KEY STRATEGIES AND POINTS OF ACTION

The identified ESG issues in the materiality analysis are seen in close relation with our prioritized SDG's. The material topics of addressing and aiming to prevent climate risk, reducing emissions from our own energy consumption and transport, as well as chemical handling and waste management are important for working towards SDG 13; climate action and 12; responsible consumption and production.

We aim for zero injuries and illnesses and will increase our focus to work actively towards increased equality and diversity in cooperation with our stakeholders, providing safe, inclusive working environments for all workers, with special focus on young workers and female workers. This corresponds with the SDGs 5; gender equality and 8; decent work and economic growth.

On the topic of governance, we commit to taking an active role in preventing corruption and focus on compliance in all aspects of our business. Risk management is an important tool to prevent hazards and unwanted incidents with respect to our business, corresponding with the SDGs 8; decent work and economic growth and 12; responsible consumption and production.

ENVIRONMENT

12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION

CLIMATE RISK
We seek to invest in companies that support the transition to a low-carbon economy, and those that are resilient to climate change. Climate risks will be a part of the risk assessment in all portfolio companies, and we will actively work to reduce the negative environmental aspects of the portfolio companies while increasing the positive environmental aspects.

EMISSIONS
We aim to reduce our carbon footprint by actively taking steps toward reducing emissions resulting from the production of our services and products.

CHEMICAL HANDLING
We respect the environmental impact of the chemicals that we use and will work actively to substitute chemicals that may cause harm to the environment.

SOCIAL

5 GENDER EQUALITY
8 DECENT WORK AND ECONOMIC GROWTH

WORKING ENVIRONMENT
Providing a safe working environment for our workers has been a part of our key strategies. A "zero-mindset" for work related incidents and illness is implemented in Scana and the portfolio companies. We will provide training and perform risk assessments for all activities in our companies.

EQUALITY AND DIVERSITY
We actively promote and practice diversity in the workplace through inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status. We actively participate in the education of young workers, by employing trainees, apprentices and by taking an active part in presenting our portfolio companies to schools and universities. Our goal is equal pay for work of equal value.

CO-OPERATION
We aim for active cooperation between the companies in Scana and their stakeholders, including customers, suppliers, and partners is a strategic operational goal.

Clear communication and working together to reach mutual goals are focus areas that we will work towards in the years to come.

GOVERNANCE

8 DECENT WORK AND ECONOMIC GROWTH
12 RESPONSIBLE CONSUMPTION AND PRODUCTION

TRANSPARENCY
We commit to taking an active role in preventing corruption and the abuse of power for private gain. We have routines in place ensuring our business conduct and compliance. All Scana companies are ISO 9001 certified and three of our portfolio companies are ISO 14001 and ISO 45001 certified. We aim for compliance with these standards for the rest of the portfolio companies.

COMPLIANCE AND RISK MANAGEMENT
Risk management is an integral part of our business, including HSE, Financial, Environmental and Human Rights risk. We commit to pro-actively seek mitigating actions, and to keep a continuous overview of the regulatory and other requirements for Scana and the portfolio companies. of our services and products.

ANTI-CORRUPTION
We actively communicate our zero tolerance for bribery and corruption in our code of conduct. We will implement training initiatives for our workers, to increase awareness. Our employees and business partners are expected to follow these rules of conduct and in the years to come we will work towards supplier code of conduct and active supplier follow-up and development.

Our contribution to the UN SDG's

ACHIEVE GENDER EQUALITY AND EMPOWER ALL WOMEN AND GIRLS THROUGH EDUCATION AND PARTICIPATION – BRINGING GOOD HEALTH AND WELL-BEING.

While the offshore-, energy-, and maritime industry still are represented by a predominately male workforce, more women are finding their way into maritime professions. We actively contribute and have incorporated Target 5.1 "End all forms of discrimination against all women and girls everywhere" and Target 5.5 "Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life" in the Scana targets.

We envision that the achievement of this target will positively influence the results towards good health and well-being (SDG 3). Scana and its companies actively support and promote training and education initiatives (SDG 4 – quality education) by promoting a career in the industry in schools, and by being an approved trainee company.

Key KPI's:	2022	Target
Increase the % of women in the workplace	13 %	> 30 %
ZERO cases of discrimination	0	0
Code of ethics training for all [2)]		100 %

DID YOU KNOW:

In the Scana group, 13 % of our employees are female. We actively promote female participation in the industry through our cooperation with schools and local job-match initiatives.

[2)] *Baseline data available from 2023*

4 QUALITY EDUCATION
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
12 RESPONSIBLE CONSUMPTION AND PRODUCTION

ACHIEVE DECENT WORK AND ECONOMIC GROWTH SUPPORTING INDUSTRY AND INNOVATION THROUGH QUALITY EDUCATION AND TRAINING.

Scana promotes lasting, inclusive, and sustainable economic growth through full employment and decent work for all our workers.
Being able to grow and develop knowledge and skills is an important factor for the development of employees, and for them to thrive. We have implemented an on-line training portal that will be implemented in all Scana companies in 2023.

Scana and its companies actively work towards Target 8.5 – we aim to contribute to achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities. Our goal is to provide equal pay for work of equal value, and annual reports are prepared to evaluate non-discriminatory practices.

To support target 8.6 – substantially reduce the proportion of youth not in employment, education or training, several of our portfolio companies provide training for apprentices and "try a job" stations for students.

We participate in protecting labor rights and promote safe and secure working environments for all workers.

Key KPI's:	2022	Target
ZERO Loss Time Incidents	0	0
Number of trainees Scana companies	3	10
Training portal implemented in all Scana portfolio companies	50 %	100 %
Percentage of sick leave	5 %	< 3 %

DID YOU KNOW:

PSW Technology, PSW Solutions and PSW Power & Automation are approved apprentice companies.
In 2022, we assisted 14 young workers in their goal of achieving their certificate of apprenticeship in 2022.

AIM FOR RESPONSIBLE CONSUMPTION AND PRODUCTION SUPPORTING INDUSTRY AND INNOVATION SUPPLYING AND USING AFFORDABLE, CLEAN ENERGY FOR GOOD HEALTH AND WELLBEING.

Innovation is at the core of our being. Scana's portfolio companies are actively involved in the green transition. PSW Power and Automation and Trans Construction (ATC) actively contribute to this with complete solutions within electrification and renewable energy.

We work actively to achieve sustainable management- and efficient use of natural resources. All portfolio companies work towards substitution of hazardous chemicals and aim to achieve the environmentally sound management of chemicals and wastes throughout their life cycle. Our goal is to prevent emissions to air, water and soil in order to minimize their adverse impacts on human health and the environment.

By 2030 we aim to have substantially reduced our waste through reduction, recycling, and reuse of resources. Our vision is to see process outputs that curremtly are viewed as waste as a resource for new processes.

Our portfolio companies will implement procurement practices that are sustainable, working together with suppliers towards the goal of zero waste. Several of the portfolio companies use renewable energy in production, some even generated by own solar panels.

Key KPI's:	2022	Target
Net-ZERO Emissions [3)]		0
Sustainable procurement practices in all Scana companies [4)]		100 %
% of energy from own procurement or production from renewable sources	73 %	100 %

DID YOU KNOW:

PSW Solutions has technologically advanced cleaning systems in place that make it possible to sort, clean and re-use sandblasting sand up to 150 times!

[3)] *Baseline data available from 2023*

[4)] *Baseline data available from 2023*

TAKE URGENT CLIMATE ACTION SUPPLYING AND USING AFFORDABLE, CLEAN ENERGY FOR GOOD HEALTH AND WELLBEING FOR PEOPLE AND PLANET, INCLUDING LIFE BELOW WATER.

The products and services of the Scana Portfolio companies aim to contribute to the supply of affordable, clean energy. Initiatives have been taken towards providing services to the wind energy market by several of the portfolio companies. 5 out of 6 scana companies have directly contributed to the green shift with services or products. Skarpenord is to deliver valve remote control systems to two CO_2 carriers that will transport liquid carbon dioxide to the new Northern Lights CO_2 storage facility. PSW Power & Automations contributes to clean energy by providing state of the art shore power solutions and by installing solar plants for industrial sites and private homes. PSW Solutions and PSW Technology both have provided services to the offshore wind industry, Seasystems has provided mooring solutions to the world's first floating tidal energy array. We are aware of our own environmental footprint: the environmental impact of the companies in Scana consists mainly of our own energy consumption, the generation of waste and the use of chemicals. We aim to reduce our total greenhouse gas emissions per year, using renewable energy resources.

Key KPI's:	2022	Target
% of energy from own procurement or production from renewable sources	73 %	100 %
% of Scana companies with services contributing to the green shift	100 %	100 %
Zero waste (all waste to be recycled or re-used) [5]		100 %

DID YOU KNOW:

By installing an energy storage system on board of supply ships, fuel consumption can be reduced by up to 20 %.

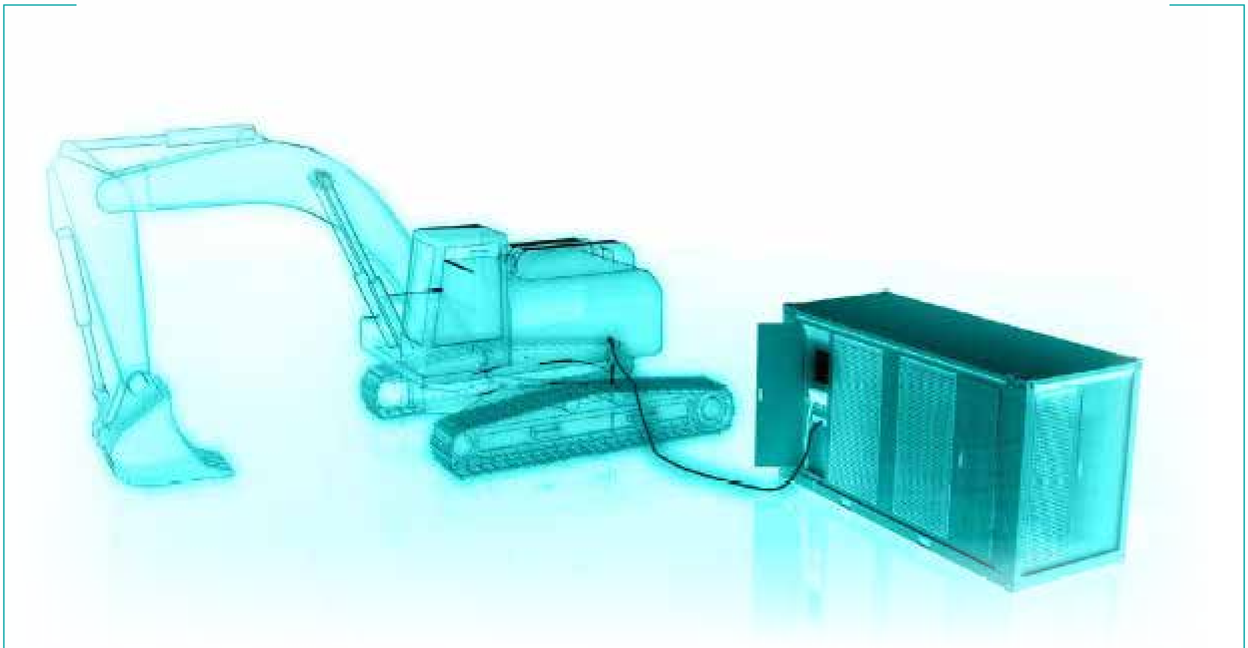
If you combine this with the use of shore power at the quay, a ship can save up to 360 m^3 of fuel a year, which corresponds to around 1.000 tons of CO_2.

[5] *Baseline data available from 2023, as some Scana companies have waste handling included in rental contracts*

GOING FORWARD

We are highly committed to continue on our mission towards "reaching ZERO" with meaningful actions aimed for achieving our KPI's, and supporting the Sustainable Development Goals.
Working actively towards our prioritized SDG's, in 2023 we aim to present our complete ESG report where we publish our climate impacts, set targets and goals, and communicate our plans for reducing our emissions.

We will work towards communicating our ESG information using The Global Reporting Initiative (GRI) Standards, which are the world's most widely used sustainability reporting framework, providing a comprehensive and flexible guide for organizations to report on their environmental, social, and governance (ESG) performance.



Mobile e-hub for construction sites

STATEMENT FROM BOARD MEMBERS AND CEO

Statement by the board of directors and CEO

We confirm that, to the best of our knowledge, the financial statements for the period from 1 January to 31 December 2022 have been prepared in accordance with IFRS as adopted by EU, with such additional information as required by the Accounting Act and give a true and fair view of the company's and the Group's consolidated assets, liabilities, financial position and results of operations.

We confirm that the board of directors' report provides a true and fair view of the development and performance of the business and the position of the company and the Group, together with a description of the key risks and uncertainty factors that the company is facing.

Bergen, 28 April 2023

Pål Selvik	Ida Ianssen Lundh	Vidar Rabben	Birgitte Feginn Angelil	Oddbjørn Haukøy
CHAIRMAN OF THE BOARD	BOARD MEMBER	BOARD MEMBER	BOARD MEMBER	INTERIM CEO

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE REPORT

BASIS FOR THE REPORT

This report is prepared by the board of directors of Scana ASA and presents the corporate governance of the company. It is structured to cover all sections of the Norwegian Code of Practice for Corporate Governance ("Code of Practice") – available at *www.nues.no*.

The purpose of the Code of Practice is to clarify the respective roles of shareholders, board of directors and executive officers beyond the requirements of legislation. Scana ASA aims to comply with the recommendation to strengthen the confidence held in the company and contribute to the highest possible added value in the long term, for the benefit of shareholders, employees, and other interested parties.

BUSINESS

The overall business scope of Scana is included in the company's articles of association and defined as follows: "Ownership and management of businesses within ocean- and energy industry, and activities related to this." The articles are available at ***www.scana.no***.

The board of directors sets the direction of the company by determining the objectives, strategy and risk profile of the business within the parameters of the articles of association. As part of this work, various sustainability elements are taken into account and the company has a board approved Sustainability Policy for how it integrates the interests of the society at large into its value creation. A separate Sustainability report that addresses environmental, social and governance issues is available on the company website. The board evaluates targets, strategies and its risk profile on an annual basis, at a minimum.

EQUITY AND DIVIDENDS

CAPITAL STRUCTURE

The board of directors and the management regularly monitor that the capital structure of Scana ASA, including the level of equity and liquidity, are appropriate for the company's objectives, strategy and risk profile. Scana ASA had NOK 493 million in book equity as of 31 December 2022, corresponding to an equity ratio of 36 percent.

DIVIDEND POLICY

The company's overall objective is to create long term value for its owners in the form of dividend payments and/or increase in the value of the company's shares over time. The dividend policy is based on the company's financial position and re-investment opportunities applying strict principles for allocation of capital. The dividend policy supports the company in balancing the target of annual dividends over time while building financial robustness and maintaining a strong balance sheet with adequate liquidity reserves. The company has adopted a dividend policy targeting annual dividend distributions of 30–40 percent of net profit over time. Any dividend proposed by the board of directors will be presented to the annual general meeting for approval.

AUTHORIZATIONS FOR THE BOARD OF DIRECTORS

Authorization to acquire own shares
The company's general meeting held on June 22, 2022, mandated the board of directors to purchase own shares up to an aggregate nominal value of NOK 39.341.098. The resolution specified the purpose for utilization: transaction currency in connection with acquisitions, mergers, demergers and other transfers of business. The board's authorization to purchase own shares is valid for the period until the date of the annual general meeting in 2023, however, in no circumstances beyond June 30, 2023.

Authorization to increase the share capital
The company's general meeting held on June 22, 2022, mandated the board of directors to issue new shares up to an aggregate nominal value of NOK 50.320.080. The resolution specified three purposes for utilization: (i) transaction currency in connection with acquisitions, (ii) strengthening the company's capital structure and (iii) issue towards the company's senior employees. The board's authorization to increase the share capital is valid for the period until the date of the annual general meeting in 2023, however, in no circumstances beyond June 30, 2023.

EQUAL TREATMENT OF SHAREHOLDERS

Each share in the company carries one vote, and all shares carry equal rights, including the right to participate in general meetings.

The company emphasizes that the interests of the shareholders is advanced and that all shareholders, in accordance with the requirements of the Norwegian Securities Trading Act, is treated on an equal basis. Existing shareholders have pre-emptive rights to subscribe for shares in the event of share capital increases. The general meeting may by a qualified majority resolve to set aside the pre-emptive rights of existing shareholders. Any proposal by the board of directors of such resolution shall be explained.

Transactions in own shares are done via the Oslo Stock Exchange and in compliance with applicable stock exchange regulations.

Special care must be exercised in transactions where Scana ASA's shareholders, board members, management or close relatives have financial or personal interests. If the transaction is not insignificant in nature or size, there must be an assessment from an independent third party.

The company has implemented guidelines to ensure that the members of the board of directors and executive personnel shall obtain prior approval and notify the board of directors if they trade Scana shares.

FREELY TRANFERABLE SHARES

The shares of Scana ASA are listed on the Oslo Stock Exchange. The company's articles of association do not contain any limitations on voting or restrictions on the transferability of shares, and the shares are consequently freely transferable.

GENERAL MEETINGS

The general meeting is the highest authority of the company, and an important forum for cooperation between the company's shareholders, the board and management. The company encourages its shareholders to exercise their rights by participating in general meetings.

Scana ASA has established routines and procedures in connection with general meetings which are in accordance with guidelines given in the Norwegian Code of Practice for Corporate Governance.

Notice and minutes are available on the company's website www.scana.no under "Investor information".

Notices convening general meetings are submitted and announced in accordance with applicable law and stock exchange regulations. Comprehensive documentation relating to the items on the agenda are prepared and made available on the company's website no later than 21 days prior to the general meeting.

The registration deadline for attendance is set as close to the date of the general meeting as possible. Shareholders who are unable to attend may vote by proxy. A proxy form is included in the notice convening the general meeting. Information about the procedure for proxy form and information about the person appointed who can vote for the shareholders as proxy, accompanies the notice.

At Scana ASA's general meeting, at least the chairman of the board, the chairman of the election committee and the auditor attends. The management is represented by the CEO and CFO. The general meeting is opened by the chairman of the board.

When electing the board or other bodies in the company, shareholders can vote separately on each candidate nominated for election to the company's corporate bodies. The outcome of the voting at the general meeting is made public immediately after the general meeting has been held.

NOMINATION COMMITTEE

The articles of association stipulate that the company shall have a nomination committee. The committee must comprise of no less than three members. The Nomination Committee shall prepare the annual General Meeting's election of board members and propose the remuneration to be given to the board members. The shareholders have the opportunity to make proposals to the nomination committee about candidates for board positions and other positions, for example by contacting the chairman of the nomination committee, the chairman of the board or the company's administration.

The current members of the nomination committee are Carl Christian Krefting (chairman), Dag Magne Vedvik and Harald Mowinckel Troye. The positions are up for election at the annual general meeting in 2024. No members of the nomination committee are directors of the board or employed by the company.

COMPOSITION AND INDEPENDENCE OF THE BOARD OF DIRECTORS

COMPOSITION

The articles of association stipulate that the board of directors shall comprise three to seven persons. Elected directors will serve for a period of two years. The board has no employee representatives, and no members of the company's management are board members. Scana ASA does not have a corporate assembly. The composition of the board must reflect the competence needs that are relevant to the company's operations. Current board instructions set requirements for, among other things, industry knowledge, industry relations, technological understanding, international experience, market knowledge, as well as experience from economics, finance, and the capital market.

The board currently consists of 4 people. A more detailed presentation of the board members can be found on page 145 of the annual report.

INDEPENDENCE

The composition of the board aims to ensure that the interests of all shareholders are attended to, and that the company has the competence, resources, and diversity it needs at its disposal.

The board instructions contain requirements that at least two of the shareholder-elected board members must be independent of the company's main shareholders.

A majority of the shareholder elected members are considered independent of executive management and important business associates. None of the directors are part of the company's executive management team. The board carries out a self-evaluation of its activities and expertise, as well as whether the board is properly composed and how it functions as a unit and individually in relation to the board's goals.

THE WORK OF THE BOARD OF DIRECTORS

MEETINGS

The board of directors will hold board meetings whenever needed, but normally six to eight times a year. The chairman of the board can call extraordinary board meetings when deemed necessary. The CEO can call an extraordinary board meeting by agreement with the chairman of the board. In 2022, 19 board meetings were held. The CEO must attend the board meetings. The CFO also normally attends the meetings. The board is otherwise free to summon other members of the company's management or others to the board meetings. It is the chairman's responsibility to lead the board meetings. If he or she is absent, the meeting is chaired by the deputy chairman of the board. If both are absent, a chairman is elected at the board meeting.

THE BOARDS RESPONSIBILITY

The company's board has overall responsibility for management and control of the company. The board must adopt the company's strategy, budgets and business plans and at all times keep informed about the company's operations and financial development. The board is responsible for ensuring that the company's operations, financial accounts and liquidity are subject to satisfactory control. The board must monitor the company's management and ensure that the CEO carries out his duties in accordance with current instructions. The board can, at its own discretion, draw up additional guidelines for the company's operations.

The CEO prepares cases for deliberation by the board of directors. It is a priority to have matters prepared and presented in such a way that the board is provided an adequate basis for its deliberations. Minutes must be made for each board meeting, where a description of each case that has been dealt with, which decision the board has made and the basis on which the decisions in each individual case have been made is included.

AUDIT COMMITTEE

Scana ASA has an audit committee comprising of two of the members of the board of directors: Pål Selvik (chairperson) and Vidar Rabben (member).

The audit committee is independent from the management of the company. At least one of the members shall have either formal qualifications within accounting or auditing, or relevant experience and skills within the same. Pål Selvik have such experience and technical competence. The committee held 1 meeting in 2022, prior to December 2022 the whole board of directors were acting as audit committee.

The audit committee participates in the quality assurance of guidelines, policies, and other governing instruments pertaining to the company. The audit committee performs a qualitative review of the quarterly and annual reports of the company.

RISK MANAGEMENT AND INTERNAL CONTROL

The board of directors ensures that the company has internal control and appropriate systems for risk management in relation to the nature and scope of the business. In addition, the board conducts an annual review of the internal control system and the most significant risk areas. The aim is to maintain a comprehensive risk management process for the investment company Scana ASA, which also includes the risk areas in the individual portfolio companies. Risk management is thus followed up by both the CEO and the board of directors of Scana ASA and by the board of directors and management of the portfolio companies.

The board of directors and management of each portfolio company have independent responsibility for internal control and risk management in their respective companies. The operational risk management is thus delegated to the portfolio companies. In the annual review by the board of Scana ASA, the overall risk and the risk management system for each individual portfolio company are reviewed, as well as the aggregated operational risk.

The board of directors and management of Scana ASA mainly focus on risk management and control linked to their role as owner of the portfolio companies and the factors that may affect the value of the investments or otherwise give exposure to the company's balance sheet, liquidity and reputation. This includes liquidity development, guarantee exposure, risk in major customer contracts in the portfolio companies, interest rate and currency risk, quality of reporting from the portfolio companies, processes related to the purchase and sale of companies, as well as reputational risk.

Scana ASA and the portfolio companies has a joint financing solution. This means that the main responsibility for financial risk management lies with the parent company. A system has also been established whereby each portfolio company is allocated a certain proportion of the total available liquidity limits, adapted to its expected capital needs. In addition, Scana ASA retains a share of the liquidity that is used for the company's own purposes, as well as available liquidity that can be added to the portfolio companies under given criteria. Liquidity development and liquidity forecasts are regularly reported from the portfolio companies to Scana ASA and reviewed by the board of directors at the ordinary board meetings.

The portfolio companies are exposed to currency risk. With portfolio companies in Norway and Sweden, the various companies have different currency positions and some of these can offset or reinforce each other. A joint system has therefore been established for hedging currency risk at group level. Responsibility for interest hedging lies with Scana ASA as part of the joint financing solution. For further details, reference is made to the annual report.

The portfolio companies have their own finance departments. The finance department in Scana ASA is responsible for consolidating the group's accounts and reports, as well as reporting to the board, banks, owners and the capital market. In addition, the department provides professional assistance to the portfolio companies and performs tasks related to control and risk management that are within Scana ASA's area of responsibility.

It is the board's opinion that Scana ASA's overall strategy, management principles, organizational structure and ethical guidelines contribute to a satisfactory control environment.

REMUNERATION OF THE BOARD OF DIRECTORS

The remuneration of the board of directors is decided by the general meeting, following a recommendation from the nomination committee. The remuneration is not performance-related, and no options are issued to board members. All forms of remuneration to the members of the board appear in disclosure 10 to the annual accounts.

More detailed information about the reward of individual board members is provided in disclosure 9 in the consolidated financial statements of the company, included in the annual report for 2022.

REMUNERATION OF EXECUTIVE PERSONNEL

The board of directors has adopted guidelines for the remuneration of executive management. These set out the main principles for the company's executive remuneration policy and are presented to the company's general meeting. Determining the salary and other remuneration for executive personnel is carried out by the board in a meeting, and presented as information to the general meeting. See disclosure 9 for further information regarding remuneration to executive personnel.

INFORMATION AND COMMUNICATION

Scana ASA must provide the stock market with relevant and complementary information as a basis for a balanced and correct valuation of the share. The company emphasizes an open dialogue with the stock market and the media.

The information is communicated through stock exchange announcements, press releases, quarterly reports and presentations for analysts and investors. The company's website (*www.scana.no*) has information for investors. This includes, among other things, annual reports and quarterly reports.

TAKE-OVERS

The board of directors has not deemed it appropriate to adopt specific guidelines for takeover situations. There are also no other obstacles that should limit the purchase of the company's shares.

No main principles have been established for how Scana ASA will act in the event of a takeover offer, except that the Norwegian Code of Practice will have a normative function. Scana's financing agreement with DNB has a normal change of control clause which means a continuation of the finance agreement is subject to approval from the bank.

AUDITORS

Scana ASA's policy is to use the same audit firm in all portfolio companies. The board of directors each year arranges for the auditor to submit to the audit committee a plan for the audit work to be conducted such year. The auditor prepares an annual statement to the board confirming fulfilment of the independence requirement applicable to auditors. All meetings of the audit committee are attended by the auditor who also attends the part of the board meeting approving the annual financial statements. The audit committee set guidelines on the scope for using the auditor for services other than auditing and makes recommendations to the board of directors concerning the appointment of the auditor and the approval of the auditor's fees. Fees payable to the auditor split on auditing and other services are specified in the Auditor Fees note to the consolidated financial statements of the company. The auditor fees are subject to approval by the annual general meeting. Scana ASA does not have its own internal audit department, but uses resources from an external audit firm should the need for such an audit arise.

CONSOLIDATED FINANCIAL STATEMENTS – SCANA GROUP

SCANA GROUP | INCOME STATEMENT

PERIOD 1 JANUARY – 31 DECEMBER *(thousand NOK)*	*Disclosure*	2022	2021
OPERATING REVENUE			
Operational revenue	*2/6/16*	886 666	304 258
Other revenue	*8*	25 032	422
Total operating revenue		**911 698**	**304 680**
OPERATING EXPENSES			
Materials. goods and services	*8/20/29*	438 198	169 750
Payroll expenses	*9/10*	329 425	87 601
Other operating expenses	*8/16/13*	73 448	30 674
Total operating expenses		**841 071**	**288 025**
EBITDA		**70 627**	**16 655**
Depreciation. amortisation. impairment	*12/13/14*	89 600	8 211
Operating profit/loss (–)		**-18 973**	**8 444**
Income from interests in associated companies	*7*	4 314	3 311
FINANCIAL INCOME AND EXPENSES			
Interest income		969	33
Interest expense	*13/23*	-41 673	-5 707
Net currency gain/loss (–)	*20*	4 020	-2 023
Other financial income/expenses (–)	*8*	-4 479	-2 028
Net financial income/expenses (–)		**-41 163**	**-9 725**
Profit/loss (–) before tax – continuing operations		**-55 822**	**2 030**
Income tax expense	*11*	-11 322	-24 289
Profit/loss (–) – continuing operations		**-44 500**	**26 319**
Gain - discontinued operations		0	438
Profit/loss (–) – discontinued operations		**0**	**438**
Profit/loss (–)		**-44 500**	**26 757**
THE PROFIT/LOSS IS DISTRIBUTED AS FOLLOWS			
Owners of the company	*27*	-44 500	26 757
Profit/loss (–)		**-44 500**	**26 757**
Earnings per share	*27*	-0.12	0.25
Diluted earnings per share	*27*	-0.12	0.23

SCANA GROUP | STATEMENT OF OTHER COMPREHENSIVE INCOME

PERIOD 1 JANUARY – 31 DECEMBER *(thousand NOK)*	*Disclosure*	**2022**	**2021**
Profit/loss (–)		-44 500	26 757
OTHER COMPREHENSIVE INCOME			
Items that may be reclassified subsequently to profit or loss			
Reclassification exchange differences		0	-566
Exchange difference on translations of foreign operations		-620	-132
Other comprehensive income, net of tax		**-620**	**-698**
Total comprehensive income, net of tax		**-45 120**	**26 059**
THE TOTAL COMPREHENSIVE INCOME IS DISTRIBUTED AS FOLLOWS			
Owners of the company		**-45 120**	**26 059**
Total comprehensive income, net of tax		**-45 120**	**26 059**

SCANA GROUP | STATEMENT OF FINANCIAL POSITION

(thousand NOK)	*Disclosure*	**31.12.22**	**31.12.21**
NON-CURRENT ASSETS			
Deferred tax assets	*2/11*	52 373	60 285
Goodwill	*11*	274 166	0
Intangible assets	*12*	71 602	1 772
Right of use assets	*2/13/25*	402 584	7 540
Property, plant and equipment	*14/25*	147 883	11 757
Investment in associated companies	*7*	36 320	31 420
Financial assets	*7/10/17/22*	4 915	2 025
Total non-current assets		**989 843**	**114 799**
CURRENT ASSETS			
Inventories	*15/25*	65 960	13 355
Trade receivables	*16/20/21/25/29*	160 821	39 734
Contract assets	*2/16/20/25*	125 304	18 818
Derivatives	*20/21*	2 262	84
Prepayments and other current receivables	*17/20/21*	31 522	7 613
Cash and cash equivalents	*20/21/22*	2 647	28 992
Total current assets		**388 516**	**108 596**
Total assets		**1 378 359**	**223 395**
EQUITY			
Paid-in capital	*26/27/28*	1 136 180	704 404
Other equity		-643 546	-602 273
Total equity		**492 634**	**102 131**
NON-CURRENT LIABILITIES			
Loans and borrowings	*20/23/25*	129 709	0
Lease liabilities	*2/20/21/23/24*	338 033	4 429
Pension obligations	*10*	1 883	2 025
Deferred tax liability	*11*	0	2 891
Total non-current liabilities		**469 625**	**9 345**
CURRENT LIABILITIES			
Loans and borrowings	*20/21/22/23/25*	22 214	38 253
Lease liabilities	*2/20/21/23/24*	74 110	3 535
Trade payables	*19/20/21/29*	108 946	20 426
Contract liabilities	*16*	111 997	15 700
Derivatives	*20/21*	1 971	967
Other current liabilities	*18*	96 862	33 038
Total current liabilities		**416 100**	**111 919**
Total equity and liabilities		**1 378 359**	**223 395**

SCANA GROUP | STATEMENT OF CASH FLOW

(thousand NOK)	*Disclosure*	**2022**	**2021**
CASH FLOW FROM OPERATING ACTIVITES			
Profit/loss (–) before tax		-55 822	2 030
Tax paid	*11*	3	-549
Gain (–)/loss	*7/12/13/14*	-9 461	-3 311
Depreciation, amortisation, impairment	*12/13/14*	89 600	8 211
Share based payment (non cash element)	*9*	3 847	1 740
Unrealized foreign currency gain/loss and derivates		429	11 186
Interest income		-969	-33
Interest expense		41 673	5 707
Interest received		969	33
Change in trade debtors, contract assets and contract liabilities	*16*	34 029	-6 678
Change in inventories	*15/30*	-19 613	619
Change in trade payables	*19*	-19 181	-668
Change in other current assets and liabiities	*17/18*	4 481	6 772
Net cash – operating activities		**69 985**	**25 059**
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment	*12/14*	5 280	290
Acquisition of property, plant, equipment and intangible assets	*12/14*	-19 377	-1 839
Proceeds from sale of shares		0	133
Disposal of discontinued operation – sales of business		0	-83
Cash acquisition of subsidiaries	*3*	57 162	0
Acquisition of subsidiaries and investments in shares	*3/7*	-249 419	0
Dividend associated companies	*7*	1 038	935
Net cash – investing activities		**-205 316**	**-564**
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from LT borrowings	*23*	145 000	0
Payments of LT borrowings	*23*	-15 000	0
Payments of leasing liabilities	*24*	-53 787	-3 731
Proceeds from ST borrowings	*23*	20 000	0
Payments of ST borrowings	*23*	-124 956	0
Proceeds from issue of new share capital	*28*	176 256	0
Paid other finance costs		-2 818	-176
Interests paid	*23/24*	-35 607	-1 674
Net cash – financing activities		**109 088**	**-5 581**
Net cash flows		**-26 243**	**18 914**
Cash and cash equiv, at beg, of period		28 891	11 137
Exch diff in cash and cash equiv		-1	-1 160
Cash and cash equiv, at end of period		2 647	28 891
Change in cash and cash equivalents	*22*	**-26 243**	**18 914**

SCANA GROUP | STATEMENT OF CHANGES IN EQUITY

		PAID-IN CAPITAL		OTHER EQUITY		
(thousand NOK)	*Disclosure*	**Share capital**	**Paid-in capital**	**Other equity**	**Currency differences**	**Total share-holders' equity**
Equity as of 1 January 2022		107 512	596 892	-603 684	1 411	102 131
Net profit/loss (–)				-44 500		-44 500
Total comprehensive income				-44 500	-620	-45 120
Option program	*9*			3 847		3 847
Paid-in capital	*28*	333 071	98 705			431 776
Equity as of 31 December 2022		**440 583**	**695 597**	**-644 337**	**791**	**492 634**

		PAID-IN CAPITAL		OTHER EQUITY		
(thousand NOK)	*Disclosure*	**Share capital**	**Paid-in capital**	**Other equity**	**Currency differences**	**Total share-holders' equity**
Equity as of 1 January 2021		107 512	596 892	-632 181	2 109	74 332
Net profit/loss (–)				26 757		26 757
Total comprehensive income				26 757	-698	26 059
Option program	*9*			1 740		1 740
Equity as of 31 December 2021		**107 512**	**596 892**	**-603 684**	**1 411**	**102 131**

DISCLOSURE 1 | SIGNIFICANT ACCOUNTING PRINCIPLES

CORPORATE INFORMATION

Scana ASA is headquartered at Wernersholmvegen 49, Bergen, in Norway. Scana is a public limited company listed on the Oslo Stock Exchange. The Group's activities are described in disclosure 6. The consolidated financial statements of Scana ASA for the fiscal year 2022 were approved in the board meeting on 28 April 2023.

The financial statements are presented in Norwegian kroner (NOK), and all numbers are rounded and given to the nearest thousand ('000) except when otherwise stated.

BASIS FOR PREPARATION

The Scana ASA's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and are mandatory for financial years beginning on or after 1 January 2022, and Norwegian disclosure requirements listed in the Norwegian Accounting Act as of 31 December 2022.

The financial statements have been prepared under the assumption of going concern, see disclosure 5. Annual accounts consist of income statement, comprehensive income, the statement of financial position, cash flow statement, statement of changes in equity and disclosures to the accounts.

The consolidated financial statements are based on historical cost, with the exception of the following:

- Financial instruments (derivatives) at fair value through profit or loss.
- Obligations linked to share-based schemes and schemes with cash settlement are measured at fair value through profit or loss.

The consolidated financial statements have been prepared on the basis of uniform accounting principles for similar transactions and events under otherwise similar circumstances.

FUNCTIONAL CURRENCY AND PRESENTATION CURRENCY

The presentation currency for the Group is NOK which is also the functional currency for the parent company Scana ASA. The functional currencies for the subsidiaries have been assessed to be their local currencies.

BASIS OF CONSOLIDATION

The Group's consolidated financial statements comprise the parent company Scana ASA and its subsidiaries as of 31 December 2022.

An entity has been assessed as being controlled by the Group when the Group is exposed for or have the rights to variable returns from its involvement with the entity and can use its power over the entity to affect the amount of the Group's returns.

The identifiable assets acquired, and the liabilities assumed, including contingent liabilities, are measured at fair value at the time of takeover.

Transferred consideration is measured at fair value. Excess of the total sum of transferred consideration, amount recognized for minority interests and fair value of any previously held equity interests in the acquired company in relation to the net value of identifiable acquired assets and assumed liabilities, is recognized as goodwill. Expenses incurred in connection with the takeover, beyond those related to debt and equity, are expensed. Companies that are bought or sold during the year are included in the consolidated accounts from the date when significant influence or joint control is achieved until such influence ceases.

Intercompany transactions, balances and unrealized gains or losses on transactions between Group companies are eliminated. Unrealized gains related to transactions with affiliated companies and joint ventures are eliminated with the Group's share in the business. Correspondingly, unrealized losses are eliminated, but only to the extent that there are no indications of a decrease in value of the asset that has been sold internally. When necessary, amounts reported by subsidiaries have been adjusted to conform to the Group's accounting policies.

REVENUE

REVENUE FROM CONTRACTS WITH CUSTOMER

IFRS 15 Revenue from Contracts with customers establishes a five-step method that applies to all customer contracts. Under the standard, only approved customer contracts with a firm commitment are basis for revenue recognition. The deliveries in the contracts are reviewed to identify distinct performance obligations, and revenue is recognized in line with how the entity satisfies these performance obligations – either over time or at a point in time. This assessment may involve significant judgement. For contracts with customers for which the performance obligations are satisfied over time, revenue is recognized over time using a cost progress method or as time and material are delivered to the customer. For contracts with customers for which the performance obligations are satisfied at a point in time, revenue is recognized at the point in time when the customer obtains control of the product or the service. Details of the accounting policies and the nature of performance obligations for each of the major types of customer contracts are set out in disclosure 6.

CONTRACT BALANCES

Contract assets: A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

Trade receivables: A receivable represents the Group's right to an amount of consideration that is unconditional.

Contract liabilities: A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made. Contract liabilities are recognized as revenue when the Group fulfils the performance obligation(s) under the contract.

GOVERMENT GRANTS

Government grants are recognized when there is reasonable assurance that the company will meet the conditions stipulated for the grants and that the grants will be received. The Group received support related to covid-19 in 2021 which was recognized as other revenue. Operating grants are recognized systematically during the grant period.

FOREIGN CURRENCIES

TRANSACTONS AND BALANCES

Transactions in foreign currency are translated to functional currency using the exchange rate at the date of the transaction. At the end of each reporting period foreign currency monetary items are translated using the closing rate, non-monetary items that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction and non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. Any currency differences are recognized in profit or loss as financial items.

CONSOLIDATION AND CONVERSION

Balance sheet items for foreign subsidiaries are converted to NOK using the exchange rates as of 31 December. All items in the income statement are converted to NOK via the weighted average exchange rate per month which is obtained from Norges Bank for the individual month. Consolidation leads to translation differences which is presented in other revenue and expenses and is included in the total result. Currency loss or -gains relating to debt in foreign currency, which for accounting purposes is considered to be a hedge investment in foreign subsidiaries, is entered as other revenue and expenses included in the total result. Exchange-rate differences in monetary amounts (liabilities or receivables) which are in reality a part of a company's net investment in a foreign entity are also included as translation differences.

INTANGIBLE ASSETS

Intangible assets with a definite economic life are amortized over their economic life and tested for impairment if there are any indications. The amortization method and period are assessed at least once a year. Changes to the amortization method and/or period are accounted for as a change in estimate.

GOODWILL

Goodwill is initially measured at cost, and is the excess of the aggregate of the consideration transferred and the amount recognised in the net identifiable assets acquired and liabilities assumed through a business combination.

After initial recognition, goodwill is measured at cost less any 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 (CGU) that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.
Goodwill is not depreciated but is tested at least annually for impairment. In connection with this, goodwill is allocated to cash-generating units which as balanced goodwill and are expected to benefit from synergies from the business combination. Goodwill recognized in the balance sheet will be re-assessed against the recoverable amount. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value in use.

RESEARCH AND DEVELOPMENT

Expenses relating to research and development are recognized in the statement of comprehensive income as they incur. Development expenses relating to a single project are capitalized as intangible assets when the following can be documented:

- The product or process is technically and commercially viable so that it becomes available for use or sale.
- The Group intends to finalize the intangible asset and make it available for use or sale.
- The Group has the ability to make the intangible asset available for use or sale.
- The asset will generate future economic benefits.
- The Group has sufficient resources to complete the development work.
- Expenses can be reliably measured.

All development expenses that are recognized in the balance sheet are reviewed by the board of the subsidiaries. It is documented how it is expected that the intangible asset will create future cash flow for the Group.

Capitalized development costs are recognized at their cost minus accumulated amortization and impairment losses. Capitalized development costs are amortized on a straight-line basis over the estimated useful life of the asset. Impairment tests are performed annually or more frequently if found necessary based on impairment indicator.
Losses or gains on the disposal of an intangible asset, calculated as the difference between the net sales amounts and balance amount, are recognized in the income statement.

RIGHT OF USE ASSETS

The Group measures the right of use asset at cost, less any accumulated depreciation and impairment losses, adjusted for any remeasurement of lease liabilities. The costs of the right of use asset comprise:

- The amount of the initial measurement of the lease liability recognized.
- Any lease payments made at or before the commencement date, less any incentives received
- Any initial direct costs incurred by the Group.
- An estimate of the costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

The Group applies the depreciation requirements in IAS 16 Property, Plant and Equipment in depreciating the right of use asset, except that the right of use asset is depreciated from the commencement date to the earlier of the lease term and the remaining useful life of the right of use asset. The Group applies IAS 36 Impairment of Assets to determine whether the right of use asset is impaired and to account for any impairment loss identified.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are valued at their cost less accumulated depreciation and impairment losses. When assets are sold or disposed of, the carrying amount is derecognized and any gain or loss is recognized in the statement of comprehensive income. Acquisition cost for tangible assets is the purchase price, including taxes/duties and direct costs directly linked to preparing the asset ready for its intended use. Expenses incurred after the asset is in use, such as regular maintenance expenses, are recognized in the statement of comprehensive income, while other expenses that are expected to provide future financial benefits are capitalized.

Buildings and land are assets that are either used by the Group's companies or owned to achieve rental revenue. Buildings and land are recognized at acquisition cost. Costs incurred after the asset is in use, such as regular maintenance costs, are recognized in the statement of comprehensive income, while other costs that are expected to provide future financial benefits are capitalized.
Depreciation is calculated on a straight-line basis over the estimated useful life of the assets, except for land. The period of use, the residual value and the depreciation method for the fixed assets are assessed each year.

The Group capitalizes larger periodic maintenance and depreciates it according to the maintenance interval.

IMPAIRMENT OF NON-CURRENT ASSETS

Impairment of non-current assets (including right-of-use assets) is considered yearly and when there are indications of impairment. If, and only if, the recoverable amount of an asset is less than carrying amount, the carrying amount of the asset shall be reduced to its recoverable amount. That reduction is an impairment loss. An impairment loss shall be recognized immediately in profit or loss. Recoverable amount is the higher of fair value less cost of disposal and value in use (the discounted cash flow given continued use).
Fair value less cost of disposal is the value that can be obtained by selling to a third-party less the cost of disposal.

Recoverable amount is determined separately for all operating assets, but if this is not possible, it is determined together with the cash-flow generating unit the tangible asset is linked to.
Previously recognized impairment will be reversed when available information confirms that there is no longer indication of impairment. The reversal is recognized in the statement of comprehensive income. Reversal of impairment is constrained, so the value of the asset will not be higher than the asset value and planned recognized depreciations.

INVESTMENT IN ASSOCIATED COMPANIES

Associates are entities over which the Group has significant influence, but not control or joint control over the financial and operating management. (Normally ownership between 20 % and 50 %). Associates are accounted for using the equity method from the date when significant influence or joint control is achieved until such influence ceases. Investments in associates are initially recognized at cost. If the Group's share of the loss surpasses the carrying amount of the associate, the carrying amount is set to zero and further loss is not recognized unless the Group has an obligation to make up for the loss.

FINANCIAL ASSETS

The Group's financial assets are derivatives, non-listed equity instruments, quoted debt instruments, trade receivables and cash and cash equivalents. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, and fair value through other comprehensive income and transaction costs.

The Group classified its financial assets in two categories:

- Financial assets at amortized cost
- Derivatives at fair value designated as hedging instruments

FINANCIAL ASSETS AT AMORTIZED COST

The Group measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and,
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified, or impaired.

The Group's financial assets at amortized cost includes trade receivables and other short-term deposit. Trade receivables that do not contain a significant financing component are measured at the transaction price determined under IFRS 15 Revenue from contracts with customers.

DERECOGNITION OF FINANCIAL ASSETS

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognized (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
  - *a)* the Group has transferred substantially all the risks and rewards of the asset, or
  - *b)* the Group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

IMPAIRMENT OF FINANCIAL ASSETS

The measurement of allowance for expected credit losses (ECL) in the general model depends on whether the credit risk has increased significantly since the initial recognition. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). The 12-month expected loss is the proportion of the loss that is expected to occur over the lifetime of the asset the instrument, which can be linked to events occurring in the first 12 months. For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The general model means that on every reporting date the Group evaluates whether there has been one significant increase in the credit risk for the relevant assets after initial recognition. It is the change in risk of default that is assessed. When assessing whether the risk of default has increased significantly, the company must evaluate relevant information, both about historical, current, and future conditions. Conditions that are evaluated include:

- Change in the instrument's external credit rating since initial recognition
- Change in external market indications relating to credit risk
- Existing or expected changes in the borrower's business, or circumstances in general, which can negatively affect the ability to fulfil its obligations
- Significant changes in the borrower's results, working capital or similar
- Regulatory conditions implemented or expected to be implemented that can affect the instrument

If there has been a significant increase in the credit risk after initial recognition, the financial asset is transferred to step 2 or 3, and the loss provision then constitutes the expected loss over the lifetime of the instrument. Instruments are classified at stage 3 when the instruments are credit impaired, i.e., when external evidence can confirm that a loss has occurred.
Loss provisions must be expected losses, based on the best available information on the time of estimation relating to historical, current and future conditions.

FINANCIAL LIABILITIES

Derivatives are recognized initially at fair value. Loans, borrowings, and payables are recognized at fair value net of directly attributable transaction costs. Derivatives are financial liabilities when the fair value is negative, accounted for similarly as derivatives as assets.

LOAN, BORROWINGS AND PAYABLES

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.
Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the income statement.
Payables are measured at their nominal amount when the effect of discounting is not material.

DERECOGNITION OF FINANCIAL LIABILITIES

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the income statement.

INVENTORIES

Inventories, which consist of purchased goods and in-house produced products, are valued at the lowest of purchase/production cost and expected net selling price. The net selling price is the estimated selling price in the case of ordinary operations minus the estimated completion, marketing, and distribution costs. The acquisition cost is arrived at using the FIFO method and includes the costs incurred in acquiring the goods and the costs of bringing the goods to their current state and location. In-house produced goods include raw materials, energy, direct labour, and a share of the indirect costs that can be allocated based on normal capacity utilization, including maintenance and depreciation.

TRADE RECEIVABLE

Trade receivable is recognized at amortized cost. Provision for losses is made after a concrete assessment of each individual receivable.

CASH AND CASH EQUIVALENTS

Cash includes cash in hand and at bank. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. For an investment to qualify as a cash equivalent it must be readily convertible to a known amount of cash, be subject to an insignificant risk of changes in value and have a maximum term to maturity of three months.
Bank deposits may also include restricted funds that may have a lock-in period of more than three months, but less than twelve months. Reference is made to disclosure 22 for further information of bank deposits and overdrafts. Included in liquidity in the cash flow statement overdraft.

In the Group's cash flow analysis cash and cash equivalents consist as defined above. The cash flow analysis has been prepared according to the indirect method.

NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

Non-current assets and Groups of non-current assets and liabilities are classified as held for sale if their carrying amount will be recovered through a sales transaction instead of through continued use. This is only regarded as having been fulfilled when a sale is highly probable, and the non-current asset (or Groups of non-current assets and liabilities) is available for immediate sale in its present form. The management must be committed to a sale and the sale must be expected to be carried out within one year after the classification date.

Non-current assets and Groups of non-current assets and liabilities which are classified as held for sale are valued at the lower of their former carrying amount or fair value minus sales costs. Assets are presented separately in the balance sheet as "Assets classified as held for sale" and liabilities are presented as "Liabilities classified as held for sale".

Discontinued operations are defined as a company or part of a company that has either been disposed of or classified held for sale and:

- Which represents a separate and significant business or a separate and significant geographical operating area, where materiality is assessed both in relation to the size of the business and whether the business is different from other businesses in the Group or segment in general
- Is part of a single coordinated plan to dispose of a separate and significant business or a separate and significant geographic operating area; or
- Is a subsidiary acquired exclusively for resale.

Discontinued operations are presented separately from the result from continued operations in the income statement in the account "Annual result of discontinued operations (after tax)". Profit after tax from discontinued operations as well as gains or losses for assets or disposal Groups are included in the account. Additional specifications are given in disclosures. Comparative figures for the discontinued operations are changed accordingly.

LEASING

The Group has entered into lease agreements relating to assets mentioned in disclosure 24. IFRS 16 sets out principles for recognition, measurement, presentation, and information about leasing. The Group as lessee recognizes assets and liabilities for all leases. At the time of implementation of a lease agreement, the company recognizes the associated lease liability to future lease payments and an asset that represents the right of use of the underlying asset during the lease period (right of use asset).

IDENTIFYING A LEASE

At the inception of a contract, The Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

RECOGNITION OF LEASES AND EXEMPTIONS

At the lease commencement date, the Group recognizes a lease liability and corresponding right of use asset for all lease agreements in which it is the lessee, except for the following exemptions applied:

- Short-term leases (defined as 12 months or less)
- Low value assets

For these leases, the Group recognizes the lease payments as other operating expenses in the income statement when they incur.

LEASE LIABILITIES

The Group measures the lease liability at the present value of the lease payments for the right to use the underlying asset during the lease term that are not paid at the commencement date. The lease term represents the non-cancellable period of the lease, together with periods covered by an option either to extend or to terminate the lease when the Group is reasonably certain to exercise this option.

The lease payments included in the measurement comprise of:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable.
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.
- Amount expected to be payable by the Group under residual value guarantees.
- The exercise price of a purchase option, if the Group is reasonably certain to exercise that option.
- Payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (see disclosure 24), reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect adjustments in lease payments due to an adjustment in an index or rate. The Group does not include variable lease payments that depend on an index or a rate in the lease liability. Instead, the Group recognizes these variable lease expenses in profit or loss. The Group presents its lease liabilities as separate line items in the statement of financial position.

The company classifies lease payments as follows in the cash flow statement:

- Lease payments linked to the principal amount of the contract are classified as financing activity on a separate line “repayment of lease obligations”.
- Interest paid includes interest related to leases, classified as financing activity.
- Short-term leases (less than twelve months), payments related to low-value leases and leases with variable payments are classified as operational activity.

PENSION COST AND LIABILITIES

The Group's pension plans consist of defined contribution pension and AFP plans for the Group's Norwegian employees and benefit plans ("multi-employer plans") for the Group's Swedish employees. The pension plans which are administered separately (contribution-based pension plan) the annual payments/subsidies are included in personnel expenses.

Pension liabilities are valued at the present value of future pension rights earned at the balance sheet date on the basis of linear accrual and expected final salary. The pension plan's funds are valued at assumed market value. Net pension liabilities (pension liabilities minus the pension plan's funds) are classified in the balance sheet as long-term liabilities. The net liability includes employer's tax.

The AFP plan for the Group's Norwegian employees and the benefit plan for the Group's Swedish employees are considered as so-called "multi-employer plans". These pension plans are treated as defined contribution pension plans in the accounts because the necessary information to treat the plan as defined benefit plans are not yet available from the life insurance company that administers the pension plan. When the necessary information is available, and the pension plan are accounted for as defined benefit arrangements in accordance with IAS 19, this could have an effect on the consolidated accounts.

TAXES

INCOME TAXES

Income taxes comprise taxes on the taxable profit for the year, changes in deferred taxes and any adjustments in prior years' taxes. Taxes on transactions that are recorded in other comprehensive income or directly in equity do not form part of the tax expense in profit or loss.
Tax payable is calculated using the nominal tax rate for the relevant tax jurisdiction at the end of the reporting period.

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 assessment of whether deferred tax assets can be recognized in the balance sheet, including deferred tax assets linked to losses carried forward, is made separately within each individual tax regime. 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 in the balance sheet is entered at nominal value and is calculated on the basis of temporary differences between tax and accounting values for assets and liabilities on the balance sheet date, adjusted for tax loss carry forwards.

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. It is based on tax rates and tax rules that have are adopted on the balance sheet date.

Taxes payable and deferred taxes are recognized directly in equity to the extent that they relate to equity transactions.

PAYABLE TAX

Receivables and liabilities regarding payable tax for the current period and previous periods is recognized in the balance sheet at the amount that is expected to be paid from or paid into the tax authorities.

PROVISIONS

A provision is recognized when the Group has an obligation (legal or self-imposed) as a result of a previous event, it is probable (more likely than not) that a financial settlement will take place as a result of this obligation and the size of the amount can be measured reliably. If the effect is considerable, the provision is calculated by discounting estimated future cash flows using a discount rate before tax that reflects the market's pricing of the time value of money and, if relevant, risks specifically linked to the obligation. In the case of discounting, profit and loss is recognized the interest rate effect as a financial expense.

Warranty provisions are recognized when the product is sold, or the service is provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

Restructuring provisions are recognized when the Group has approved a detailed, formal restructuring plan and the restructuring has either started or been publicly announced.

Provisions for loss-making contracts are recognized when the Group's expected revenue from a contract is lower than costs incurred to fulfill the obligations in the contract.

SHARE BASED PAYMENT

An option program has been entered into for the management of Scana ASA and the general manager of the subsidiaries that are being made up by issuing shares. See further comments in disclosure 9.

The value of granted options is accrued over the agreed period the employee gains the right to receive the options, or when purchasing services from external parties over the service period of the share consideration agreed to cover.

CONTINGENT LIABILITIES AND ASSETS

Contingent liabilities are not recognized in the annual accounts. Significant contingent liabilities are disclosed, with the exception of contingent liabilities that are unlikely to be incurred.

Contingent assets are not recognized in the annual accounts but are disclosed if there is a certain probability that a benefit will be added to the Group.

FAIR VALUE MEASUREMENT

The Group measures certain financial instruments at fair value. This applies to currency contracts. The fair value of financial liabilities is also disclosed measured at amortized cost.

Fair value is the price that would have been used to sell an asset or paid to transfer one obligation in the primary market at the measurement time under the prevailing market conditions, regardless of whether the price is directly observable or estimated using another valuation technique.

Scana uses the following hierarchy when assessing and presenting the fair value of the financial instruments.

Level 1: Listed prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: Input other than quoted prices from active markets included in level 1, which are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices). To calculate the value of open foreign exchange contracts, it is obtained from Norges Bank on the closing date.

Level 3: Input for the asset or liability that is not based on observable market data.

GOING CONCERN

The annual report is prepared under the assumption of going concern. See comments in disclosure 5.

SUBSEQUENT EVENTS

New information on the company's financial position on the end of the reporting period which becomes known after the reporting period is recorded in the annual accounts. Events after the reporting period that do not affect the company's financial position on the end of the reporting period, but which will affect the company's financial position in the future are disclosed if significant.

CHANGES IN ACCOUNTING POLCITIES AND DISCLOSURES APPLICABLE FROM 2022:

The accounting principles used are consistent with the principles used in the previous accounting period, with the exception of the changes in IFRS that have been implemented by the Group in the current accounting period together with the aforementioned changes in the general information section. The changes are listed below in IFRS that has been relevant for the Group with effect for the 2022 accounts, as well as the effect this has on the Group's annual accounts.

The accounting policies adopted are consistent with those of the previous financial year, except for the amendments to IFRS which have been implemented by the Group during the current financial year. Below we have listed the amendments in IFRS which have been applicable for the Group's 2022 financial statements, as well as the effect of the amendments.
The following new and amended standards and interpretations have been implemented for the first time in 2022:

AMENDMENTS TO IFRS 3 – REFERENCE TO THE CONCEPTUAL FRAMEWORK

The Group has not identified any impact connected to the amendments.

AMENDMENTS TO IAS 16 – PROCEEDS BEFORE INTENDED USE

Adoption of the IAS 16 amendments has no significant effect on the Group account during 2022.

AMENDMENTS TO IAS 37 – ONEROUS CONTRACTS, COST OF FULFILLING A CONTRACT

An onerous contract is a contract under which the unavoidable cost of meeting the obligations under the contract costs exceed the economic benefits expected to be received under that contract. The amendments clarify that for the purpose of assessing whether a contract is onerous, the cost of fulfilling the contract includes both the incremental costs (e.g., the costs of direct labor and materials) of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contract activities (e.g., depreciation of equipment used to fulfil the contract, as well as costs of contract management and supervision). Costs that do not relate directly to a contract (e.g., general and administration costs) shall not be included unless they are explicitly chargeable to the counterparty under the contract.

The amendments must be applied prospectively to contracts for which the entity has not yet fulfilled all of its obligations at the beginning of the annual reporting period in which it first applies the amendments.

Adoption of the IAS 37 amendments has no significant impact on the Group account.

IFRS 9 FINANCIAL INSTRUMENTS – FEES IN THE '10 PERCENT' TEST FOR DERECOGNITION OF FINANCIAL LIABILITITES

The adoption of amendments according to IAS 37 has no significant effect.

CHANGES WITH EFFECT FOR FINANCIAL YEARS STARTING ON 1 JANUARY 2023 OR LATER:

AMENDMENTS TO IAS 1 – CLASSIFICATION OF LIABILITIES AS CURRENT OR NON-CURRENT

The International Accounting Standards Board has issued amendments to IAS 1 Presentation of Financial Statements to clarify how to classify debt and other liabilities as current or non-current.

The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The amendments include clarifying the classification requirements for debt a company might settle by converting it into equity.

The amendments must be applied retrospectively and are effective for annual periods beginning on or after 1 January 2023. The Group does not intend to early adopt the amendments.
It is expected that the amendments may have no significant effects.

AMENDMENTS TO IAS 8 – DEFINITION OF ACCOUNTING ESTIMATES

IASB has issued amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates. That distinction is important because changes in accounting estimates are applied prospectively only to future transactions and other future events, but changes in accounting policies are generally also applied retrospectively to past transactions and other past events.

The amendments are effective for annual periods beginning on or after 1 January 2023, but earlier application is permitted. The Group does not intend to early adopt the amendments.
It is expected that the amendments do not have a significant effect.

AMENDMENTS TO IAS 1 AND IFRS PRACTICE STATEMENT 2 – DISCLOSURE OF ACCOUNTING POLICIES

Following feedback that more guidance was needed to help companies decide what accounting policy information should be disclosed, IASB has issued amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements. The amendments to IAS 1 require companies to disclose their material accounting policy information rather than their significant accounting policies. The amendments to IFRS Practice Statement 2 provide guidance on how to apply the concept of materiality to accounting policy disclosures.
The amendments are effective for annual periods beginning on or after 1 January 2023, but earlier application is permitted as long as this fact is disclosed. The Group does not intend to early adopt the amendments.
It is expected that the amendments do not have a significant effect.

AMENDMENTS TO IAS 12 – DEFERRED TAX RELATED TO ASSETS AND LIABILITIES ARISING FROM A SINGLE TRANSACTION

The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of IAS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The aim of the amendments is to reduce diversity in the reporting of deferred tax on leases and decommissioning obligations.

IAS 12 Income Taxes specifies how a company accounts for income tax, including deferred tax, which represents tax payable or recoverable in the future. In specified circumstances, regulated in IAS 12.15 and IAS 12.24, companies are exempt from recognizing deferred tax when they recognize assets or liabilities for the first time. Previously, there had been some uncertainty about whether the exemption applied to transactions such as leases and decommissioning obligations - transactions for which companies recognize both an asset and a liability.
The amendments clarify that the exemption does not apply and that companies are required to recognize deferred tax on such transactions. The aim of the amendments is to reduce diversity in the reporting of deferred tax on leases and decommissioning obligations.

The amendments are effective for annual periods beginning on or after 1 January 2023.

It is expected that the amendments do not have a significant effect.

DISCLOSURE 2 | CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTIES

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the Management to exercise its judgment in the process of applying the Group's accounting policies. Estimates and critical accounting judgement are evaluated on an ongoing basis and are based on historical experience and other factors including expectations about future events which are probable given present circumstances.

The Group prepares estimates and makes assumptions related to the future. The accounting estimates which follow from this are, by definition, associated with a degree of uncertainties and will give deviation relative to actual outcome. Furthermore, the choice of accounting principles and degree of uncertainty could affect the accounts.

The areas involving higher degree and judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are presented in the table below. See descriptions linked to the various accounting items below:

			ACCOUNTING JUDGEMENTS	*ESTIMATE UNCERTAINTY*
Accounting item	*Disclosure*	**Estimate/Assumptions**	**Carrying amount**	**Carrying amount**
Deferred tax assets	*11*	Assessment of the ability to utilize tax positions in the future		52 373
Goodwill and intangible assets	*12*	Estimation of value in use		345 768
Right of use assets	*13*	Incremental borrowing rate and the exercise of options	402 584	
Contract assets	*16*	Revenue over time		125 304
Leasing liabilities	*24*	Assessment of the obligation related to interest and the exercise of options	412 143	

DEFERRED TAX ASSETS – ESTIMATE UNCERTAINTY

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

If the Group was able to recognize all unrecognized deferred tax assets, profit and equity would have increased by NOK 20.2 million. Further details on taxes are disclosed in disclosure 11.

GOODWILL AND OTHER INTANGIBLE ASSETS – ESTIMATE UNCERTAINTY

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognized by the Group. The key assumptions used to determine the recoverable amount for the different CGUs, including a sensitivity analysis, are disclosed and further explained in disclosure 12.

CONTRACT ASSETS/CONTRACT LIABILITIES – ESTIMATE UNCERTAINTY

Contract assets are linked to larger projects where income is recognized over time. Assumptions are made in relation to estimated costs and profits connected to the projects. Each contract is reviewed and identified according to the delivery obligations. Assessments and assumptions are also made relating to measurement of completion. Changes in the assumptions can lead to the recognition of income and profits deviates from the underlying value creation, relative to the project's total revenue and profit. Profit can thus be accounted for too early or too late in the project.

LEASE LIABLITIES/RIGHT OF USE – ACCOUNTING JUDGEMENT/ESTIMATE UNCERTAINTY

ESTIMATING THE INCREMENTAL BORROWING RATE

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate to measure lease liabilities. This is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right of use asset in a similar economic environment. The incremental borrowing rate therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available. The Group estimates the incremental borrowing rate using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

DETERMINING THE LEASE TERM OF CONTRACTS WITH RENEWAL OPTIONS

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised. The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew.

DISCLOSURE 3 | BUSINESS COMBINATION

ACQUISITION OF PSW

On 11 January 2022, Scana acquired 100 % of the shares in PSW. PSW is a leading player in electrification and shore power, as well as a major supplier of products and services to the offshore and maritime industry. PSW will take a unique position as a leading supplier to the maritime industry with a special focus on supporting the industry's transition to sustainable operations. The transaction will support Scana's strategy to lead the way in the transition to a more sustainable operation in the global maritime industry. Scana will be a total partner for the green shift to players in shipping, offshore, energy and aquaculture. The PSW's revenues in 2021 were NOK 623 million. At the time of the transaction, PSW had 250 employees.

If the acquisition had occurred on 1 January 2022, management estimates that consolidated revenue and loss for the year would not have changed significantly.

CONSIDERATION TRANSFERRED

The following table summarizes the acquisition date fair value of each major class of consideration transferred.

	11.01.2022
Cash	234 085
Seller credit	47 000
Shares in Scana ASA (124 224 737 shares)	173 915
Total consideration transferred	**455 000**

The fair value of the ordinary shares issued was based on the listed share price of the company at 11 January 2022.

IDENTIFIED ASSETS ACQUIRED AND LIABILITIES ASSUMED

The fair value of identifiable assets and liabilities is based on a purchase price allocation. The following table summarizes the recognized amounts of assets acquired and liabilities assumed at the date of acquisition.

	11.01.2022
Deferred tax assets	222
Customer contracts and relationships	46 911
Research and development	17 119
Licences and patents	3 489
Property, plant and equipment	145 358
Right of use assets	430 910
Net working capital	39 936
Deferred tax liability	-22 220
Lease liabilities	-430 910
Net debt	-45 081
Total identifiable net assets acquired	**185 734**

The fair value of the trade receivables amounts to NOK 133.4 million. The gross amount of trade receivables is NOK 143.8 million of which NOK 10.4 million was expected to be uncollectable at the date of acquisition.

GOODWILL

Goodwill arising from the acquisition has been recognised as follows.

	11.01.2022
Total consideration transferred	455 00
– Fair value of identifiable net assets acquired	-185 734
Goodwill	**269 266**

The goodwill-value can be explained by synergies, economies of scale, expectations of future profitability and growth and expectations of better market conditions.

The purchase price allocation and the accounting for the acquisition is final. Therefor there will be no adjustments to the above amounts in subsequent accounting periods.

ACQUISITION OF TRANS CONSTRUCTION

Through PSW Power & Automations AS, Scana ASA signed an agreement to purchase 100 % of the shares in Trans Construction AS based on an equity value of NOK 25 million. The transaction was completed 31 January 2022. The company had 11 employees. By incorporating Trans Construction AS into PSW Power & Automation AS, Scana see potential for synergies and opportunities to step into new markets. The acquisition also forms the basis for increased market shares within modular units for battery systems, hydrogen power systems, shore power systems and E-house modules for offshore wind.

If the acquisition had occurred on 1 January 2022, management estimates that consolidated revenue for the year would have been NOK 916 million, and consolidated loss for the year would have been NOK -43.6 million.

CONSIDERATION TRANSFERRED

The following table summarizes the acquisition date fair value of each major class of consideration transferred.

	31.01.2022
Cash	12 458
Seller credit	12 500
Total consideration transferred	**24 958**

The fair value of the ordinary shares issued was based on the listed share price of the company at 11 January 2022.

IDENTIFIED ASSETS ACQUIRED AND LIABILITIES ASSUMED

The fair value of identifiable assets and liabilities is based on a purchase price allocation. The following table summarizes the recognized amounts of assets acquired and liabilities assumed at the date of acquisition.

	31.01.2022
Deferred tax assets	-27
Property, plant and equipment	600
Right of use assets	6 200
Net working capital	-2 000
Lease liabilities	-6 200
Net debt	21 500
Total identifiable net assets acquired	**20 073**

The fair value of the trade receivables amounts to NOK 7.4 million. The gross amount of trade receivables is NOK 7.4 million and it is expected that the full contractual amounts can be collected.

GOODWILL

Goodwill arising from the acquisition has been recognised as follows.

	31.01.2022
Total consideration transferred	24 973
– Fair value of identifiable net assets acquired	-20 073
Goodwill	**4 900**

The goodwill-value can be explained by synergies, economies of scale, expectations of future profitability and growth and expectations of better market conditions.

The purchase price allocation and the accounting for the acquisition is final. Therefor there will be no adjustments to the above amounts in subsequent accounting periods.

DISCLOSURE 4 | SUBSEQUENT EVENTS

BOARD AND CEO

On 12 January 2023 the board decided to appoint Oddbjørn Haukøy as interim CEO, and that a recruitment process shall be initiated with the aim to identify a permanent replacement as CEO. Chairman of the board Dag Schjerven and the board members Rune Magnus Lundetræ and Marianne Lie have at the same time informed the board that they resign from their positions with immediate effect. The board will, in dialogue with the nomination committee, consider whether an extraordinary general meeting shall be convened to elect new board members.

EQUINOR CONTRACT

On 25 January 2023, Equinor has awarded PSW Technology a three-year contract for maintenance services to the Mongstad refinery. The substantial contract has an annual value of approx. NOK 200 million, or a total of approx. NOK 1.8 billion if the options are fulfilled and the Group has the assignment for the next nine years.

OFFSHORE DEVELOPMENT PROJECT

On 30 March PSW Power & Automation and Trans Construction (ATC) secured a new contract for the design, manufacture, and preassembly of a major e-house module for an Oil & Gas customer. The e-house module will be a part of an offshore development project on the UK sector.

LOI – MOORING SYSTEM

On 30 January 2023, Seasystems was awarded a letter of intent (LOI) for the delivery of a mooring system to a floating LNG terminal in Germany. The letter of intent is entered into with the intension to secure good cooperation in conjunction with a potential contract for a FSRU mooring system. The Group' scope consists of a complete mooring solution including design, analysis, model testing and mooring equipment such as chain, chain stoppers, jacks and winches. The project has been in an engineering phase for the past six months.

DISCLOSURE 5 | GOING CONCERN

The financial statementis prepared based on going concern. The board confirms the going concern assumption is present in accordance with Section 3–3c of the Accounting Act.

The Group achieved a positive EBITDA amounting to NOK 70.6 million compared to NOK 16.7 million last year. Adjusted EBITDA in 2022 was NOK 76.5 million versus NOK 23.7 million last year. See alternative performance measures. The Group's equity amounts to NOK 492.6 million and the liquidity reserve amounts to NOK 112.6 million as of 31 December 2022. The share issue in 2022 related to the PSW transaction and conversion of seller credit were the main factors for the increased equity.

The company is working on several possible projects and has won significant contracts during fourth quarter in 2022 and first quarter in 2023. See disclosure 4. The order backlog is NOK 533 million. The oil price is noted at high level and supply activity has increased at the end of 2022 and into 2023.

The assumption of going concern is based on a strong pipeline into 2023 and a strengthened foundation for further growth.

DISCLOSURE 6 | SEGMENT INFORMATION & REVENUE

SEGMENT INFORMATION

Scana has three business areas being OFFSHORE, ENERGY and MARITIME.
OFFSHORE delivers products, services, and lifetime extensions to several segments of the offshore industries.
ENERGY delivers shore power and energy storage solutions to the ocean industries.
MARITIME delivers mooring solutions to floating structures across the ocean industries and valve control systems to the shipping and offshore industry.
"Scana HQ" includes Scana ASA, some holding companies and Scana Property AS.
The column «Eliminations» applies to eliminations between the segments.

OFFSHORE consists of:	PSW Technology AS, PSW Solutions AS and Subseatec S AB. PSW Technology AS owns 100 % of the shares at PSW Solutions AS and PSW Power & Automation AS.

ENERGY consists of:	PSW Power & Automation AS and Trans Construction AS. PSW Power & Automation AS owns 100 % of the shares at Trans Constructions AS.
MARITIME consists of:	Seasystems AS, Skarpenord AS and Scana Valve Control AS. Scana Valve Control AS owns 100 % of the shares at Skarpenord AS, 49 % of the shares at Scana Korea Hydraulic Ltd., and 49 % of the shares at Scana do Brasil Ltd.
Scana HQ consists of:	Scana ASA, Scana Trading AS, Scana Property AS, Scana Energy Holding AB, PSW Holding I AS and Scana do Brasil Ltd. Scana ASA owns 100 % of the shares at Scana Trading AS, Scana Property AS and Seasystems AS and PSW Holding I AS. Scana Trading AS owns 100 % of the shares at Scana Energy Holding AB, Scana Valve Control AS and 51 % of the shares at Scana do Brasil Ltd. Scana Energy Holding AB owns 100 % of the shares at Subseatec S AB. PSW Holding I AS owns 100 % of the shares at PSW Technology AS.

The presentation coincides with the internal reporting to the board. Revenue from sales to external customers and transactions with other segments are reported for each business areas and inter-segment pricing is determined on an arm's length basis. The following summary describes the operations of each reportable segment.

2022 *(NOK million)*	**OFFSHORE**	**ENERGY**	**MARITIME**	**Scana HQ**	**Elimination**	**Total**
External revenue	357.7	353.0	200.9	0.0	0.0	911.7
Internal revenue	9.6	1.6	0.0	3.2	-14.4	0.0
Total revenue	367.3	354.6	200.9	3.2	-14.4	911.7
Operating expenses	317.4	326.2	180.6	31.2	-14.4	841.1
EBITDA	49.9	28.3	20.3	-28.0	0.0	70.6
Depreciation	64.3	18.4	6.4	0.5	0.0	89.6
Impairments	0.0	0.0	0.0	0.0	0.0	0.0
Operating profit/loss (EBIT)	-14.4	10.0	13.9	-28.5	0.0	-19.0
EBIT margin	-4 %	3 %	7 %			-2 %
Income from interests in associated companies						4.3
Net financial income/expense (–)						-41.1
Profit/loss before tax – continued operations						-55.8
Income tax expense						-11.3
Profit/loss for the year – continued operations						-44.5
BALANCE SHEET FIGURES						
Assets	817.6	499.7	230.6	332.7	-502.4	1 378.4
Non-current liabilities	438.2	99.5	2.1	115.2	-185.4	469.6
Current liabilities	238.5	155.7	127.7	211.1	-317.0	416.1
OTHER SEGMENT INFORMATION;						
Goodwill	67.8	206.4	0.0	0.0	0.0	274.2
Deferred tax assets	4.8	0.9	28.5	17.6	0.5	52.4
Intangible assets	33.3	38.4	0.0	0.0	0.0	71.5
Right of use assets	316.3	81.7	4.6	0.0	0.0	402.6
Tangible assets	123.7	13.4	8.8	1.9	0.0	147.9
Inventories	25.1	22.7	18.2	0.0	0.0	66.0
Trade receivables	93.5	40.7	27.4	25.2	-26.0	160.8
Contract assets	31.0	75.0	19.3	0.0	0.0	125.3
Deferred tax liability	10.4	5.2	0.0	-16.1	0.5	0.0
Contract liabilities	88.7	18.1	5.2	0.0	0.0	112.0
CASH FLOW						
Net cash – operating activities	67.4	12.2	15.0	-19.7	-4.9	70.0
Acquisition of property, plant, equipment and intangible assets	-7.2	-9.7	-0.6	-1.8	0.0	-19.4

Revenue from one single customer does not exceed 10 percent of the Group's total revenues.

2021 *(NOK million)*	**OFFSHORE**	**ENERGY**	**MARITIME**	**Scana HQ**	**Elimination**	**Total**
External revenue	74.3	0.0	230.0	0.4	0.0	304.7
Internal revenue	0.0	0.0	0.0	2.2	-2.2	0.0
Total revenue	74.3	0.0	230.0	2.6	-2.2	304.7
Operating expenses	64.5	0.0	200.8	25.0	-2.2	288.1
EBITDA	9.8	0.0	29.2	-22.3	0.0	16.7
Depreciation	0.4	0.0	6.1	0.5	0.0	7.0
Impairments	0.0	0.0	1.2	0.0	0.0	1.2
Operating profit/loss (EBIT)	9.4	0.0	21.9	-22.9	0.0	8.4
EBIT margin	13 %	0 %	10 %			3 %
Income from interests in associated companies						3.3
Net financial income/expense (–)						-9.7
Profit/loss before tax – continued operations						2.0
Income tax expense						-24.3
Profit/loss for the year – continued operations						26.3
BALANCE SHEET FIGURES						
Assets	39.0	0.0	200.8	135.5	-151.9	223.4
Non-current liabilities	0.5	0.0	3.8	5.0	0.0	9.3
Current liabilities	25.2	0.0	108.1	130.5	-151.9	111.9
OTHER SEGMENT INFORMATION						
Deferred tax assets	0.2	0.0	29.6	30.5	0.0	60.3
Intangible assets	1.1	0.0	0.7	0.0	0.0	1.8
Right of use assets	0.9	0.0	6.3	0.3	0.0	7.5
Tangible assets	0.0	0.0	11.4	0.4	0.0	11.8
Inventories	2.4	0.0	10.9	0.1	0.0	13.4
Trade receivables	18.8	0.0	21.0	14.2	-14.3	39.7
Contract assets	2.1	0.0	16.8	-0.1	0.0	18.8
Deferred tax liability	0.0	0.0	0.0	2.9	0.0	2.9
Contract liabilities	4.9	0.0	10.8	0.0	0.0	15.7
CASH FLOW						
Net cash – operating activities	11.1	0.0	27.4	-11.4	-2.0	25.1
Acquisition of property, plant, equipment and intangible assets	-1.8	0.0	-1.2	1.2	0.0	-1.8

GEOGRAPHICAL AREA

The Group companies' locations are divided into the following countries: Norway and Sweden. The column for eliminations includes companies located in the USA and Brazil.

2022 *(NOK million)*	**Norway**	**Sweden**	**Elimination**	**Total**
External revenue	859.9	50.8	1.0	911.7
Internal revenue	0.3	0.0	-0.3	0.0
Total revenue	860.2	50.8	0.7	911.7
Operating expenses	797.4	42.9	0.8	841.1
EBITDA	62.8	7.9	-0.1	70.6
Depreciation	88.9	0.7	0.0	89.6
Impairments	0.0	0.0	0.0	0.0
Operating profit/loss (EBIT)	-26.1	7.2	-0.1	-19.0
EBIT margin	-3 %	14 %	-14 %	-2 %
Income from interests in associated companies				4.3
Net financial income/expense (–)				-41.1
Profit/loss before tax – continued operations				-55.8
Income tax expense				-11.3
Profit/loss for the year – continued operations				-44.5
BALANCE SHEET FIGURES				
Assets	1 366.8	29.8	-18.2	1 378.4
Non-current liabilities	469.1	13.0	-12.5	469.6
Current liabilities	409.4	9.7	-3.0	416.1
OTHER SEGMENT INFORMATION				
Goodwill	274.2	0.0	0.0	274.2
Deferred tax assets	50.5	1.9	0.0	52.4
Intangible assets	70.4	1.2	0.0	71.6
Right of use assets	401.6	1.0	0.0	402.6
Tangible assets	146.0	1.9	0.0	147.9
Inventories	63.8	2.2	0.0	66.0
Trade receivables	144.0	16.9	-0.1	160.8
Contract assets	124.1	1.2	0.0	125.3
Deferred tax liability	0.0	0.0	0.0	0.0
Contract liabilities	110.6	1.4	0.0	112.0
CASH FLOW				
Net cash – operating activities	68.5	2.4	-0.9	70.0
Acquisition of property, plant, equipment and intangible assets	-17.1	-2.3	0.0	-19.4

Revenue from one single customer does not exceed 10 percent of the Group's total revenues.

2021 *(NOK million)*	**Norway**	**Sweden**	**Elimination**	**Total**
External revenue	230.4	74.3	0.0	304.7
Internal revenue	0.4	0.0	-0.4	0.0
Total revenue	230.8	74.3	-0.4	304.7
Operating expenses	223.9	64.6	-0.4	288.1
EBITDA	6.9	9.8	0.0	16.7
Depreciation	6.6	0.4	0.0	7.0
Impairments	1.2	0.0	0.0	1.2
Operating profit/loss (EBIT)	-0.9	9.3	0.0	8.4
EBIT margin	0 %	13 %	0 %	3 %
Income from interests in associated companies				3.3
Net financial income/expense (–)				-9.7
Profit/loss before tax – continued operations				2.0
Income tax expense				-24.3
Profit/loss for the year – continued operations				26.3
BALANCE SHEET FIGURES				
Assets	219.7	42.0	-38.3	223.4
Non-current liabilities	8.9	22.3	-21.9	9.3
Current liabilities	110.5	15.6	-14.2	111.9
OTHER SEGMENT INFORMATION				
Deferred tax assets	58,1	2,2	0,0	60,3
Intangible assets	0,7	1,1	0,0	1,8
Right of use assets	6,6	0,9	0,0	7,5
Tangible assets	11,8	0,0	0,0	11,8
Inventories	10,9	2,4	0,1	13,4
Trade receivables	21,3	18,8	-0,4	39,7
Contract assets	16,8	2,1	-0,1	18,8
Deferred tax liability	2,9	0,0	0,0	2,9
Contract liabilities	10,8	4,9	0,0	15,7
CASH FLOW				
Net cash – operating activities	15.7	10.8	-1.4	25.1
Acquisition of property, plant, equipment and intangible assets	-0.1	-1.8	0.1	-1.8

REVENUE

REVENUE DISTRIBUTED BY COUNTRY

In the following table, revenue from contracts with customers is disaggregated by primary geographical market.

(NOK million)	**2022**	**2021**
Norway	597.4	114.5
Other European countries	193.2	63.3
North America	18.3	43.6
Asia	70.6	81.1
Other countries	7.2	1.8
Operational revenue	**886.7**	**304.3**

In the following table, revenue from contracts with customers is disaggregated by major products and service lines and timing of revenue recognition.

2022 *(NOK million)*	**OFFSHORE**	**ENERGY**	**MARITIME**	**Scana HQ**	**Elimination**	**Total**
TYPE OF GOODS OR SERVICE						
Service- and maintenance contracts	283.5				-0.2	283.3
Power systems		339.4				339.4
Forged goods	50.8					50.8
Valve control systems			57.4			57.4
Seasystem-solutions			123.0			123.0
Sale of equipment and spare-parts	5.9	6.6	20.4			32.9
Operational revenue	**340.2**	**346.0**	**200.8**		**-0.2**	**886.7**
TIMING OF REVENUE RECOGNITION						
Products transferred at a point in time	5.9	6.6	20.4			32.9
Products and services transferred over time	334.3	339.4	180.4	0.0	-0.2	853.8
Operational revenue	**340.2**	**346.0**	**200.8**	**0.0**	**-0.2**	**886.7**

PERFORMANCE OBLIGATIONS

Information about the Group's performance obligations are summarised below:

SERVICE- AND MAINTENANCE CONTRACTS

Service and maintenance contracts are time and materials contracts and fixed-price contracts. Each individual contract is normally considered as a separate performance obligation and revenue is recognised over time to depict the delivered time and materials. For contracts with significant fixed-price elements an input method is used to measure the progress of the project, which is the basis for recognizing revenue over time. Invoices are issued according to contractual terms and are usually payable within 30 days.

POWER SYSTEMS

Shore power systems and energy storage systems. For Power systems, the customer controls all of the work in progress as the products are being manufactured. This is because under those contracts the systems are made to a customer's specification and if a contract is terminated by the customer, then the Group is entitled to reimbursement of the costs incurred to date, including a reasonable margin.
Invoices are issued according to contractual terms and are usually payable within 30 days.
Revenue is recognised over time based on the cost-to-cost method. The related costs are recognised in profit or loss when they are incurred. Advances received are included in contract liabilities.

FORGED GOODS
Forged goods to the oil and gas industry. The goods are customized based on customers' requirements and are sold as bundled goods. The goods are considered as a single performance obligation as the components are not separately identifiable.
Revenue for these performance obligations is recognized over time based on the progress towards complete satisfaction of the performance obligation. Progress in the projects is measured according to the input method.

VALVE CONTROL SYSTEMS
Valve control systems to the marine and offshore industry, which consists of several components but can only be used by the customer as a complete unit. The revenue is recognized over time where the transaction price is allocated to a performance obligation based on the input method and when control is transferred to the customer. Contracts do normally have fixed prices. Variation orders is included in the project when it is signed. The customers pay advances based on milestones defined in the contract.

SEASYSTEM-SOLUTIONS
Innovative system solutions within anchoring and turrets for floating production and storage ships, aquaculture units and offshore wind. The systems linked to offloading are customized based on hose reels requirement specification from the customer who has no alternative use. The same assessments are made in relation to anchorage and turret. The revenue is recognized over time where control is transferred to the buyer which coincides with the progress of the projects measured according to the input method. In the contracts with the customers the company has the right to be compensated for incurred costs and margin if the customer cancels the contracts.
Contract deliveries where the revenue is recognized over time are often entered into with milestone invoicing such as due after 30 to 90 days.

SALE OF EQUIPMENT AND SPARE-PARTS
This revenue type involves sale of products or equipment that are of a standard nature, not made according to the customer's specifications. Customers usually obtain control of these products when the goods are delivered to the customers in accordance with the contract terms. The Group has assessed that the performance obligations for such products are satisfied at a point in time, and revenue from these performance obligations is recognised at that point in time.

DISCLOSURE 7 | INVESTMENT IN ASSOCIATED COMPANY/ INVESTMENT IN SHARES

SCANA KOREA HYDRAULIC LTD.
The Group owns 49 % of the shares in Scana Korea Hydraulic Ltd through Scana Valve Control AS. Scana Korea Hydraulic Ltd is involved in the sale and production of hydraulic valve control systems. The company is located in Busan in South Korea and is part of the MARITIME segment.

Income from interests in associated is presented on separate row in income statement for current and last year. It is representing a reclassification from previous year due to the Group consider the profit is not a part of financial income and expenses in the income statement.
The reclassification has been made in order to improve the user's understanding of the Group's financial performance. The change has no impact on net result or equity, and the change has been implemented retrospectively.

ASSOCIATED COMPANY; FINANCIAL INFORMATION 2022 *(100 % level)*	**Scana Korea Hydraulic Ltd.**
Sales revenues	138 923
Net profit/loss (–) – continued operation	8 803
Fixed assets	55 052
Current assets	60 850
Non-current liabilities	-6 564
Current liabilities	-35 215
Shareholders' equity	**74 123**

ASSOCIATED COMPANY; FINANCIAL INFORMATION 2021 *(100 % level)*	**Scana Korea Hydraulic Ltd.**
Sales revenues	120 008
Net profit/loss (–) – continued operation	6 757
Fixed assets	51 774
Current assets	49 944
Non-current liabilities	-6 960
Current liabilities	-30 636
Shareholders' equity	**64 122**

BOOK VALUE ASSOCIATED COMPANY – MEASURED ACCORDING TO THE EQUITY METHOD	**2022**	**2021**
As of 1 January	31 420	30 710
Dividend	-1 038	-935
Income from interestes in associated companies	4 314	3 311
Currency differences	1 624	-1 666
Total investment in associated companies	**36 320**	**31 420**

INVESTMENTS IN SHARES

Scana has through PSW Technology AS done a capital injection in Stepwise AS amounted by NOK 2.8 million in 2022. The Group owns 4.3 % of the shares in the company and the booked value is NOK 2.8 million end of December 2022.

DISCLOSURE 8 | OTHER REVENUE AND EXPENSES

OTHER REVENUE	2022	2021
Gain – sale of fixed assets	5 147	0
Gain – sale of business	1 066	422
Rental income*	18 664	0
Other revenue	155	0
Total	**25 032**	**422**

** See disclosure 24 for further information regarding rental income.*

OTHER OPERATIONAL EXPENSES	2022	2021
Operation and maintenance	4 983	2 127
Rental costs	21 081	1 635
Fees and consultancy services	20 945	14 439
Travel and marketing costs	14 375	5 714
Office and administration costs	7 793	3 496
Insurance costs	3 628	1 865
Other operating expenses	643	1 398
Total	**73 448**	**30 674**

AUDIT FEES	2022	2021
Audit services	2 872	1 007
Audit-related assistance and other assistance	149	67
Total	**3 021**	**1 074**

Audit fee shown above is excluded capital transaction costs amounted to NOK 0.6 million.

OTHER FINANCIAL INCOME/COSTS (–)	2022	2021
Amortization costs	-1 338	-294
Financing costs	-2 311	-1 558
Other	-830	-176
Total	**-4 479**	**-2 028**

DISCLOSURE 9 | PAYROLL EXPENSES

PAYROLL EXPENSES	2022	2021
Salary costs	264 473	67 723
Social security costs	37 596	11 685
Pension costs	14 616	5 837
Insurance costs	2 031	546
Option program	3 847	1 740
Other wages and personnel costs	6 862	70
Total payroll expenses	**329 425**	**87 601**

TOTAL AVERAGE NUMBER OF EMPLOYEES	2022	2021
Norway	291	82
Sweden	10	9
Total average number of employees	**301**	**91**

The Group had 371 employees on 31 December 2022 (2021: 84 employees). The increase is driven by the acquisition of PSW and Trans Construction.

For further information relating to salaries and remuneration to senior executives, see "Report on remuneration to senior executives". You will also find the report on Scana's website.

REMUNERATION LEADING PERSONNEL

			Fixed remuneration			Extraordinary items	Pension expense	Total remuneration		Proportion of fixed and variable remuneration	
Name	Position	Year	Base salary	Fees	Fringe benefits	Variable	Fixed	Fixed	Variable	Fixed	Variable
Styrk Bekkenes	CEO*	2022	3 100		124		84	3 308		100 %	0 %
		2021	2 386		95	1 000	87	2 568	1 000	72 %	28 %
Torvald Ulland Reiestad	CFO	2022	1 622		15		85	1 722		100 %	0 %
		2021	1 461		20	250	87	1 568	250	86 %	14 %
Kjetil Flesjå	Former CFO	2022								0 %	0 %
		2021	175					175		100 %	0 %
Oddbjørn Haukøy	CCO*	2022	2 750		13		77	2 841		100 %	0 %
		2021								0 %	0 %
Anette Netteland Dybvik	Head of IR and Investments*	2022	400		5		24	429		100 %	0 %
		2021								0 %	0 %
	Total	2022	7 872	0	158	0	270	8 300	0	100 %	0 %
		2021	4 022	0	115	1 250	174	4 311	1 250	78 %	22 %

The resignation period for key personnel is from 3–6 months. The CEO has a severance agreement which involves salary for 6 months beyond the notice period. Any wage income received from other work in the period where severance pay is paid must be deducted from severance pay. Refers to disclosure 11 for description of pensions. The pension scheme for senior employees is contribution-based.

No loans, advance payments or collateral have been given to leading persons during 2022. On the balance sheet date, no leading persons have loans. See disclosure 29 for further discussion according to related parties.

**CCO was hired from February 2022, while Head of IR and Investments was hired from September 2022. CEO resigned in January 2023.*

SHARE-BASED REMUNERATION (EQUITY-SETTLED)

On 24 June 2019, the company announced that senior employees have been awarded an option program together with the general manager of the subsidiaries. The option program was approved at the ordinary general meeting on 8 May 2020. On 24 January 2022, the company announced that senior employees have been awarded an option program together with the general manager of the subsidiaries. The option program was approved at the ordinary general meeting on 22 June 2022.

The report first presents the 2019 program and then the 2022 program.

SHARE-BASED REMUNERATION FROM 2019

		The main conditions of share option plans							Information regarding the reported financial year						
									Opening balance	During the year			Closing balance		
Name	Position	Specification of plan	Performance period	Award date	Vesting date	End of holding period	Exercise period	Strike price of the share	Share options awarded at the beginning of the year	Share options awarded	Deducted in 2022	Share options vested	Share options subject to a performance condition	Share options awarded and unvested	Share options subject to a holding period
Dag Schjerven	Chairman of the board - Scana (resigned)	Plan 1a	21.06.2019 – 30.06.2020	21.06.2019	30.06.2020	420 000	30.06.2020	1,100	420 000	0	-420 000		0	0	0
		Plan 1b	21.06.2019 – 30.06.2021	21.06.2019	30.06.2021	420 000	30.06.2021	1,210	420 000	0	-420 000		0	0	0
		Plan 1c	21.06.2019 – 30.06.2022	21.06.2019	30.06.2022	420 000	30.06.2022	1,331	420 000	0	-420 000	420 000	0	0	0
		Plan 1d		21.06.2019				1,464							
Styrk Bekkenes	CEO - Scana (resigned)	Plan 1a	21.06.2019 – 30.06.2020	21.06.2019	30.06.2020	2 100 000	30.06.2020	1,100	2 100 000	0			2 100 000	2 100 000	2 100 000
		Plan 1b	21.06.2019 – 30.06.2021	21.06.2019	30.06.2021	2 100 000	30.06.2021	1,210	2 100 000	0			2 100 000	2 100 000	2 100 000
		Plan 1c	21.06.2019 – 30.06.2022	21.06.2019	30.06.2022	2 100 000	30.06.2022	1,331	2 100 000	0		2 100 000	2 100 000	2 100 000	2 100 000
		Plan 1d		21.06.2019				1,464							
Torvald Ulland Reiestad	CFO - Scana	Plan 1a	26.06.2020 – 30.06.2021	26.06.2020	30.06.2021	140 000	30.06.2021	1,100	140 000	0			140 000	140 000	140 000
		Plan 1b	26.06.2020 – 30.06.2022	26.06.2020	30.06.2022	140 000	30.06.2022	1,210	140 000	0		140 000	140 000	140 000	140 000
		Plan 1c	26.06.2020 – 30.06.2023	26.06.2020	30.06.2023	140 000	30.06.2023	1,331	140 000	0			140 000	140 000	140 000
		Plan 1d		26.06.2020				1,464							
Kjetil Flesjå	CFO - Scana (resigned)	Plan 1a	21.06.2019 – 30.06.2020	21.06.2019	30.06.2020	140 000	30.06.2020	1,100	140 000	0			140 000	140 000	140 000
		Plan 1b	21.06.2019 – 30.06.2021	21.06.2019	30.06.2021	140 000	30.06.2021	1,210	140 000	0			140 000	140 000	140 000
		Plan 1c	21.06.2019 – 30.06.2022	21.06.2019	30.06.2022	140 000	30.06.2022	1,331	140 000	0		140 000	140 000	140 000	140 000
		Plan 1d		21.06.2019				1,464							
Torkjell Lisland	Managing director - Seasystems	Plan 1a	21.06.2019 – 30.06.2020	21.06.2019	30.06.2020	140 000	30.06.2020	1,100	140 000	0			140 000	140 000	140 000
		Plan 1b	21.06.2019 – 30.06.2021	21.06.2019	30.06.2021	140 000	30.06.2021	1,210	140 000	0			140 000	140 000	140 000
		Plan 1c	21.06.2019 – 30.06.2022	21.06.2019	30.06.2022	140 000	30.06.2022	1,331	140 000	0		140 000	140 000	140 000	140 000
		Plan 1d		21.06.2019				1,464							
Egil Kjeldsen	CCO - Skarpenord (resigned)	Plan 1a	21.06.2019 – 30.06.2020	21.06.2019	30.06.2020	140 000	30.06.2020	1,100	140 000	0	-140 000		0	0	0
		Plan 1b	21.06.2019 – 30.06.2021	21.06.2019	30.06.2021	140 000	30.06.2021	1,210	140 000	0	-140 000		0	0	0
		Plan 1c	21.06.2019 – 30.06.2022	21.06.2019	30.06.2022	140 000	30.06.2022	1,331	140 000	0	-140 000	140 000	0	0	0
		Plan 1d		21.06.2019				1,464							
Total						**9 240 000**			**9 240 000**	**0**	**3 080 000**	**0**	**7 560 000**	**7 560 000**	**7 560 000**

The options can be exercised in connection with the reporting of the quarterly reports indicated in the table above. The exercise period is two weeks after the quarterly report is published at Oslo Børs.
The options linked to plan 1a are earned in the period from the award date to the vesting date, which is 21.06.2019–30.06.2020.
The options linked to plan 1b are earned in the period from the award date to the vesting date, which is 21.06.2019–30.06.2021.
The options linked to plan 1c are earned in the period from the award date to the vesting date, which is 21.06.2019–30.06.2022.

Options that have not been exercised (cf. plan 1a, 1b and 1c) can be exercised through plan 1d on 30 June 2023 at a strike price of 1.464. The exercise can take place after the publication of the second quarter report of 2023 and the following two weeks.
The CFO entered into an option agreement a year later and can exercise the options on the same terms a year later than the other participants.

Resigned CFO Kjetil Flesjå left the company with effect from 30 November 2020. He has retained his allocated options with associated rights.

No shares or other instruments have been allocated in connection with remuneration to leading persons. No options have been exercised in 2022.

SHARE-BASED REMUNERATION FROM 2022

Name	Position	The main conditions of share option plans							Information regarding the reported financial year						
									Opening balance	During the year			Closing balance		
		Specification of plan	Performance period	Award date	Vesting date	End of holding period	Exercise period	Strike price of the share	Share options awarded at the beginning of the year	Share options awarded	Deducted in 2022	Share options vested	Share options subject to a performance condition	Share options awarded and unvested	Share options subject to a holding period
Styrk Bekkenes	CEO - Scana (resigned)	Plan 1a	24.01.2022 – 30.06.2023	24.01.2022	30.06.2023	2 000 000	30.06.2023	1,400	0	2 000 000			2 000 000	2 000 000	2 000 000
		Plan 1b	24.01.2022 – 30.06.2024	24.01.2022	30.06.2024	2 000 000	30.06.2024	1,470	0	2 000 000			2 000 000	2 000 000	2 000 000
		Plan 1c		24.01.2022				1,470							
		Plan 1d	24.01.2022 – 30.06.2025	24.01.2023	30.06.2025	2 000 000	30.06.2025	1,544	0	2 000 000			2 000 000	2 000 000	2 000 000
		Plan 1e		24.01.2022				1,544							
Oddbjørn Haukøy	Interim CEO - Scana	Plan 1a	24.01.2022 – 30.06.2023	24.01.2022	30.06.2023	2 000 000	30.06.2023	1,400	0	2 000 000			2 000 000	2 000 000	2 000 000
		Plan 1b	24.01.2022 – 30.06.2024	24.01.2022	30.06.2024	2 000 000	30.06.2024	1,470	0	2 000 000			2 000 000	2 000 000	2 000 000
		Plan 1c		24.01.2022				1,470							
		Plan 1d	24.01.2022 – 30.06.2025	24.01.2022	30.06.2025	2 000 000	30.06.2025	1,544	0	2 000 000			2 000 000	2 000 000	2 000 000
		Plan 1e		24.01.2022				1,544							
Torvald Ulland Reiestad	CFO - Scana	Plan 1a	24.01.2022 – 30.06.2023	24.01.2022	30.06.2023	333 333	30.06.2023	1,400	0	333 333			333 333	333 333	333 333
		Plan 1b	24.01.2022 – 30.06.2024	24.01.2022	30.06.2024	333 333	30.06.2024	1,470	0	333 333			333 333	333 333	333 333
		Plan 1c		24.01.2022				1,470							
		Plan 1d	24.01.2022 – 30.06.2025	24.01.2022	30.06.2025	333 334	30.06.2025	1,544	0	333 334			333 334	333 334	333 334
		Plan 1e		24.01.2022				1,544							
Eirik Sørensen	Managing director - PSW Power & Automation	Plan 1a	24.01.2022 – 30.06.2023	24.01.2022	30.06.2023	833 333	30.06.2023	1,400	0	833 333			833 333	833 333	833 333
		Plan 1b	24.01.2022 – 30.06.2024	24.01.2022	30.06.2024	833 333	30.06.2024	1,470	0	833 333			833 333	833 333	833 333
		Plan 1c		24.01.2022				1,470							
		Plan 1d	24.01.2022 – 30.06.2025	24.01.2022	30.06.2025	833 334	30.06.2025	1,544	0	833 334			833 334	833 334	833 334
		Plan 1e		24.01.2022				1,544							
Erlend Einevoll	Managing director - PSW Solutions	Plan 1a	24.01.2022 – 30.06.2023	24.01.2022	30.06.2023	833 333	30.06.2023	1,400	0	833 333			833 333	833 333	833 333
		Plan 1b	24.01.2022 – 30.06.2024	24.01.2022	30.06.2024	833 333	30.06.2024	1,470	0	833 333			833 333	833 333	833 333
		Plan 1c		24.01.2022				1,470							
		Plan 1d	24.01.2022 – 30.06.2025	24.01.2022	30.06.2025	833 334	30.06.2025	1,544	0	833 334			833 334	833 334	833 334
		Plan 1e		24.01.2022				1,544							
Trond Ottar Bø	Managing director - Skarpenord	Plan 1a	24.01.2022 – 30.06.2023	24.01.2022	30.06.2023	333 333	30.06.2023	1,400	0	333 333			333 333	333 333	333 333
		Plan 1b	24.01.2022 – 30.06.2024	24.01.2022	30.06.2024	333 333	30.06.2024	1,470	0	333 333			333 333	333 333	333 333
		Plan 1c		24.01.2022				1,470							
		Plan 1d	24.01.2022 – 30.06.2025	24.01.2022	30.06.2025	333 334	30.06.2025	1,544	0	333 334			333 334	333 334	333 334
		Plan 1e		24.01.2022				1,544							
Peter Jansson	Managing director - Subseatec	Plan 1a	24.01.2022 – 30.06.2023	24.01.2022	30.06.2023	333 333	30.06.2023	1,400	0	333 333			333 333	333 333	333 333
		Plan 1b	24.01.2022 – 30.06.2024	24.01.2022	30.06.2024	333 333	30.06.2024	1,470	0	333 333			333 333	333 333	333 333
		Plan 1c		24.01.2022				1,470							
		Plan 1d	24.01.2022 – 30.06.2025	24.01.2022	30.06.2025	333 334	30.06.2025	1,544	0	333 334			333 334	333 334	333 334
		Plan 1e		24.01.2022				1,544							
Anette Netteland Dybvik	Head of IR and Investments - Scana	Plan 1a	24.01.2022 – 30.06.2023	06.07.2022	30.06.2023	250 000	30.06.2023	1,400	0	250 000			250 000	250 000	250 000
		Plan 1b	24.01.2022 – 30.06.2024	06.07.2022	30.06.2024	250 000	30.06.2024	1,470	0	250 000			250 000	250 000	250 000
		Plan 1c		06.07.2022				1,470							
		Plan 1d	24.01.2022 – 30.06.2025	06.07.2022	30.06.2025	250 000	30.06.2025	1,544	0	250 000			250 000	250 000	250 000
		Plan 1e		06.07.2022				1,544							
Morten Riiser	VP Finance - Scana	Plan 1a	24.01.2022 – 30.06.2023	30.06.2022	30.06.2023	250 000	30.06.2023	1,400	0	250 000			250 000	250 000	250 000
		Plan 1b	24.01.2022 – 30.06.2024	30.06.2022	30.06.2024	250 000	30.06.2024	1,470	0	250 000			250 000	250 000	250 000
		Plan 1c		30.06.2022				1,470							
		Plan 1d	24.01.2022 – 30.06.2025	30.06.2022	30.06.2025	250 000	30.06.2025	1,544	0	250 000			250 000	250 000	250 000
		Plan 1e		30.06.2022				1,544							
Håvard Kallestad	SVP Operations & Business Development - PSW Technology	Plan 1a	24.01.2022 – 30.06.2023	24.01.2022	30.06.2023	250 000	30.06.2023	1,400	0	250 000			250 000	250 000	250 000
		Plan 1b	24.01.2022 – 30.06.2024	24.01.2022	30.06.2024	250 000	30.06.2024	1,470	0	250 000			250 000	250 000	250 000
		Plan 1c		24.01.2022				1,470							
		Plan 1d	24.01.2022 – 30.06.2025	24.01.2022	30.06.2025	250 000	30.06.2025	1,544	0	250 000			250 000	250 000	250 000
		Plan 1e		24.01.2022				1,544							
Tor Erik Christoffersen	CCO - PSW Technology (resigned)	Plan 1a	24.01.2022 – 30.06.2023	24.01.2022	30.06.2023	0	30.06.2023	1,400	0	250 000	-250 000		0	0	0
		Plan 1b	24.01.2022 – 30.06.2024	24.01.2022	30.06.2024	0	30.06.2024	1,470	0	250 000	-250 000		0	0	0
		Plan 1c		24.01.2022				1,470							
		Plan 1d	24.01.2022 – 30.06.2025	24.01.2022	30.06.2025	0	30.06.2025	1,544	0	250 000	-250 000		0	0	0
		Plan 1e		24.01.2022				1,544							
Total						**22 250 000**			**0**	**23 000 000**		**0**	**22 250 000**	**22 250 000**	**22 250 000**

The options can be exercised in connection with the reporting of the quarterly reports indicated in the table above. The exercise period is two weeks after the quarterly report is published at Oslo Børs.

The options linked to plan 1a are earned in the period from the award date to the vesting date, which is 24.01.2022–30.06.2023.
The options linked to plan 1b are earned in the period from the award date to the vesting date, which is 24.01.2022–30.06.2024.

Options that have not been exercised (cf. plan 1a) can be exercised through plan 1c on 30 June 2024 at a strike price of 1.47. The exercise can take place after the publication of the second quarter report of 2024 and the following two weeks.
The options linked to plan 1d are earned in the period from the award date to the vesting date, which is 24.01.2022–30.06.2025.

Options that have not been exercised (cf. 1a and 1b) can be exercised through plan 1e until 30 June 2025 at a strike price of 1.544. The exercise can take place after the publication of the second quarter report of 2025 and the following two weeks.

No shares or other instruments have been allocated in connection with remuneration to leading persons. No options have been exercised in 2022.

BOARD REMUNERATION

The board of Scana ASA was paid TNOK 1,125 in fees in 2022 and TNOK 31 to the election committee. Board remunerations are paid annually in arrears and apply for the period from the ordinary general meeting 2021 to the ordinary general meeting 2022. Fees in arrears for the board elected in May 2021 with a term of office until May 2022 are specified below. A new board was elected at an extraordinary general meeting in December 2022. In addition, three board members stepped down from the board in January 2023.

Name	Position	Active period	Remuneration paid out in 2021	Remuneration paid out in 2022
Dag Schjerven	Chairman of the board	May 2018 – Jan 2023	300	300
Morten Blix	Deputy chair of the board	Jan 2022 – Dec 2022	–	90
Espen S. Berge	Deputy chair of the board	May 2020 – Jan 2022	225	135
Marianne Lie	Board member	May 2016 – Jan 2023	200	200
Margaret Elin Hystad	Board member	May 2018 – Dec 2022	200	200
Rune Magnus Lundetræ	Board member	May 2021 – Jan 2023		200
	Former board member	May 2020 – Dec 2021	200	
Total remuneration			**1 125**	**1 125**

VALUATION METHOD

In connection with determining the value of the option program, a binomial option pricing model has been used. It is assumed that a "geometric Brownian motion" model as a price model, which is the most widely used price model in financial mathematics, can be used to generate future share prices.
The risk-free interest rate is in accordance with Norges Bank's interest rate at the time of the award. Risk-free interest is interpolated over the accrual period. The volatility is based on trades made in the share in the past five years, which is 97 %. Dividend is not considered.

Based on simulations, this gives an indicative option value of NOK 5.2 million according to option program from 2019. The same method is used for an option program announced January 2022 which gives NOK 10.5 million.
In both option programs, it is assumed that no one who has been granted options will end the vesting period and that everyone will redeem the options after 36 months.

The value of granted options is accrued over the period in which the employees acquire the right to receive the options. In 2022, NOK 3.8 million was recognized as a cost the option program in accordance with the vesting period.

DISCLOSURE 10 | PENSION

According to Section 7–30a of the Accounts Act, companies in Norway are obliged to have an occupational pension scheme according to the Mandatory Occupational Pensions Act and the companies have a pension scheme that meets the requirements.

PERFORMANCE PLAN IN NORWAY

The Norwegian companies within the Group are covered by an AFP scheme. The number of employees covered by the scheme is 368 people as of 31 December 2022 (2021: 83 people).

From an accounting point of view, the scheme is to be regarded as a benefit-based multi-enterprise scheme. The Group is unable to identify its share of the scheme's underlying financial position and result with a sufficient degree of reliability, and on this basis the scheme is accounted for as a deposit scheme. This means that obligations from the AFP scheme are not entered in the balance sheet. Premiums for the scheme are expensed when they accrues.

DEPOSIT PLAN IN NORWAY

Companies in Norway have deposit plans. The contribution plans cover all employees over the age of 20 in more than 20 % positions. The deposits amount to 4.5–5 % of annual salary between 0–7. 1G and 8 % between 6G–12G. The pension funds are invested in funds administered by an insurance company and managed by the employee. As of 31 December 2022, there were 361 members of the schemes (2021: 75 members).

Prepaid pension cost is entered in the statement of financial position as a long-term receivable and the liability is entered in the balance sheet as a long-term liability.

	2022	2021
Prepaid pension cost 31.12.	1 883	2 025
Balance sheet pension obligation 31.12.	1 883	2 025

PENSION SCHEMES IN SWEDEN

There are two pension schemes in Sweden, an ordinary defined contribution scheme and a multi-company benefit scheme which is accounted for as a defined contribution scheme.
The benefit plans are organized as joint plans for several employers (multi-employer plans) and are insured in Alecta. Necessary information to be able to account for the benefit schemes as benefit plans is not available. For that reason, the Group has accounted for the scheme as a deposit scheme.

The reason why there is insufficient information to be able to account for the scheme as a defined benefit scheme is that Alecta does not have information about the distribution of the accrual of pension rights between the various employers and therefore does not have the opportunity to make an accurate and reliable distribution of assets and liabilities to the respective employers. Furthermore, Alecta does not have a set of regulations for how any surplus or deficit that arises is to be handled. For that reason, the Group has accounted for the scheme as a deposit scheme.

The Group's expected contribution to the benefit scheme in 2022 in Alecta is estimated by Alecta at NOK 0.7 million (estimate for 2021 was NOK 1.2 million). The multi-company benefit scheme covers 9 out of 9 employees (2021: 9 out of 9 employees).

The collective funding ratio measures the distribution of assets in relation to the insurance commitment. The insurance commitment consists of guaranteed commitment and distributed bonus to insured and policyholders, calculations based on Alectas insurance technical methods and expectations, which differs from the methods and expectations used in the valuation of defined benefit pensions in accordance with IAS 19.

According to Alecta's funding policy for defined benefit pensions, the level of the collective funding ratio can vary between 125 and 155 percent. If the level deviates from the normal level, measures must be taken to bring the funding ratio back to the normal level. In the case of a low degree of financing, one measure could be to increase the agreed price for new subscriptions and extend the existing benefits. In the event of a high degree of financing, one measure may be to introduce premium reductions. Alecta's funding ratio at the end of 2022 was 172 % (2021: 172 %).

THE OVERVIEW BELOW SHOWS SCANA'S PARTICIPATION SHARE PER	31.12.2022	31.12.2021
The Group's share of the total savings premium for ITP 2 in Alecta *	0.00153 %	0.00269 %
The Group's share of the total number of assets insured in ITP 2 **	0.00235 %	0.00227 %

** Refers to average for the whole year*
*** Refer to the average for the last month*

To the extent that the necessary information becomes available, and the arrangements must be accounted for as performance plans in accordance with According to IAS 19, this could have an effect on the consolidated accounts.

	2022	2021
Pension costs related to defined contribution plans in Norway	13 381	4 260
Pension costs linked to defined contribution and multi-employee plans in Sweden:	1 235	1 577
Total pension cost	**14 616**	**5 837**

DISCLOSURE 11 | TAX

	2022	2021
THE TAX EXPENSE FOR THE YEAR APPEARS AS FOLLOWS		
Current tax	0	542
Change in deferred tax/deferred tax assets		
Change in tax/deferred tax asset	-11 257	-24 641
Currency difference foreign tax	-65	-190
Tax expense	**-11 322**	**-24 289**
Foreign tax expense	266	560
Effective tax rate	**20 %**	**-1197 %**

In 2021 Scana Valve Control AS made a payment of NOK 0.5 million related to a tax case in South Korea. The tax payment concerns withholding tax that arose in connection with the demerger and merger process in connection with the transfer of the shares in Scana Korea Hydraulic to Scana Valve Control AS.

	2022	2021
RECONCILIATION OF TAX EXPENSE AGAINST ORDINARY PROFIT BEFORE TAX		
Profit before tax – from continuing operations	-55 822	2 030
Profit before tax – from discontinued operations	0	0
Profit before tax – total	-55 822	2 030
22 % of profit before tax	-12 281	447
Tax expense for the year – from continuing operations	-11 322	-24 289
The differences; due to	**-959**	**24 736**
Permanent differences	1 900	-2 239
Change not capitalized deferred tax assets	-2 893	26 901
Effect of foreign activity due to different tax levels	34	74
Total	**-959**	**24 736**

SPECIFICATION OF NET DEFERRED TAX ASSETS	**2022**	**2021**
Fixed assets	28 805	4 525
Net right of use assets/liabilities	-2 079	-94
Current assets	-13 460	-17 596
Liabilities	-3 802	55
Tax loss carried forward	-82 018	-61 572
Deferred tax assets off balance	20 181	17 288
Net deferred tax assets	52 373	57 394
Deferred tax assets Norway 22 %	70 654	75 342
Deferred tax assets – not capitalized	20 181	17 288
Deferred tax assets Norway 22 %	50 473	58 054
Deferred tax assets Sweden 20.6 %	1 900	2 231
Deferred tax assets	**52 373**	**60 285**
Deferred tax Norway 22 %	0	2 891
Deferred tax liability	0	2 891
Net deferred tax assets	52 373	57 394

RECONCILIATION OF NET DEFERRED TAX ASSETS	2022	2021
Opening balance, net deferred tax assets	57 394	32 753
Change in tax/deferred tax asset over the result	11 322	24 831
Currency difference foreign tax	-65	-190
Deferred tax business combination	-22 025	0
Deferred tax assets capital expansion	5 747	0
Closing balance, net deferred tax assets	**52 373**	**57 394**

Deferred tax assets not recognized in the balance sheet was NOK 20.2 million, and NOK 19.9 million was linked to segment Scana HQ.
As of 31 December 2022, the tax loss to be carried forward in Norway is NOK 364.3 million (2021: NOK 270.7 million). In Sweden, the tax loss carried forward is MNOK 9.1 as of December 2022 (2021: MNOK 9.8). There are no restrictions on the right to carry forward tax losses.

The business in Sweden delivers positive results, while the Norwegian businesses in total deliver negative results before tax. Management considers it likely that tax losses will be used in connection with companies in Norwegian operations. This is based on expected future cash flows and builds on the same assumptions used in the impairment tests. This is also supported by several new contracts won in fourth quarter 2022 and I first quarter 2023 which are expected to contribute with increased future taxable income. The taxable loss is recognized in the statement of financial position as a deferred tax assets in the operating businesses and a part of it in Scana ASA.

In this connection, the company considers that there is sufficient taxable income in future periods, adjusted for net temporary differences with future taxable income. Taxable amounts arising from tax-reducing temporary differences expected to arise in future periods are disregarded. See also mention in disclosures 2 and 12 relating to impairment test.

In 2022, deferred tax assets were recognized in the statement of financial position, which positively affects the income statement of NOK 11.3 million.

DISCLOSURE 12 | INTANGIBLE ASSETS

INTANGIBLE ASSETS AS OF 31.12.22	GOODWILL	DEVELOPMENT COSTS	CUSTOMER RELATION	Total
ACCUMULATIVE COSTS				
Accumulated 01.01.	10 666	12 120	0	22 786
Additions at cost	0	9 803	0	9 803
Additions at cost aquisition	274 166	25 801	46 911	346 878
Currency differences	0	-155	0	-155
Accumulated as of 31.12.	**284 832**	**47 569**	**46 911**	**379 312**
DEPRECIATION/AMORTISATION/WRITEDOWNS				
Accumulated 01.01.	10 666	10 348	0	21 014
Depreciation/amortisation aquisition	0	5 193	0	5 193
Depreciation for the year	0	2 769	4 691	7 460
Currency differences	0	-123	0	-123
Accumulated as of 31.12.	**10 666**	**18 187**	**4 691**	**33 544**
Book value as of 31.12.	**274 166**	**29 382**	**42 220**	**345 768**
Depreciation/amortisation period in number of years	No amortisation	5–10	10	
The linear depreciation method is used				

PSW Power & Automation has capitalized development costs corresponding to NOK 14.2 million in connection with product development of an Electric Valve Actuator, mobile battery solutions and software for shorepower. PSW Technology has development costs connected to well control systems and solutions for a dry dock. Subseatec has capitalized development costs related to welding procedures amounting to NOK 1.2 million. Development costs are amortized over the product's expected lifetime. Goodwill at CGU-ENERY is NOK 206.4 million and NOK 67.8 million at CGU-OFFSHORE.

INTANGIBLE ASSETS AS OF 31.12.21	GOODWILL	DEVELOPMENT COSTS	CUSTOMER RELATION	Total
ACCUMULATIVE COSTS				
Accumulated 01.01.	10 666	11 331	0	21 997
Additions at cost	0	1 102	0	1 102
Currency differences	0	-313	0	-313
Accumulated as of 31.12.	**10 666**	**12 120**	**0**	**22 786**
DEPRECIATION/AMORTISATION/WRITEDOWNS				
Accumulated 01.01.	10 666	9 661	0	20 327
Depreciation for the year	0	972	0	972
Currency differences	0	-285	0	-285
Accumulated as of 31.12.	**10 666**	**10 348**	**0**	**21 014**
Book value as of 31.12.	**0**	**1 772**	**0**	**1 772**
Depreciation/amortisation period in number of years	No amortisation	5–10		
The linear depreciation method is used				

IMPAIRMENT TESTS – DESCRIPTION OF METHOD

The Group tests assets, per cash-flow-generating unit ("CGU"), for impairment annually or more frequently if there are indicators of impairment. Scana assesses various impairment indicators, including the ratio between market value on the Oslo stock exchange and book value of equity, market development, lower than expected earnings and changes in market interest rates.

As of 31 December 2022, the market value of the company is higher than the book value of the equity, which does not indicate a possible need for impairment of assets, including goodwill, intangible assets, right-of-use assets, fixed assets and other assets in the various CGUs. Two of the cash flow-generating units has booked goodwill based on the acquisition of PSW and Trans Construction. There is no need to make an impairment.

Some of the CGU has experienced better growth in the market than predicted in previous impairment tests, but offshore has experienced weaker turnover than expected.

In the impairment tests, the value in use is calculated based on the discounting of expected future cash flows by a discount rate shown in an overview on next page. The discount rate is based on risk free interest and external source Damodaran. The cash flows are based on the budget and business plans established by the management for the period 2023–2027. The estimates are based on an approach for budgeting the various cash-generating units. For the following period, the model is based on a terminal connected with a growth rate that reflects long-term inflation expectations. The income is based on concluded contracts, information about the potential for new agreements and an assumption about the development of the price in the market. The estimated operating margin in the period increases based on expectations of a positive market development and that the cost measures have an effect. The cash flows linked to the lease agreements are included as part of the investments. The total investments linked to all operating assets are maintained at the same level as the current depreciation in the future cash flows. In assessment of climate related costs, the Group has not incorporated any significant costs in the future cash flow according to value in use connected to intangible assets, equipment, plant and machinery or right of use assets. The Group will monitor new regulations according to climate related costs and take this into account when it has been approved. The Group recognizes impairment in the result if the value in use is lower than the book assets for the cash flow generating unit. Impairment indicators have been identified for CGU.

The impairment tests have been prepared based on the method and principles discussed above.

CGU-OFFSHORE

CGU-OFFSHORE consists of PSW Technology and PSW Solutions. The CGU has performed lower activity and profit in current year than expected. There is identified an impairment indicator for this CGU on the balance sheet date.
The impairment test of goodwill and other intangible assets are carried out in accordance with requirements in IAS 36.
The value in use has been used to determine recoverable amount. The calculations are based upon estimated future cash flows for the cash generating unit, OFFSHORE. The estimated future cash flows are based upon budgets and long-term profit goals covering a five-year period. In assessing future cash flow for next five years current tender activities and short-term prognosis has been supplemented with the long-term business plan. There has been a delay in revenue generating in 2022 that is expected to catch up in the next few years as the oil service market is expected to be strong. A strong order backlog going into 2023 further backed significant contract award described in disclosure 4 provides support for strong revenue growth. With the expected increase in revenue the operating margins will increase significantly due to economies of scale from the CGU's facilities which have surplus capacity. The key uncertainty is the timing and extent of contract awards. The cash flows are based on the management and the board's best estimate.

Per end of December 2022 estimated cash flow supports the book values in the CGU, and there is no need for an impairment.

CGU-ENERGY

PSW Power & Automation together with Trans Construction is defined as a cash generating unit (CGU-ENERGY). These companies were purchased in 2022 and the Group has booked a corresponding goodwill in the statement of financial position. Scana Group measures the goodwill once a year unless there are impairment indicators.

The Group performed an impairment test of goodwill and other intangible assets in accordance with requirements in IAS 36. The value in use has been used to determine recoverable amount. The calculations are based upon estimated future cash flows for the cash generating unit, ENERGY. The estimated future cash flows are based upon budgets and long-term profit goals covering a five-year period.

Continuing high energy prices are expected to keep demand strong for service offering and new projects. Based on this Scana considers the market outlook for the CGU as strong. Operating margins has been negatively impacted by disturbance in supply chain in 2022 and challenges in a few projects. During fourth quarter ENERGY has won several contracts and has improved the order backlog which is NOK 193 million end of December 2022. It confirms the strong position ENERGY has in the market. ENERGY assumes an expected growth in activities and future revenues. The operating margin is also expected to increase the next five years. The cash flows are based on the management and the board's best estimate. Per end of December 2022 estimated cash flow supports the book values in the CGU, and there is no need for an impairment.

KEY ASSUMPTIONS	ENERGY	OFFSHORE
Average operating margin for the next five years	10.4 %	5.9 %
Discount rate (nominal before tax)	9.7 %	10.8 %
Average growth rate per year 2023–2027	9.1 %	29.6 %
Growth rate per year after 2027 (nominal)	2.0 %	2.0 %
Functional currency	NOK	NOK
Value in use	361 840	235 119
Headroom	121 648	106 893

SENSITIVITY ANALYSIS

Sensitivity analysis related to the impairment test, test for reasonable changes in the key assumptions. For example, a decrease in the operating margin (other assumptions unchanged) at ENERGY by 1.0 % points the recoverable amount will reduce by NOK 53.8 million. If the operating margin increases by 1.0 % points (other assumptions unchanged), the recoverable amount will increase by NOK 53.8 million. An increase in the discount rate before tax by 1.0 % points will reduce the recoverable amount by NOK 68.4 million, correspondingly a reduction by 1.0 % points will increase amounting to NOK 90.1 million. No reasonable possible changes will lead to an impairment based on this sensitivities.

SENSITIVITY	CHANGE	ENERGY	OFFSHORE
Operating margin for the next five years	+1.0 %	53 802	95 461
Operating margin for the next five years	-1.0 %	-53 802	-95 461
Growth rate per year 2023–2027	+1.0%	37 470	15 112
Growth rate in terminal	+1.0 %	59 567	24 006
Discount rate (nominal before tax)	+1.0 %	-49 438	-50 880
Discount rate (nominal before tax)	-1.0 %	61 986	61 970

DISCLOSURE 13 | RIGHT OF USE ASSETS

RIGHT OF USE ASSETS

All right of use assets presented in the table below relate to premises, machines and cars. The right of use assets are depreciated on a linear basis over the fixed lease period, with the exception of a machine which is depreciated over its economic life. As of 31 December 2022, the Group has assessed that it is certain that the options relating to the extension of lease agreements will not be exercised. In connection to right of use, read disclosure 2 for critical accounting judgement.

RIGHT OF USE AS OF 31.12.22	PROPERTY	MACHINERY	VEHICLE	Total
ACCUMULATIVE COSTS				
Accumulated 01.01.	13 182	737	513	14 432
Additions at cost	16 299	1 422	3 160	20 881
Additions at cost aquisition	420 287	7 827	8 996	437 110
Currency differences	-40	3	-17	-54
Disposals at cost	0	-109	0	-109
Accumulated as of 31.12.	**449 728**	**9 880**	**12 652**	**472 260**
DEPRECIATION/AMORTISATION/WRITEDOWNS				
Accumulated 01.01.	6 327	327	238	6 892
Depreciation for the year	56 298	2 569	4 055	62 922
Currency differences	-21	0	-8	-29
Disposal continued operations	0	-109	0	-109
Accumulated as of 31.12.	**62 604**	**2 787**	**4 285**	**69 676**
Book value as of 31.12.	**387 124**	**7 093**	**8 367**	**402 584**
Depreciation/amortisation period in number of years	1–10	1–10	1–5	
The linear depreciation method is used				

RIGHT OF USE AS OF 31.12.21	PROPERTY	MACHINERY	VEHICLE	Total
ACCUMULATIVE COSTS				
Accumulated 01.01.	13 611	8 545	700	22 856
Additions at cost	1 177	0	172	1 349
Currency differences	-74	0	-37	-111
Transferes at cost	0	-7 753	0	-7 753
Disposals at cost	-1 532	-55	-322	-1 909
Accumulated as of 31.12.	**13 182**	**737**	**513**	**14 432**
DEPRECIATION/AMORTISATION/WRITEDOWNS				
Accumulated 01.01.	4 879	1 989	435	7 303
Depreciation for the year	3 019	137	144	3 300
Currency differences	-37	0	-19	-56
Transfer	0	-1 744	0	-1 744
Disposal continued operations	-1 534	-55	-322	-1 911
Accumulated as of 31.12.	**6 327**	**327**	**238**	**6 892**
Book value as of 31.12.	**6 855**	**410**	**275**	**7 540**
Depreciation/amortisation period in number of years	1-5			
The linear depreciation method is used				

DISCLOSURE 14 | PROPERTY, PLANT AND EQUIPMENT

PROPERTY, PLANT AND EQUIPMENT AS OF 31.12.22	MACHINES, FIXTURES, ETC.	CONSTRUCTION AND REAL ESTATE	Total
ACCUMULATIVE COSTS			
Accumulated 01.01.	71 007	0	71 007
Additions at cost	9 576	-2	9 574
Additions at cost aquisition	181 775	147	181 922
Currency differences	-36	0	-36
Transferes at cost	-42	116	74
Disposal at cost	-201	3	-198
Accumulated as of 31.12.	**262 079**	**264**	**262 343**
DEPRECIATION/AMORTISATION/WRITEDOWN			
Accumulated 01.01.	59 250	0	59 250
Depreciation/amortisation aquisition	35 964	0	35 964
Depreciation for the year	19 209	9	19 218
Currency differences	-23	0	-23
Transfer	0	116	116
Disposal continued operations	-65	0	-65
Accumulated as of 31.12.	**114 335**	**125**	**114 460**
Book value as of 31.12.	**147 744**	**139**	**147 883**
Depreciation/amortisation period in number of years	3–15		
The linear depreciation method is used			

PROPERTY, PLANT AND EQUIPMENT AS OF 31.12.21	MACHINES, FIXTURES, ETC.	CONSTRUCTION AND REAL ESTATE	Total
ACCUMULATIVE COSTS			
Accumulated 01.01.	67 960	0	67 960
Additions at cost	737	0	737
Currency differences	-85	0	-85
Transferes at cost	7 753	0	7 753
Disposal at cost	-5 358	0	-5 358
Accumulated as of 31.12.	**71 007**	**0**	**71 007**
DEPRECIATION/AMORTISATION/WRITEDOWNS			
Accumulated 01.01.	58 718	0	58 718
Depreciation for the year	2 739	0	2 739
Writedowns continued operations	1 200	0	1 200
Currency differences	-85	0	-85
Transfer	1 744	0	1 744
Disposal continued operations	-5 066	0	-5 066
Accumulated as of 31.12.	**59 250**	**0**	**59 250**
Book value as of 31.12.	**11 757**	**0**	**11 757**
Depreciation/amortisation period in number of years	3–15		
The linear depreciation method is used			

Depreciation period for machines, fixtures and similar:

- *3–5 years are used for office equipment and IT equipment*
- *10–15 years are used for production equipment and production machines*

Fixed assets are pledged so there are restrictions on disposal. This applies to companies in Norway and Sweden. Book value of pledged operating assets is NOK 143.7 million as of 31 December 2022 (31.12.21: NOK 11.8 million). See disclosure 24 relating to the mention of lease agreements and disclosure 13 right of use assets.

The calculation of the recoverable amount for the write-down is assessed at level 3 according to the valuation hierarchy.
At the end of December 2021, NOK 6.0 million has been transferred to machinery which has been classified as a right of use past years.

DISCLOSURE 15 | INVENTORIES

	2022	2021
Raw materials	25 341	21 218
Semi-finished products and work in progress	37 509	-12 125
Finished goods	3 110	4 262
Total	**65 960**	**13 355**
Provision for obsolescence as of 31.12.	6 811	3 766
This year's change in provision for obsolescence	3 045	441
Total pledged inventories	65 960	13 355

A continuous assessment of specific obsolescence is made. The inventory is provided as security for borrowings.

DISCLOSURE 16 | TRADE RECEIVABLES

	2022	2021
Trade receivables – denomination	159 405	38 584
Trade receivables associated companies	1 843	1 193
Provision for losses on trade receivables	-427	-43
Total	**160 821**	**39 734**
Loss recognized in profit and loss on receivables	0	337
Loss recognized in profit and loss on receivables, including changes in provisions	382	337

AGING SUMMARY	***2022***	***2021***
Trade receivables not due	123 607	31 565
0–30 days	14 557	7 148
31–60 days	6 415	572
61–90 days	559	378
More than 90 days	16 110	115
Total trade receivables	161 248	39 777

Provision for potential losses on receivables is based on individual assessments of each individual item. See disclosure 20 related to changes in loss provisions.

CONTRACTS

The table below shows revenue and costs that are recognized over time related to contracts that have not been completed and delivered at the time of the statement of financial position. Several of the contracts have a completion time of more than a year.

	2022	2021
Revenue recognized over time related to contracts	421 040	258 821

	2022	2021
Invoiced revenue related to contracts (milestones)	418 876	257 193
Contract assets	125 304	18 818
Contract liabilities	111 997	15 700

Remaining revenue connected to contract assets and contractual obligations are NOK 532.9 million as of 31 December 2022 (2021: NOK 77.6 million) and are expected to be delivered during 2023. Ongoing projects portion of order backlog is 82 % and 18 % has not yet been started on balance date.
All ongoing projects in beginning of 2022 have been delivered.

Contract assets and contract liabilities have been reduced in 2022 and are linked to projects that have been completed and that customers have paid advances in connection with milestone invoicing. Contract assets are offset against contract liabilities based on progress in the projects linked to each individual contract.

DISCLOSURE 17 | PREPAYMENTS AND OTHER CURRENT RECEIVABLES

PREPAYMENTS AND OTHER CURRENT RECEIVABLES	2022	2021
Prepaid costs	4 791	3 779
Prepaid to suppliers	24 724	1 045
Tax paid in advance	367	381
Treasure find	44	242
Other taxes	0	177
VAT	1 246	1 989
Total	**31 522**	**7 613**

OTHER LONG-TERM ASSETS	2022	2021
Prepaid pension cost	1 883	2 025
Other non-current assets	255	0
Total	**2 138**	**2 025**

DISCLOSURE 18 | OTHER CURRENT LIABILITIES

OTHER CURRENT LIABILITIES	2022	2021
Warranty provision	1 371	1 868
Wages, holiday pay, VAT etc.	67 950	16 540
Provision for accrued costs	23 562	14 623
Facility tax	3 970	0
Total	**96 853**	**33 031**

DISCLOSURE 19 | TRADE PAYABLES

	2022	2021
Trade payables	108 580	20 426
Trade payables, investment in associates	366	0
Total	**108 946**	**20 426**

AGING SUMMARY	2022	2021
Trade payables not due	58 342	12 755
0–30 days	40 332	6 068
31–60 days	7 033	614
61–90 days	886	411
More than 90 days	2 353	578
Total trade payables	108 946	20 426

DISCLOSURE 20 | FINANCIAL RISK

The Group is exposed to the following financial risks:

- Market risk
- Credit risk
- Liquidity risk

This disclosure provides information about exposure to each of the above-mentioned risks as well as goals, principles and processes for measuring and managing risk, and the Group's capital management. More quantitative information is included elsewhere in the consolidated accounts.

The board of directors has overall responsibility for establishing and monitoring the Group's risk management framework.
Risk management principles have been established in order to identify and analysis the risks to which the Group is exposed, to stipulate limits on risk and pertaining control procedures, and to monitor risk and compliance with the limits. Risk management principles and systems are reviewed regularly to reflect changes in activities and market conditions.

MARKET RISK

Market risk is the risk that fluctuations in market prices, e.g. exchange rates and interest rates, will affect future cash flows or the value of financial instruments. Market risk management aims to ensure that risk exposure stays within the defined limits, while optimising the risk-adjusted return.

Scana has a centralized finance function. Hedging of currency and interest rate exposure is done in accordance with the Group's policy and routines. Scana seeks to reduce the risk associated with currency and interest rates by using hedging instruments. This is done centrally by the finance department on the basis of the exposure reported by the operational units.

CURRENCY RISK

The Group is exposed to transactional foreign currency risk to the extent that there is a mismatch between the currencies in which sales, purchases, receivables and borrowings are denominated and the respective functional currencies of Group companies. The Group's management continuously monitors and reports on the Group's currency positions. The Group's risk management policy is to hedge material estimated foreign currency exposure in respect of forecast sales and purchases over the following 12 months at any point in time. The Group uses forward exchange contracts to hedge its currency risk, most with a maturity of less than one year from the reporting date.

SENSITIVITY ANALYSIS – CURRENCY

The table below shows the sensitivity analysis related to currency risk. Tax effects are not considered in the calculations. A reasonably possible strengthening (weakening) of NOK against all other currencies on 31 December would have affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. EUR currency has a portion of 82 % in the sensitivity analysis. In addition the Group has USD, GBP and SEK currencies at balance date.

	Changes in currency NOK	Impact resultat before tax	Impact other comprehensive income
2022	5 %	10 399	(3 050)
	-5 %	(10 399)	3 050
2021	5 %	2 228	(3 139)
	-5 %	(2 228)	3 139

INTEREST RATE RISK

Scana has no interest rate hedges on the balance sheet date.
The Group's interest rate risk relates to the Group's debt portfolio and cash equivalents is managed at Group level. The Group's objective is to secure and counteract major effects from changes in the market interest rate.

SENSITIVITY ANALYSIS – INTEREST RATE

The table below shows the sensitivity analysis related to interest risk. A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	Change in interest rate	Impact result before tax	Impact other comprehensive income
2022	1 %	(1 483)	(1 483)
	-1 %	1 483	1 483

LIQUIDITY RISK

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities under normal and conditions.
The Group works continuously to reduce liquidity risk through monitoring and active dialogue with the subsidiaries.

See disclosure 23 for more information on the Group's bank loans as of 31.12.2022.
For more information read disclosure 22 according to Group's cash and cash equivalents as of 31.12.2022.

The Group has a bank balance as of 31.12.22 of NOK 2.6 million and unused drawing facilities amounting to NOK 110 million.

EXPOSURE TO LIQUIDITY RISK
The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments.

	As of 31.12.22	2023.Q1	2023.Q2	2023.Q3	2023.Q4	2023	2024	2025
Leasing liabilities	-412 143	-19 042	-19 042	-19 042	-19 042	-76 167	-70 358	-66 780
Bank loan	-129 709	-5 000	-5 000	-5 000	-5 000	-20 000	-20 000	-20 000
Trade payables	-108 946	-108 946						
Financial instruments	-1 971							
Interests payments	-2 214	-2 474	-2 392	-2 310	-2 228	-9 405	-9 077	-7 765
Total outflow (payments)		-135 462	-26 434	-26 352	-26 270	-105 572	-99 435	-94 545

	As of 31.12.21	2022.Q1	2022.Q2	2022.Q3	2022.Q4	2022	2023	2024
Bankoverdraft	-101							
Leasing liabilities	-7 964	-892	-888	-880	-880	-2 670	-2 294	-62
Shareholders loan	-37 638				-37 638			
Trade paybles	-20 426	-20 426						
Financial instruments	-967							
Interests payments	-1 029	-1 130	-1 130	-1 130	-1 130	-4 520	-4 520	-4 520
Total outflow (payments)		-22 448	-2 018	-2 010	-39 648	-7 190	-6 814	-4 582

CREDIT RISK
Credit risk is the risk of financial losses in the event that a customer or counterparty in a financial instrument is unable to meet its contractual obligations. Credit risk relates usually to the Group's trade receivables, contract assets and cash and cash equivalents. The Group's exposure to credit risk is mainly the result of individual factors relating to each individual customer. The demographics of the customer base, including the risk of default of payment in the industry and the country in which the customers operate, have less influence on the credit risk.
The Group has guide lines to ensure that orders are not entered into with customers who have significant problems with payment and that outstanding amounts do not exceed established credit limits. In practice, this is done with credit assessments before contracts are entered into.
In addition, Scana enters into larger customer contracts with advance payments (20 %–30 %) or milestone invoicing throughout the entire project progress.

The Group regards its maximum credit risk exposure to the carrying amount of trade receivables and contract assets.

Historically, losses on trade receivables and contract assets have been limited.

AS OF 31.12.22	Disclosure	Gross assets	Expected loss within 12 months	Expected loss portfolio	Expected loss individual	Provision for loss on receivables	Net assets
Trade receivable	16	161 248	-427	-427		-427	160 821
Contract assets	16	126 412	-1 108	-1 108		-1 108	125 304
Total		**327 123**	**-1 535**	**-1 535**	**0**	**-1 535**	**325 588**

AS OF 31.12.21	Disclosure	Gross assets	Expected loss within 12 months	Expected loss portfolio	Expected loss individual	Provision for loss on receivables	Net assets
Trade receivable	16	39 777	-43	-43		-43	39 734
Contract assets	16	19 950	-1 132	-1 132		-1 132	18 818
Total		**59 727**	**-1 175**	**-1 175**	**0**	**-1 175**	**58 552**

CHANGES IN PROVISIONS – LOSS	Disclosure	Opening balance provision loss	Realized losses	Changes in provision	Agio	Ending balance provision loss
Trade receivable	13	-43		-384		-427
Contract assets	13	-1 132		24		-1 108
Total		**-1 175**	**0**	**-360**	**0**	**-1 535**

DISCLOSURE 21 | FINANCIAL INSTRUMENTS

HEDGING CURRENCY RISK

As a proportion of the Group's sales take place in foreign currency, Scana is exposed to fluctuations in exchange rates in the period from the conclusion of the sales contract until the final payment from the customer. In addition, there are risks associated with future payments in foreign currency. When Group's hedging the net cash flow based on the individual currencies, forward contracts are entered which correspond to a proportion of the expected future payments.

CURRENCY DIFFERENCES	2022	2021
Changes in currency differences carried over other comprehensive income	0	0
Relassified from other comprehensive income	0	-566
Effect on profit as a result of reclassification from other comprehensive income	0	566

Listed below is a summary of all open currency contracts as of 31.12.22:

CURRENCY	Net	Denomination	Maturity period	Unrealized gain/loss (–)
USD	sale	-5 010	2023	-1 971
SEK	sale	-49 380	2023	1 647
SEK	sale	-17 550	2024	615
Total				**291**

Listed below is a summary of all open currency contracts as of 31.12.21:

CURRENCY	Net	Denomination	Maturity period	Unrealized gain/loss (–)
USD	sale	-2 000	2022	84
EUR	sale	-500	2022	-967
Total				**-883**

CLASSIFICATION OF FINANCIAL ASSETS

In accordance with IFRS 9, the Group classifies financial assets based on the business model where they are managed based on contractual cash flows. The main categories of financial assets according to IFRS 9 are amortized cost, fair value classified as other comprehensive income and expenses and fair value presented in profit and loss.

In accordance with the loss model, the Group recognizes expected losses over the lifetime of financial assets that are measured at amortized cost, debt instruments that are measured at fair value over other income and costs and contract assets. The Group assesses expected losses related to financial assets over their lifetime.

DETERMINATION OF FAIR VALUE

The fair value of forward currency contracts is determined by using the closing rate on the balance sheet date adjusted for an interest addition or deduction based on the interest rate difference between the respective currencies. For forward exchange contracts, the present value of the cash flow is taken as a starting point. The fair value of cash, overdrafts and other interest-bearing debt is considered to be approximately equal to the value on the statement of financial position, as these have a short maturity and thus provide a floating interest rate that is adjusted in line with changes in the general interest rate level. Similarly, the fair value of trade receivables and trade payables is assumed to be equal to the book value as both items have a short maturity and are entered into under normal conditions.

The table below shows how the various financial instruments are categorized cf. IFRS 7 as of 31 December 2022.

						2022	2021
	Disclosure	**Fair value hierarchy**	**Fair value profit & loss**	**Fair value – other comprehensive income**	**Amortized cost**	**Total**	**Total**
FINANCIAL ASSETS							
Non-current assets	*7/17*	Level 3	2 777		255	3 032	0
Trade receivable	*16*				160 821	160 821	39 734
Financial instruments	*21*	Level 2	2 262			2 262	84
Prepayments and other current receivables	*17*				31 522	31 522	7 613
Bank deposits	*22*				2 647	2 647	28 992
Total			**5 039**	**0**	**195 245**	**200 284**	**76 423**
FINANCIAL LIABILITIES							
Bank overdraft	*22/23*				0	0	101
Leasing liabilities	*24*				412 143	412 143	7 964
Loans and borrowings	*23*				151 922	151 922	38 152
Trade payables	*19*				108 946	108 946	20 426
Financial instruments	*21*	Level 2	1 971			1 971	967
Other current liabilities	*18*				96 857	96 857	33 029
Total			**1 971**	**0**	**769 868**	**771 839**	**100 639**

FAIR VALUE – VALUE HIERARCHY

Scana uses the following hierarchy when assessing and presenting the fair value of the financial instruments.

Level 1: Listed prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: Input other than quoted prices from active markets included in level 1, which are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices). To calculate the value of open foreign exchange contracts, it is obtained from Norges Bank on the closing date. Valuations also include valuations based on market-confirmed inputs. Market-confirmed input data is input data determined through mathematical or statistical methods, such as correlation or regression analysis, where input data in the analysis and/or results can be confirmed against observable market data. If such an analysis is to be used for the purpose of financial reporting, the statistical goodness of the analysis should be assessed based on usual statistical criteria and predictive ability.

Level 3: Input for the asset or liability that is not based on observable market data.

The table above shows the valuation hierarchy for fair value disclosures for assets and liabilities. In 2022, there has been no transfer between level 1 and level 2 in the assessment of fair value, and no transfers into or out of level 3 in the assessment of fair value.

CAPITAL STRUCTURE AND EQUITY

The main purpose of the Group's composition and management of debt and equity is to ensure headroom to the tasks the Group and subsidiaries face in the short and long term. The Group should have a reasonable credit rating, and thus competitive loan conditions with lenders to Scana business. Through good capital management of equity and debt, the Group will support the business that is run, and thus contribute to increasing shareholder value.

The Group must have sufficient liquid funds and drawing options for financing operational activities. This takes place through targets for ongoing operations and capital management. The Group manages the capital structure and make necessary changes based on an ongoing assessment of market and financial risk and those financial prospects seen in the short and medium term refer to disclosure 23. Reference is made to the section liquidity risk in disclosure 20 related to the company's financial position.

DISCLOSURE 22 | CASH AND CASH EQUIVALENTS

BANK DEPOSITS	2022	2021
Ordinary bank deposits	2 647	28 992
Total	**2 647**	**28 992**

RECONCILIATION BETWEEN BANK DEPOSITS AND LIQUIDITY IN THE CASH FLOW STATEMENT	2022	2021
Bank overdraft	0	-101
Ordinary bank deposits	2 647	28 992
Cash and cash equiv. at end of period	2 647	28 891

The Group has a bank deposit as of 31 December 2022 which amounts to NOK 2.6 million. In the table above relating to liquidity, cash withdrawals are included as discussed in disclosure 23. The Group has an unused overdraft limit of NOK 110 million per 31 December 2022. The total liquidity reserve that can be used by the Group was as of 31 December 2022 NOK 112.6 million (31 December 2021: NOK 68.8 million). The Group has a cash pool arrangement.

The Group has no restricted funds as of December 2022 and all disclosed cash and cash equivalents are available.

Bank guarantees have been issued according to tax deductions, which as of 31 December 2022 was NOK 14.6 million.

DISCLOSURE 23 | LOANS AND BORROWINGS

2022	Nominal interest rate	Current	Non-current	Maturity date
Bank loan	NOWA + 3.5 %	20 000	129 709	
Accrued interests		2 214		
Total interest bearing debt		22 214	129 709	

2021	Nominal interest rate	Current	Non-current	Maturity date
Bankoverdraft	NIBOR + 3.25 %	101		09.10.2022
Shareholder loans	12 % (PIK)	37 638		10.10.2022
Accrued interests		514		
Total interest bearing debt		38 253	0	

BANK OVERDRAFT

The financing is linked to an overdraft facility of NOK 110 million and a bank guarantee facility of NOK 60 million. It is a rolling draft facility with annual renewal for the next time on 09.10.2023.

There are certain financial covenants to the loan agreement shown in the overview below:

COVENANT	2022.Q4	2023.Q1	2023.Q2	2023.Q3	2023.Q4 -->
Covenant EBITDA	**11 400**	**22 300**	**37 900**	**66 100**	**NA**
Covenant NIBD/EBITDA	NA	NA	NA	NA	2.5x
Covenant equity ratio	30 %	30 %	30 %	30 %	30 %
Borrowing base	70%	70 %	70 %	70 %	70 %

Capital expenditure should not exceed NOK 29 million, measured annually from 2023. In addition to financial covenants mentioned above, the contract contains other covenants considered common for similar contractual relationships. This includes limitations on acquisitions, disposals, change of control and conditions related to continued listing. The Group was in compliance with the loan terms as of 31 December 2022.

SHAREHOLDERS LOAN

In connection with the refinancing in 2021, a new agreement was entered where the maturity date is set to 1 day after maturity overdraft. In 2021, accrued interest has been added to the principal and amounts. In January 2022 connected to PSW transaction the shareholders loan was partly repaid to the shareholders and the remaining part was converted to equity. End of December 2022 there is no shareholder's loan.

COST OF LOAN

When the new facilities were established, DNB charged the company for establishment costs of the facilities and constitute actual costs for each of the facilities. The method used is amortized cost when the cost is expensed in the result during the borrowing period. The borrowing cost is presented on the row for accrued interest costs.

CHANGE IN LIABILITIES RELATED TO FINANCING ACTIVITIES

The overview below shows the change in liabilities due to financing activities in 2022 and where the changes take effect.

		CASH FLOW STATEMENT									
	31.12.21	Proceeds from LT and ST borrowings	Payments of borrowings	Interests	Payments of leasing liabilities	Changes in cash and bank	Profit and loss	Proceeds from issue of new share capital	Net New leasing liabilities and disposals	Currency differences	31.12.22
Leasing liabilities	7 964				-53 787				457 993	-27	412 143
Bank overdraft	101					-101					0
Bank loan LT	0	145 000	-15 000				-291				129 709
Bank loan ST	0	20 000									20 000
Shareholders loan	37 638		-25 661					-11 977			0
Accrued interests	514			-35 607			41 673	-4 880	514	0	2 214
Total liabilities connected to financing activities	46 217	165 000	-40 661	-35 607	-53 787	-101	41 382	-16 857	458 507	-27	564 066

In addition the Group has repaid short term borrowings acquired through business combination of NOK 99 million during 2022.

The overview below shows the change in liabilities due to financing activities in 2021 and where the changes have an effect.

		CASH FLOW STATEMENT									
	31.12.20	Proceeds from LT and ST borrowings	Payments of borrowings	Interests	Payments of leasing liabilities	Changes in cash and bank	Profit and loss		Net New leasing liabilities and disposals	Currency differences	31.12.21
Leasing liabilities	10 402				-3 731				1 348	-55	7 964
Bank overdraft	26 373					-26 272					101
Shareholders loan	33 436			4 202							37 638
Accrued interests	495			-5 876			5 707			188	514
Total liabilities connected to financing activities	70 706	0	0	-1 674	-3 731	-26 272	5 707		1 348	133	46 217

Paid interest leases apply to statement of financial position leases. Interest payments include costs associated with establishing the financing. Increased liability is linked to new lease agreements and interests added to the principal of the shareholders loan.

DISCLOSURE 24 | LEASE LIABILITIES

The Group rents premises at all businesses. These leases have a lease period of one to eight years. There are opportunities to extend some of these leases by up to five years. Fixed rental period covers the company's needs and provides the necessary flexibility. The rental period is based on best judgment and best estimate with regard to probable length.

A major part of the lease agreements has a fixed length. The lease is based on the company's strategy and the desire for flexibility regarding future leases.

Leased machines are mainly smaller machines and equipment. Examples of machinery and equipment are the hire of trucks and copiers, which represent greater value. Lease agreements relating to the trucks are for up to eight years.

Cars are rented normally over a period of three years and are returned to the lessor at expiry date. The leases can be extended by two years, but this is not practiced. Options are therefore not included in the lease liabilities.

Total lease liabilities are measured at the present value of future rental payments with the exception of common services and costs. The Group has used a weighted average linked to the marginal interest rate for each of Group's at the time of recognition. The following marginal interest rate is used; for machinery and equipment 5–6 %, for cars 5 % and premises 5 %. The interest rate is connected to the marginal interest rate reflects the level linked to loan conditions when financing similar assets. The company has used common marginal interest for each portfolio of leases relating to usufruct assets with matching properties.

Lease agreements with a remaining period less than twelve months and agreements with a low value are not recognised as lease liabilities. Direct costs such as services linked to operating assets with right of use are excluded when the present value of right of use assets is calculated. See disclosure 1 regarding lease liabilities for further discussion.

LEASE LIABILITIES

The Group has entered into lease agreements connected to buildings, properties, machines, premises and other facilities with a remaining lease period of one to ten years. The agreements do not contain restrictions on the company's dividend policy or financing options. The table below shows rental obligations entered in the balance sheet as of 31 December.

CHANGES IN LEASING LIABILITIES	2022	2021
Opening balance leasing liabilities 01.01.	7 964	10 402
New leasing liabilities	458 102	1 348
Disposal of leasing liabilities	-109	0
Currency differences	-27	-55
Interests	24 723	590
Payments	-78 510	-4 321
Ending balance leasing liabilities 31.12.	412 143	7 964

PROFIT AND LOSS ITEMS RELATED TO LEASE AGREEMENTS	2022	2021
Depreciation for the year continued operations	62 922	3 300
Interests costs	24 723	587
Short-term leases – not accounted for as liabilities	398	918
Lease of low value assets – not accounted for as liabilities	546	39
Variable part related to leasing liabilties	72	0
Total profit items	**88 661**	**4 844**

LEASING LIABILITIES CASH FLOW	2022	2021
Payments related to leasing liabilities - installments	-53 787	-3 731
Payments related to leasing liabilities - interests	-24 724	-590
Short-term leases – not accounted for as liabilities	-398	-918
Lease of low value assets – not accounted for as liabilities	-546	-39
Variable part related to leasing liabilties	72	0
Total outflow cash for all leasing liabilties	**-79 383**	**-5 278**

Rental expensed during 2022 is NOK 28.2 million. The table below shows the company's future non-discounted payment flows linked to the lease liabilities in the balance sheet as of 31 December 2022.

MATURITY ANALYSIS COMMENCED LEASES	2022	2021
Within one year	76 167	3 541
Between one and two years	70 358	2 670
Between two and three years	66 780	2 294
Between three and four years	65 610	62
Between four and five years	62 642	39
More than five years	167 770	0
Total payments leasing liabilities	**509 327**	**8 606**

The payments linked to the lease agreements are fixed. The variable part is considered as insignificant.

The overview below shows the company's exposure related to future payments not discounted related to options and terminations that are not included in the lease liabilities as of 31 December 2022.

LEASE PAYMENTS IN 2022	Fixed payments	Variable payments	Total
Fixed rent	1 249		1 249
Total rental payments	**1 249**	**0**	**1 249**

	Within five years	More than five years	Total
Extension of lease agreements (options) is not expected to be exercised	345 712	228 862	574 574
Total	**345 712**	**228 862**	**574 574**

The company is a lessor and subleases property. All these leases are classified as operating leases from a lessor perspective. Rental revenue is therefore classified other revenue in the income statement. Refer to disclosure 8.

DISCLOSURE 25 | GUARANTEES AND PLEDGE

MORTGAGE ENCUMBRANCES	2022	2021
Of the group's book debts, the following were secured by pledge	150 873	37 739
Total pledges	**150 873**	**37 739**
BOOK VALUE OF PLEDGED OBJECTS		
Machinery	143 609	11 757
Buildings	139	0
Inventories	65 960	13 355
Trade receivables	160 821	39 734
Contract assets	125 304	18 818
Total	**495 834**	**83 663**

WARRANTY LIABILITY	2022	2021
Warranty and surety liability	162 147	21 517

The parent company guarantees amount to NOK 17.7 million on the balance sheet date.

Of the bank guarantees, approx. 27 % (2021: 71 %) linked to performance guarantees. Errors in deliveries and the inability to correct errors will give the customer the right to draw on the guarantees. About 32 % (2021: 29 %) of the bank and parent company guarantees are demand guarantees ("on demand" guarantees) and includes tax deductions. Approximately 41 % of the guarantees are linked to the lease agreements. In the event of non-payment, the creditor can call on the guarantee.

DISCLOSURE 26 | SHARES AND SHAREHOLDERS

Scana ASA had 4.091 shareholders as of 31.12.2022.
Foreign shareholders owned shares that together made up 21.4 % of the share capital.

NUMBER OF SHARES OWNED BY BOARD MEMBERS AND SENIOR EMPLOYEES

Oddbjørn Haukøy (Ownership is exercised through the company No Surrender AS and 50 % ownership in Subsea Independent AS)	38 187 747
Styrk Bekkenes (Ownership is exercised through the company Bekkenes AS)	3 288 428
Dag Schjerven	976 185
Torvald Ulland Reiestad	178 660

Pål Selvik (Scana's Chairman of the board) is CEO in GC Rieber Fortuna AS

THE 20 LARGEST SHAREHOLDERS AS OF 31.12.22	Number of shares	Percentage
HERKULES PRIVATE EQUITY IV LP2	57 690 674	13.1 %
NO SURRENDER AS	34 187 143	7.8 %
KREFTING AS	25 137 610	5.7 %
SIRENA II AS	25 000 000	5.7 %
HERKULES PRIVATE EQUITY IV LP1	20 471 101	4.6 %
MAKRELLA HOLDING AS	14 285 714	3.2 %
WERGELAND HOLDING AS	10 000 000	2.3 %
PERESTROIKA AS	10 000 000	2.3 %
OSAKONGEN DRIFT AS	9 835 000	2.2 %
JEKTEVIKA HOLDING AS	9 835 000	2.2 %
STOLEN AS	8 718 557	2.0 %
SPIRALEN HOLDING AS	8 571 428	1.9 %
TRIKO AS	7 897 428	1.8 %
LILJE AS	7 142 857	1.6 %
WEST COAST INVEST AS	7 142 857	1.6 %
Skandinaviska Enskilda Banken AB	6 424 891	1.5 %
SPECTATIO FINANS AS	6 361 315	1.4 %
INTERNATIONAL OILFIELD SERVICES AS	6 198 852	1.4 %
GC RIEBER FORTUNA AS	5 000 000	1.1 %
SUBSEA INDEPENDENT AS	4 000 604	0.9 %
Total holdings 20 largest shareholders	**283 901 031**	**64.4 %**
Other	156 681 870	35.6 %
Total number of shares	**440 582 901**	**100.0 %**

DISTRIBUTION OF SHAREHOLDERS BY HOLDINGS

NUMBER OF SHARES	Number of shareholders	Number of shares	Percentage
1–1 000	1785	473 192	0.1 %
1 001–10 000	1232	5 714 962	1.3 %
10 001–100 000	839	28 697 740	6.5 %
100 001–1 000 000	188	54 463 562	12.4 %
Over 1 000 000	47	351 233 445	79.7 %
Total	**4091**	**440 582 901**	**100 %**

SHARE PRICE PER QUARTER IN 2022

AMOUNT IN NOK	2022.Q4	2022.Q3	2022.Q2	2022.Q1
Start price	1.02	1.23	1.36	1.50
Closing price	1.04	1.09	1.28	1.36
Return in the period	2 %	-12 %	-6 %	-9 %
Highest closing price	1.30	1.54	1.70	1.49
Lowest closing price	1.01	1.08	1.20	1.17
Volume (in 1000 shares)	**122 071**	**56 397**	**106 842**	**28 538**

DISCLOSURE 27 | RESULT PER SHARE AND OWN SHARES

	2022	2021
Net profit/loss – Equity holders of the parent	-44 499	26 757
Weighted average number of shares *)	386 348 745	107 505 370
EFFECT OF DILUTION		
Options/Subscription rights	0	9 240 000
Weighted average number of shares adjusted for the effect of extraction	386 348 745	116 745 370
Earnings per share – continuing operation	-0.12	0.24
Earnings per diluted share - continuing operation	-0.12	0.23
Earnings per share – discontinued operation	0.00	0.00
Earnings per diluted share – discontinued operation	0.00	0.00
Earnings per share	-0.12	0.25
Earnings per diluted share	-0.12	0.23

	2022	2021
Shares in market from previous year	107 511 831	107 511 831
Issue of shares January 2022	277 292 850	
Convertion of Seller credit Dec 2022	1 550 524	
Own shares	(6 461)	(6 461)
Weighted average number of shares	386 348 745	107 505 370

OWN SHARES

The company has 6.461 own shares as of 31 December 2022, which is unchanged from 31 December 2021. At the ordinary general meeting on 22 June 2022, the board was authorized to acquire the company's own shares for a nominal value of up to NOK 39.3 million. The authorization is valid until the 2023 ordinary general meeting.

DISCLOSURE 28 | SHARE CAPITAL

Private placement registered 11 January 2022 – The company's share capital increased by NOK 285.909.295 from NOK 107.511.831 to NOK 393.421.126, by issuing 285.909.295 new shares each with a nominal value of NOK 1.00.

Debt conversion registered 20 December 2022 – The company's share capital increased by NOK 47.161.775 from NOK 393.421.126 to NOK 440.580.901, by issuing 47.161.775 new shares each with a nominal value of NOK 1.00.

On 31 December 2022, the share capital of Scana ASA was NOK 440.580.901, divided into 440.580.901 shares, each with a nominal value of NOK 1.00. All shares have equal voting rights.

	Number of shares	Share capital
Number of outstanding ordinary shares as of 31.12.21	107 511 831	107 512
Private placement 11 January 2022	285 909 295	285 909
Debt conversion 20 December 2022	47 161 775	47 162
Number of outstanding ordinary shares as of 31.12.22	**440 582 901**	**440 583**

DISCLOSURE 29 | RELATED PARTIES

ASSOCIATED COMPANY	Scana Korea Hydraulic Ltd	
	2022	**2021**
Sales	6 138	5 823
Purchase	1 179	74
Receivables	1 843	1 193
Payables	366	0

In 2022, the Group has been invoiced for rental amounting to NOK 0.5 million by Bekkenes AS. At the end of 31 December 2022, there was no outstanding trade payables to Bekkenes AS. Styrk Bekkenes owns Bekkenes AS. He was CEO in 2022 and until mid January 2023. Transactions with related parties are carried out at assumed market prices. Outstanding receivables and payables are unsecured short-term interest-free items. Settlement is carried out in cash. The Group has not issued any guarantees to its related parties. No provision has been made for doubtful debts as of 31 December 2022. See further discussion in disclosure 23 according to shareholders loan.

Bergen, 28 April 2023

Pål Selvik	**Ida Ianssen Lundh**	**Vidar Rabben**	**Birgitte Feginn Angelil**	**Oddbjørn Haukøy**
CHAIRMAN OF THE BOARD	BOARD MEMBER	BOARD MEMBER	BOARD MEMBER	INTERIM CEO

ALTERNATIVE PERFORMANCE MEASURES

Alternative performance measures, which means financial target figures that are not defined within the current financial reporting framework, is used by Scana to provide additional information. This is done by excluding elements which, in Scana's view, do not give an indication of periodic EBITDA or operating results. Alternative performance targets are intended to improve the comparability of the results from period to period. It is Scana's experience that these are often used by analysts, investors, and other parties. Management also uses these measurements internally.

Alternative performance measures are not a substitute for measuring results in accordance with IFRS.

Scana's financial alternative performance measures:

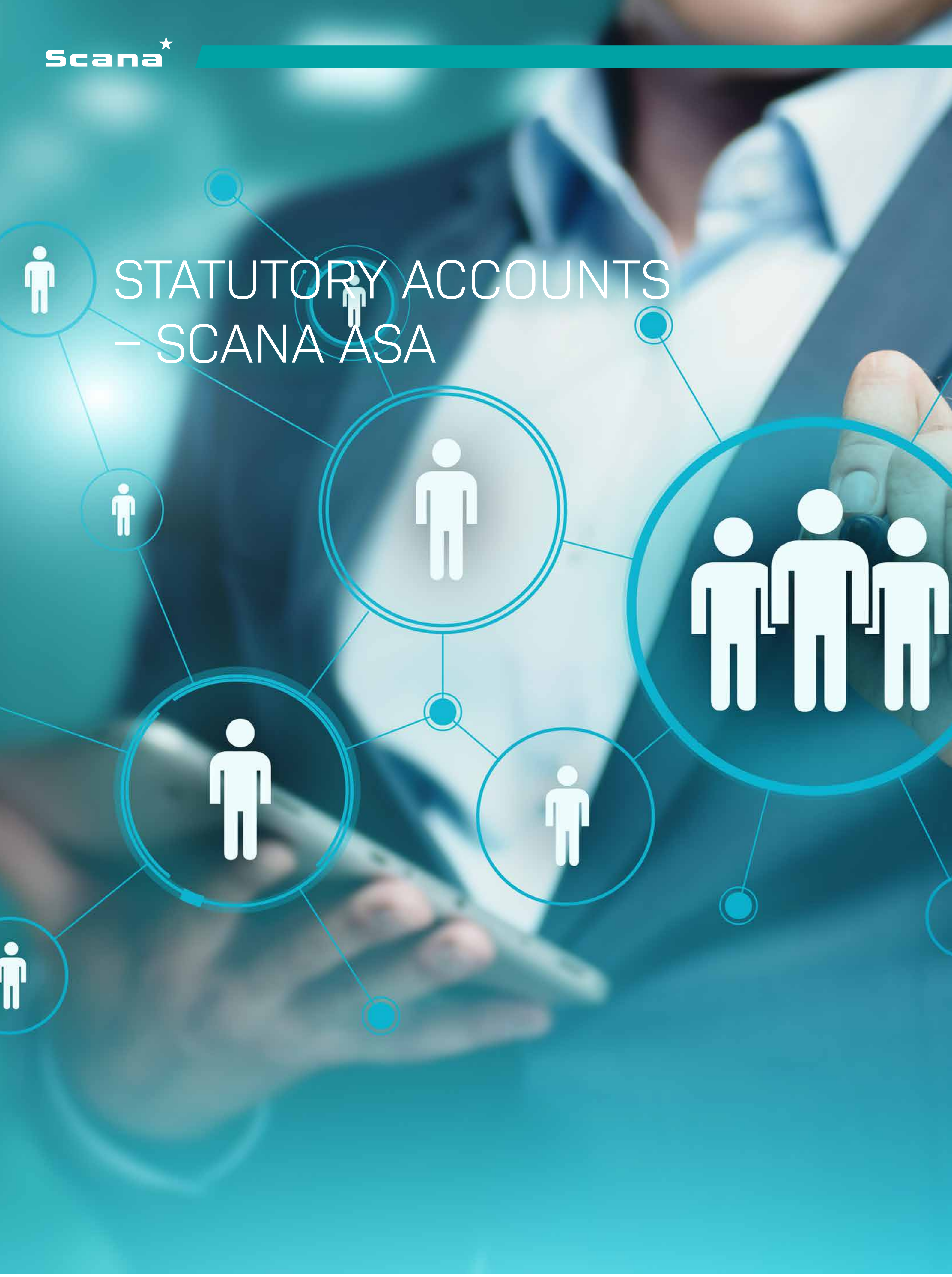
EBITDA	Operating profit before depreciation
Adjusted EBITDA	EBITDA less identified costs or revenues that are excluded to achieve real underlying operations
EBIT	Operating profit after depreciation and write-downs
Adjusted operating income	Operating profit after adjustments related to identified costs or revenues to produce real underlying operations

	FULL YEAR	
APM	**2022**	**2021**
EBITDA	**70 627**	**16 655**
[1] Gain from sale	-1 066	-422
[2] Strategy and M&A costs	3 532	5 757
[3] Option program/incentive scheme	2 974	1 305
[4] Restructuring costs	405	408
Total items excluded from EBITDA	**5 845**	**7 048**
Adjusted EBITDA	**76 473**	**23 703**
Depreciation/amortisation/impairment	89 600	8 211
Adjusted EBIT	**-13 128**	**15 492**

[1] Gain from sale is related to the sale of businesses
[2] Costs related to strategy development and M&A opportunities
[3] Costs related to the option program that accrue during the vesting period
[4] Restructuring costs related to final agreements and assistance

DEFINITIONS

Rolling EBITDA	EBITDA for the last twelve months
NIBD	Net interest bearing debt (Interest-bearing debt – cash)
Borrowing base	Consists of inventory, accounts receivable and contract assets
Order intake	Consists of the period's new orders as well as net changes to existing orders, including change orders, cancellations and changes related to exchange rates
Order backlog	Consists of remaining deliveries on contracts entered at the end of the period
Covenant EBITDA	Rolling EBITDA adjusted for financial lease and transaction cost related to 2022 acquisitions/PSW and ATC and normalization for one off effects + result from associated company.
Covenant equity ratio	Booked equity/(total assets – financial lease related to 2022 acquisitions of PSW and ATC)
Covenant NIBD/EBITDA	Covenant EBITDA/NIBD excluding financial lease



STATUTORY ACCOUNTS – SCANA ASA

SCANA ASA | INCOME STATEMENT

PERIOD 1 JANUARY – 31 DECEMBER *(thousand NOK)*	*Disclosure*	**2022**	**2021**
Total revenue	*7*	**15 769**	**8 986**
OPERATING COSTS AND EXPENSES			
Wages, social security and pension costs	*8/15*	17 162	11 207
Depreciation	*3*	278	137
Other operating expenses	*3/8*	14 824	14 303
Total operating costs and expenses		**32 264**	**25 647**
Operating income		**-16 495**	**-16 661**
FINANCIAL INCOME AND EXPENSES			
Income from investments in subsidiaries	*2*	11 765	45 534
Interest income		247	5
Interest income intra-group	*7*	5 753	3 250
Write-down of shares/receivables in subsidiaries	*2/10*	-7 408	-986
Interest expense		-4 704	-4 933
Interest expense intra-group	*7*	-5 119	-4
Other financial expenses	*17/15*	712	1 463
Net finance		**1 246**	**44 329**
Income before taxes		**-15 249**	**27 668**
Taxes	*4*	0	-28 464
Net income		**-15 249**	**56 132**
ALLOCATIONS AND TRANSFERS			
Transfer to other equity		-15 249	56 132
Total		**-15 249**	**56 132**

SCANA ASA | BALANCE SHEET

	Disclosure	31.12.22	31.12.21
NON CURRENT ASSETS			
Deferred tax assets	*4*	34 211	28 464
Property, plant and equipment	*3/14*	1 868	321
Shares in subsidiaries	*2/14*	764 632	299 686
Other non current receivables	*11*	1 883	2 025
Intercompany non current receivables	*10*	155 233	22 074
Total non current assets		**957 827**	**352 570**
CURRENT ASSETS			
Intercompany current receivables	*10*	105 594	49 210
Prepaid expenses and other current receivables	11/15	6 751	4 518
Cash and cash equivalents	12	0	26 811
Total current assets		**112 345**	**80 539**
Total assets		**1 070 172**	**433 109**
SHAREHOLDERS' EQUITY			
Share capital	*9*	440 583	107 512
Own shares		-6	-6
Other paid-in capital		98 705	0
Total paid-in capital		**539 282**	**107 506**
Total other equity		**141 510**	**152 912**
Total shareholder's equity	*5*	**680 792**	**260 418**
NON CURRENT LIABILITIES			
Non current interest bearing debt	*13/14*	129 709	0
Pension liabilities		1 883	2 025
Total non current liabilities		**131 592**	**2 025**
CURRENT LIABILITIES			
Current interest bearing debt	*13/14*	24 254	38 253
Accounts payable		2 319	354
Intercompany current debt	*10*	227 970	124 620
Other accrued expenses and liabilities	*15/16*	3 245	7 439
Total current liabilities		**257 788**	**170 666**
Total liabilities & shareholder's equity		**1 070 172**	**433 109**

SCANA ASA | CASH FLOW STATEMENT

	Disclosure	2022	2021
OPERATING ACTIVITIES			
Income before taxes		-15 249	27 668
Income from investments in subsidiaries		-9 946	-44 548
Provision for losses on receivables		5 589	0
Depreciation		278	137
Change in other current assets		-7 822	2 439
Change in accounts payable		1 965	-189
Change in other current liabilities and accruals		5 436	6 576
Net cash operating activities		**-19 749**	**-7 917**
INVESTING ACTIVITIES			
Change in long-term receivables		-86 193	-2 716
Investments in fixed assets	*3*	-1 825	-161
Received dividend		0	30 000
Sales of business	*2*	0	432
Investments in business	*2*	-234 085	0
Net cash investing activities		**-322 103**	**27 555**
Net cash before financing activities		**-341 852**	**19 638**
FINANCING ACTIVITIES			
Proceeds from non current borrowings		145 000	0
Repayment of non current interest bearing debt		-15 000	0
Proceeds from current borrowings		20 000	0
Net interest payment/finance costs		-902	-2 171
Change in current interest-bearing debt		-10 313	-21 944
Proceeds from issue of new share capital		176 256	0
Net cash financing activities		**315 041**	**-24 115**
Net cash flows		**-26 811**	**-4 477**
Cash and cash equivalents at beginning of year		26 811	31 288
Cash and cash equivalents at end of year		0	26 811
Change in cash and cash equivalents		**-26 811**	**-4 477**

DISCLOSURE 1 | ACCOUNTING PRINCIPLES

The presented company accounts have been prepared in accordance with the provisions of the Accounting Act and good accounting practice. Going concern is the basis for the preparation of the annual accounts and the valuation of the company's assets. The annual accounts consist of profit and loss account, balance sheet, cash flow statement and disclosure information. It represents a complete annual accounts. All numbers in the annual accounts are in NOK thousand ('000) unless otherwise stated. The financial statements have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway.

1.1 REVENUE AND COSTS

Income is recognized in the income statement when it is earned. Expenses are recognized in the income statement in the same period as the associated income. Transaction costs linked to borrowing are accrued over the term of the loan according to the amortized cost method.

1.2 SHORT TERM RECEIVABLES AND SHORT TERM LIABILITIES

Receivables and liabilities are classified as current assets and short-term liabilities if they are due for payment within one year of the balance sheet date.

1.3 ASSETS AND LABILITETS IN FOREIGN CURRENCY

Transactions in foreign currency are accounted for at the rates at the time of the transaction. The company's cash and bank equivalents, receivables and liabilities in foreign currency are converted at the exchange rate on the balance sheet date.

1.4 TRADE RECEIVABLES

Accounts receivables are entered in the balance sheet after deductions for ascertained losses and provisions to cover losses.

1.5 SHARES IN SUBSIDIARIES

Investments in subsidiaries are assessed according to the cost method. An impairment is made based on fair value when the decline in value is due to reasons that cannot be assumed to be temporary and it must be considered necessary according to good accounting practice. Impairment is reversed when the basis for impairment is no longer present.
Distributions from subsidiaries that represent earned income are recognized as income in the year the distribution is accounted for in the subsidiary. Distribution in excess of earned income is considered repayment of invested capital and is accounted for as a reduction of the investment.

1.6 TANGIBLE ASSETS AND DEPRECIATION

Fixed assets are listed in the balance sheet at historical acquisition cost less depreciation and write-downs. Depreciation is calculated linearly from acquisition cost. When selling fixed assets, gains are included as operating income and losses as operating costs. If the recoverable amount of the operating asset is lower than the balance sheet value, a write-down is made to the recoverable amount. Recoverable amount is the higher of net sales value and value in use. Value in use is the present value of the future cash flows that the asset is expected to generate.

1.7 INCOME TAX

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. Deferred tax is calculated as 22 percent of temporary differences and the tax effect of tax losses carried forward. Deferred tax assets are recorded in the balance sheet when it is more likely than not that the tax assets will be utilized. Taxes payable and deferred taxes are recognised directly in equity to the extent that they relate to equity transactions.

1.8 CASH FLOW STATEMENT
The cash flow statement is presented using the indirect method. Cash and cash equivalents includes cash, bank deposits and other short term, highly liquid investments with maturities of three months or less.

1.9 LEASING
Lease agreements are assessed as financial or operational leasing according to a concrete assessment of the individual agreement. The company only has operating assets that are defined as operational leasing.

1.10 FINANCIAL INSTRUMENTS
The company uses various financial instruments in the management of the Group's currency and interest rate exposure.
Currency forward contracts are entered in the balance sheet at fair value. Unrealized gain or losses related to these contracts are recognized in profit or loss on an ongoing basis.

DISCLOSURE 2 | SHARES

SHARES IN SUBSIDIARIES	Acquired/ Establised	Ownership share	Vote share	Number of shares	Booked value as of 31.12.2022
Scana Trading AS Bergen, Norway (subgroup)	1987	100 %	100 %	78 000	94 884
Scana Property AS Bergen, Norway	2012	100 %	100 %	1 000 000	36 304
Seasystems AS Vestby, Norway	2006	100 %	100 %	2 600	178 444
PSW Holding I AS Bergen, Norway	2022	100 %	100 %	1 941 595	455 000
Total shares in subsidiaries					**764 632**

SHARES OWNED BY SUBSIDIARIES	*Currency*	Acquired/ Establised	Ownership share	Vote share	Number of shares
Scana Energy Holding AB Kristinehamn, Sweden (subgroup)	*SEK*	2013	100 %	100 %	100 000
Subseatec S AB Kristinehamn, Sweden	*SEK*	2011	100 %	100 %	100
Scana do Brasil Industias Ltda Rio de Janerio, Brazil	*BRL*	2009	100 %	100 %	10 000
Scana Korea Hydraulic Ltd. Gyeongsangnam-do, Korea	*KRW*	2001	49 %	49 %	
Scana Valve Control AS Stavanger, Norway (subgroup)	*NOK*	2016	100 %	100 %	1 000
Skarpenord AS Rjukan, Norway	*NOK*	1989	100 %	100 %	16 532
PSW Technology AS Mongstad, Norway	*NOK*	2022	100 %	100 %	39 500
PSW Solutions AS Mongstad, Norway	*NOK*	2022	100 %	100 %	100
PSW Power & Automation AS Ågotnes, Norway	*NOK*	2022	100 %	100 %	13 720
Trans Construction AS Eidsvoll, Norway	*NOK*	2022	100 %	100 %	160 000
Stepwise AS Stavanger, Norway	*NOK*	2022	4 %	4 %	12 800 146

The company tests the value of the shares for impairment in case of indication of impairment. In assessment, the value in use is used, which is based on the budget and business plans determined by the management for the period 2023–2027. The estimates are based on the approved budget 2023 and forecasts for 2024–2027 for each individual cash-generating unit. For the following periods, the model is based on a growth rate of 2.0 %, which is long term expectations of inflation targets at Norges Bank and 2.0 % at the Riksbank in Sweden. The income is based on order backlog and management assessments and external information according to the potential for new agreements.

Estimated operating margin in the period increases based on expectations of a positive market development. The company recognizes impairment in profit and loss if the estimated value in use is less than the booked assets connected to the cash-generating units.

The shares in Scana Property AS are written down by NOK 1.8 million. Seasystems has shown a good performance the last years and a reversal of written down by NOK 11.8 million has been done. The company has a trade receivable towards Skarpenord of NOK 5.6 million in which a loss provision has been made due to lower expected future cash flows.

DISCLOSURE 3 | PROPERTY, PLANT AND EQUIPMENT

Accumulative costs *(Machines, fixtures, etc.)*	
Accumulated 01.01.	7 356
Additions at cost	1 825
Accumulative costs as of 31.12.22	**9 181**
Depreciation/amortisation	
Accumulated 01.01.	7 035
Depreciation for the year	278
Accumulated as of 31.12.22	**7 313**
Book value as of 31.12.22	**1 868**
Depreciation/amortisation period in number of years	3–5

The rental cost related to office (not recognized in the balance sheet) in 2022 was NOK 0.5 million (2021: NOK 0.5 million).

DISCLOSURE 4 | TAX

	2022	**2021**
BASIS FOR TAX PAYABLES		
Income before taxes	-15 249	27 668
Permanent/Other differences	-26 234	-36 864
Change temporary differences	-3 322	-7 727
Change temporary differences tax loss carry forward	44 805	16 923
Basis for tax payables	**0**	**0**
TAXES		
Changes in deferred tax assets	-5 747	-28 464
Tax-equity	5 747	0
Taxes	**0**	**-28 464**

	2022	2021
RECONCILIATION OF TAX COST AGAINST ORDINARY PROFIT BEFORE TAX		
This year's tax cost	0	-28 464
22 % of income before tax	-3 355	6 087
	3 355	**-34 551**
Permanent/Other differences	-5 771	-8 110
Result investment subsidiary, tax-equity	5 747	0
Change not recognized in the balance sheet/deferred tax benefit	3 379	-26 441

	2022	2021
SPECIFICATION OF BASIS OF DEFERRED TAX		
Fixed assets	74	-160
Receivables	-73 378	-73 378
Derivates	1 318	-1 107
Gain and loss	0	-13
Other liabilities	1 165	515
Taxables loss carry forward	-174 703	-129 899
Total of temporary differences	**-245 524**	**-204 042**
22 % deferred tax	-54 015	-44 889
Hereby recognized in the balance sheet deferred tax assets	34 211	28 464
Deferred tax assets no recognized in the balance	19 804	16 425

There are no timing restrictions on carrying forward the tax loss, and it can be carried forward indefinitely. Parts of deferred tax assets are not recognized in the balance sheet as there is uncertainty related to future utilization.
Reference is made to disclosure 11 of the consolidated accounts for further discussion of deferred tax assets on the balance sheet.

DISCLOSURE 5 | EQUITY

	Share capital	Own shares*	Other paid-in capital	Other equity	Equity
Equity as of 31 December 2021	107 512	-6		152 912	260 418
Net income				-15 249	-15 249
Issue of shares	333 071		98 705		431 776
Option program				3 847	3 847
Equity as of 31 December 2022	**440 583**	**-6**	**98 705**	**141 510**	**680 792**

**The company has 6 461 own shares where the denomination is 1-one Norwegian Kroner per share.*

DISCLOSURE 6 | GUARANTEES

	2022	2021
Parent company guarantees	179 820	21 517

Approximately 27 % of all guarantees are connected to performance guarantees, linked to product and service deliveries to the Group's businesses. 23 % are connected to advanced payment guarantees, 41 % are linked to rental guarantees and 9 % is on demand guaranties related to tax deductions. The parent company guarantees amount to NOK 17.7 million on the balance sheet date.
For futher details read disclosure 25 in Group accounts.

DISCLOSURE 7 | TRANSACTIONS WITH RELATED PARTIES

Operating income of NOK 15.7 million, applies to subsidiaries including Group assistance. Interest income intra-Group items, NOK 5.7 million is interest income from Group companies. There has been no other transaction with related parties during 2022 except for disclosed information. Refer to disclosure 29 of the consolidated accounts for mention of related parties.

The shareholders loan was repaid in January 2022 in connection with issue of shares.

DISCLOSURE 8 | PAYROLL EXPENSES

	2022	2021
Wages	9 679	5 759
Fee to board	1 175	1 175
Social security	1 611	1 292
Pension costs	404	301
Option program	3 847	1 740
Other wages and personall costs	446	940
Total payroll expenses	**17 162**	**11 207**

Scana ASA had seven employees at the end of the year, of which two were women. The average number of employees in 2022 was approx. six employees. The company's pension scheme meets the requirements of the Mandatory Occupational Pensions Act ("lov om obligatorisk tjenestepensjon"). Refers to the salary disclosure in the Group accounts for mention of management salary.

Fee to auditor: *)	**2022**	**2021**
Statutory audit	975	635
Other attestation services	0	0
Audit-related assistance and other assistance	56	0
Total	**1 031**	**635**

**) The numbers are presented exluded VAT.*

DISCLOSURE 9 | SHARE CAPITAL

As of 31 December 2022, Scana ASA's share capital amounted to NOK 440.582.901 divided into 440.582.901 shares of NOK 1.00 each. The shares consist of a share class with equal voting rights.

	Number of shares	Share capital
As of 31 Desember 2021	107 511 831	107 511 831
Share issue – January 2022	285 909 295	285 909 295
Share issue – December 2022	47 161 775	47 161 775
As of 31 Desember 2022	**440 582 901**	**440 582 901**

During 2022 there has been two share capital expansion. The first took place in January 2022 when Scana purchased PSW companies. The second one was arranged in December 2022 related to conversion of a seller credit.
The share premium fund has increased by NOK 98.7 million in 2022 connected to the share issues.

DISCLOSURE 10 | LENDING, BORROWING AND RECEIVABLES FROM GROUP COMPANIES

The company has lending agreements and borrowing agreements with subsidiaries. The company has intercompany current debt to subsidiaries on NOK 228.0 million. In addition Scana ASA has intercompany non current receivables of NOK 155.2 million and intercompany current receivables of NOK 105.6 million. Intra-Group loans maturity date is due in the period up to 31 December 2024.

DISCLOSURE 11 | OTHER NON-CURRENT RECEIVABLES

Other short-term receivables relate to the sale of Leshan Scana Machinery Ltd. was written down to zero by NOK 73.4 million in 2014. The company has an ongoing legal process to recover the claim against Leshan Scana Machinery Ltd.

Other non current receivables of NOK 1.9 million relates to pension premium fund.

DISCLOSURE 12 | BANK DEPOSIT

Bank deposits and cash amount to NOK 0.0 million. The company has issued a guarantee related to employee tax deduction.

DISCLOSURE 13 | CURRENT AND NON CURRENT INTEREST BEARING DEBT

	2022	2021
Bank overdraft	2 040	101
Accrued interests	2 214	514
Bank loan	20 000	0
Shareholders loan	0	37 637
Total current interest bearing debt	**24 254**	**38 252**

	2022	2021
Bank loan	130 873	0
Amortization	-1 164	0
Total non current interest bearing debt	**129 709**	**0**

In January 2022 Scana ASA entered into a new financing agreement with bankloan of NOK 150 million. In addition Scana entered into a bankoverdraft facility of NOK 110 million and a bank guarantee framework of NOK 60 million. Refer to disclosure 23 in the financial statements for further discussion of interest-bearing debt.

The shareholders loan was repaid and converted to equity in January 2022.

DISCLOSURE 14 | MORTGAGES

	2022	2021
Of the company's interest-bearing debt, the following was secured by mortgage	180 185	38 252
BOOK VALUE OF MORTGAGES OBJECTS		
Shares in subsidiaries	764 632	299 686
Machines, fixtures, etc.	1 868	321
Total	**766 500**	**300 007**

DISCLOSURE 15 | FINANCIAL INSTRUMENTS

CURRENCY CONTRACTS

Below is a list of all currency contracts as of 31 December 22.

CURRENCY	Net	Maturity period	Unrealized gain/loss (–)
USD	Sale	2023	-1 971
USD	Buy	2023	2 307
SEK	Sale	2023	2 262
SEK	Buy	2023	-1 691
EUR	Sale	2023	-86
EUR	Buy	2023	470
GBP	Sale	2023	27
Total value of open currency contracts as of 31 December 22			1 318

The futures currency contracts are included as part of the Group's management of currency risk. See discussion in disclosure 20 in the consolidated accounts.

OPTION PROGRAM

Senior employees have been awarded an option program which was approved by the board. The option program is valued with a binomial option pricing model. Based on given assumptions and simulations, the option value is estimated at NOK 5.2 million. In 2022 NOK 3.8 million is expensed as labor costs linked to the option program. See further discussion in disclosure 9 in Group accounts.

DISCLOSURE 16 | OTHER CURRENT LIABILITIES

Other current liabilitis consists of, taxes, social security and VAT amount to NOK 1.4 million (2021: NOK 1.4 million).

DISCLOSURE 17 | OTHER FINANCE INCOME AND COSTS

Net other financial items amount to NOK -2.1 million (2021: NOK -1.5 million), of which share capital income NOK 15.0 million (2021: NOK 33.0 million), capital loss NOK 11.5 million (2021: NOK 30.8 million) and finance cost NOK 1.4 million (2021: NOK 0.7 million). The numbers include financial instruments which had a profit and loss impact of NOK -3.1 million (2021: NOK 18.2 million).

DISCLOSURE 18 | SUBSEQUENT EVENT

Refers to the consolidated accounts disclosure 4.

DISCLOSURE 19 | GOING CONCERN

Refers to the consolidated accounts disclosure 5 going concern.

Bergen, 28 April 2023

Pål Selvik
CHAIRMAN OF
THE BOARD

Ida Ianssen Lundh
BOARD MEMBER

Vidar Rabben
BOARD MEMBER

Birgitte Feginn Angelil
BOARD MEMBER

Oddbjørn Haukøy
INTERIM CEO

AUDITOR'S REPORT

EY
Building a better working world

Statsautoriserte revisorer
Ernst & Young AS

Thormøhlens gate 53 D, 5006 Bergen
Postboks 6163, 5892 Bergen

Foretaksregisteret: NO 976 389 387 MVA
Tlf: +47 24 00 24 00

www.ey.no
Medlemmer av Den norske Revisorforening

INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Scana ASA

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Scana ASA (the Company) which comprise the financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries (the Group). The financial statements of the Company comprise the balance sheet as at 31 December 2022 and the income statement and cash flow statement for the year then ended and notes to the financial statements, including a summary of significant accounting policies. The consolidated financial statements of the Group comprise the statement of financial position as at 31 December 2022, the income statement, statement of other comprehensive income, statement of cash flow and statement of changes in equity 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 legal 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 cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway,
- 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 cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the audit committee.

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 in accordance with the requirements of the 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.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of the Company for 1 years from the election by the general meeting of the shareholders on 22 June 2022 for the accounting year 2022.

Other matters

The financial statements for the year ended 31 December 2021, were audited by another auditor who expressed an unmodified opinion on those statements on 8 April 2022.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for 2022. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the financial statements.

Acquisition of PSW Group - Purchase price allocation

Basis for the key audit matter

On 11 January 2022, Scana ASA acquired 100% of the shares in PSW Holding I AS for a total consideration of NOK 455 million. Management made a purchase price allocation where the consideration was allocated to the identified assets and liabilities based on their evaluated fair values. The evaluation and identification of all assets and liabilities and the assumptions used in the allocation of the purchase price required significant judgement by management. Changes in these assumptions may have a material impact on the value of the identified assets and liabilities. Due to the size of the transaction and the judgement involved, we considered the purchase price allocation as a key audit matter in our audit.

Our audit response

We obtained an understanding of the purchase price allocation process. Our audit procedures included meetings with management, assessment of their valuation method and the assumptions used in the purchase price allocation. This included assessment of the valuation of acquired assets and liabilities. We evaluated the models applied in the purchase price allocation supported by internal specialists. We refer to note 3 in the consolidated financial statement.

EY
Building a better working world

Impairment assessment of goodwill and intangible assets

Basis for the key audit matter
The Group have five Cash Generating Units (CGUs). As per 31 December 2022 there were impairment indicators on two CGUs being loss making and having weaker turnover than expected. The Management prepared impairment assessments based on value in use calculation using cash flows from budgets and long-term strategic plans approved by the Board of Directors. Key assumptions for the value in use calculations were operating margin, discount rate and growth rate. Considering the complexity of the assumptions applied in the impairment evaluation, and management's judgement in establishing them, we assess impairment assessment as a key audit matter.

Our audit response
We evaluated the CGUs identified and compared the estimated value in use (VIU) to the carrying amount of each CGU. Our audit procedures related to value in use included discussions with group management, an evaluation of the cash flows compared to budget and strategic plans approved by the Board of Directors, as well as signed contracts. We further evaluated management's methods and models, the significant assumptions, mathematical accuracy and we performed sensitivity analysis. We involved an internal specialist in the evaluation of the methodology and the discount rate applied in the value in use model. We refer to note 2 for Accounting estimates and assessments and note 12 Intangible assets, in the consolidated financial statement.

Other information

Other information consists of the information included in the annual report other than the financial statements and our auditor's report thereon. Management (the board of directors and chief executive officer) is responsible for the other information. Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the board of directors' report, the statement on corporate governance and the statement on corporate social responsibility contain the information required by applicable legal requirements and whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that the other information is materially inconsistent with the financial statements, there is a material misstatement in this other information or that the information required by applicable legal requirements is not included in the board of directors' report, the statement on corporate governance or the statement on corporate social responsibility, we are required to report that fact.

We have nothing to report in this regard, and in our opinion, the board of directors' report, the statement on corporate governance and the statement on corporate social responsibility are consistent with the financial statements and contain the information required by applicable legal requirements.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements of the Company in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway and of the consolidated financial statements of the Group in accordance with International Financial Reporting Standards as adopted by the EU, 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

EY
Building a better working world

and using the going concern basis of accounting unless management either intends to liquidate the Company or 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirement

Report on compliance with regulation on European Single Electronic Format (ESEF)

Opinion

As part of the audit of the financial statements of Scana ASA we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name scanaasa-2022-12-31-en, have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF Regulation.

Management's responsibilities

Management is responsible for the preparation of the annual report in compliance with the ESEF Regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

Auditor's responsibilities

Our responsibility, based on audit evidence obtained, is to express an opinion on whether, in all material respects, the financial statements included in the annual report have been prepared in accordance with the ESEF Regulation. We conduct our work in accordance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information". The standard requires us to plan and perform procedures to obtain reasonable assurance about whether the financial statements included in the annual report have been prepared in accordance with the ESEF Regulation.

As part of our work, we perform procedures to obtain an understanding of the company's processes for preparing the financial statements in accordance with the ESEF Regulation. We test whether the financial statements are presented in XHTML-format. We evaluate the completeness and accuracy of the iXBRL tagging of the consolidated financial statements and assess management's use of judgement. Our procedures include reconciliation of the iXBRL tagged data with the audited financial statements in human-readable format. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Bergen, 28 April 2023
ERNST & YOUNG AS

Jørn Knutsen

Jørn Knutsen
State Authorised Public Accountant (Norway)

REPORT ON REMUNERATION FOR SENIOR EXECUTIVES

REPORT ON SALARY AND OTHER REMUNERATION TO LEADING PERSONNEL IN SCANA ASA FOR THE FINANCIAL YEAR 2022

1.1 INTRODUCTION

Report on salary and other remuneration to leading personnel is based on the requirements set out in the Norwegian Public Limited Liability Companies Act (the "Companies Act"), cf. § 6–16 b, and is further described in the regulations on guidelines and report on remuneration for leading personnel according to § 6. The general meeting will hold an advisory vote on the report.

Group management's remuneration in 2022 has followed the guidelines for remuneration adopted by the general meeting in 2021. The guidelines for remuneration are available on the company's website as part of disclosure 10 in the annual report for 2020 and the translated version in the next section of the 2022 Annual Report Guidelines for salary and other remuneration.

In 2022, the Group has invested considerable time and resources related to strategy and M&A activities to strengthen Scana's position within the electrification and decarbonization of maritime and offshore industries, as a consequence of the purchase agreement of PSW Group on 16 December 2021. The EBITDA for the Group was therefore increased to NOK 70.6 million in 2022 compared to last year.

1.2 TOTAL RENUMERATION FOR LEADING PERSONNEL

			Fixed remuneration			Extraordinary items	Pension expense	Total remuneration		Proportion of fixed and variable remuneration	
Name	**Position**	**Year**	**Base salary**	**Fees**	**Fringe benefits**	**Variable**	**Fixed**	**Fixed**	**Variable**	**Fixed**	**Variable**
Styrk Bekkenes	CEO*	2022	3 100		124		84	3 308		100 %	0 %
		2021	2 386		95	1 000	87	2 568	1 000	72 %	28 %
Torvald Ulland Reiestad	CFO	2022	1 622		15		85	1 722		100 %	0 %
		2021	1 461		20	250	87	1 568	250	86 %	14 %
Kjetil Flesjå	Former CFO	2022								0 %	0 %
		2021	175					175		100 %	0 %
Oddbjørn Haukøy	CCO*	2022	2 750		13		77	2 841		100 %	0 %
		2021								0 %	0 %
Anette Netteland Dybvik	Head of IR and Investments*	2022	400		5		24	429		100 %	0 %
		2021								0 %	0 %

The resignation period for key personnel is from 3–6 months. The CEO has a severance agreement which involves salary for 6 months beyond the notice period. Any wage income received from other work in the period where severance pay is paid must be deducted from severance pay. Refers to disclosure 10 for description of pensions. The pension scheme for senior employees is contribution-based.

No loans, advance payments or collateral have been given to leading persons during 2022. On the balance sheet date, no leading persons have loans.

** CCO was hired from February 2022, while Head of IR and Investments was hired from September 2022. CEO resigned in January 2023.*

FIXED REMUNERATION

Base salary includes the fixed salary paid or due to leading personnel.
Fees are agreed amounts for a time-limited period.
Fringe benefits relate to company car, telephone, broadband and travel.

VARIABLE REMUNERATION
There is no agreed variable remuneration for leading personnel. Leading personnel participate in the Group's share option program where the value is linked to the development of the Group's share price.

EXTRAORDINARY ITEMS
A bonus was paid out in 2021 which is linked to the transaction entered into in December 2021 as a one-off remuneration awarded to leading persons. No extraordinary items was paid out in 2022.

PENSION EXPENSES
This column includes the contributions that took place under the reported financial year to finance a fund for future pension pay-out for the director. It includes fixed pension contributions.

UNDERTAKINGS OF THE SAME GROUP
Leading persons have not received remuneration from subsidiaries in the Group.

VARIABLE PART
The Group does not have a variable part linked to agreed remuneration for leading personnel. Neither has the company the possibility through employment agreements to reclaim variable remuneration.

1.3 SHARE-BASED REMUNERATION
The Group had one established share-based remuneration program from 2019 ending in 2023 and a new program started in 2022. The report first presents the 2019 program and then the 2022 program.

SHARE-BASED REMUNERATION FROM 2019

Name	Position	The main conditions of share option plans							Information regarding the reported financial year						
									Opening balance	During the year			Closing balance		
		Specification of plan	Performance period	Award date	Vesting date	End of holding period	Exercise period	Strike price of the share	Share options awarded at the beginning of the year	Share options awarded	Deducted in 2022	Share options vested	Share options subject to a performance condition	Share options awarded and unvested	Share options subject to a holding period
Dag Schjerven	Chairman of the board - Scana (resigned)	Plan 1a	21.06.2019 – 30.06.2020	21.06.2019	30.06.2020	420 000	30.06.2020	1,100	420 000	0	-420 000		0	0	0
		Plan 1b	21.06.2019 – 30.06.2021	21.06.2019	30.06.2021	420 000	30.06.2021	1,210	420 000	0	-420 000		0	0	0
		Plan 1c	21.06.2019 – 30.06.2022	21.06.2019	30.06.2022	420 000	30.06.2022	1,331	420 000	0	-420 000	420 000	0	0	0
		Plan 1d		21.06.2019				1,464							
Styrk Bekkenes	CEO - Scana (resigned)	Plan 1a	21.06.2019 – 30.06.2020	21.06.2019	30.06.2020	2 100 000	30.06.2020	1,100	2 100 000	0			2 100 000	2 100 000	2 100 000
		Plan 1b	21.06.2019 – 30.06.2021	21.06.2019	30.06.2021	2 100 000	30.06.2021	1,210	2 100 000	0			2 100 000	2 100 000	2 100 000
		Plan 1c	21.06.2019 – 30.06.2022	21.06.2019	30.06.2022	2 100 000	30.06.2022	1,331	2 100 000	0		2 100 000	2 100 000	2 100 000	2 100 000
		Plan 1d		21.06.2019				1,464							
Torvald Ulland Reiestad	CFO - Scana	Plan 1a	26.06.2020 – 30.06.2021	26.06.2020	30.06.2021	140 000	30.06.2021	1,100	140 000	0			140 000	140 000	140 000
		Plan 1b	26.06.2020 – 30.06.2022	26.06.2020	30.06.2022	140 000	30.06.2022	1,210	140 000	0		140 000	140 000	140 000	140 000
		Plan 1c	26.06.2020 – 30.06.2023	26.06.2020	30.06.2023	140 000	30.06.2023	1,331	140 000	0			140 000	140 000	140 000
		Plan 1d		26.06.2020				1,464							
Kjetil Flesjå	CFO - Scana (resigned)	Plan 1a	21.06.2019 – 30.06.2020	21.06.2019	30.06.2020	140 000	30.06.2020	1,100	140 000	0			140 000	140 000	140 000
		Plan 1b	21.06.2019 – 30.06.2021	21.06.2019	30.06.2021	140 000	30.06.2021	1,210	140 000	0			140 000	140 000	140 000
		Plan 1c	21.06.2019 – 30.06.2022	21.06.2019	30.06.2022	140 000	30.06.2022	1,331	140 000	0		140 000	140 000	140 000	140 000
		Plan 1d		21.06.2019				1,464							
Torkjell Lisland	Managing director - Seasystems	Plan 1a	21.06.2019 – 30.06.2020	21.06.2019	30.06.2020	140 000	30.06.2020	1,100	140 000	0			140 000	140 000	140 000
		Plan 1b	21.06.2019 – 30.06.2021	21.06.2019	30.06.2021	140 000	30.06.2021	1,210	140 000	0			140 000	140 000	140 000
		Plan 1c	21.06.2019 – 30.06.2022	21.06.2019	30.06.2022	140 000	30.06.2022	1,331	140 000	0		140 000	140 000	140 000	140 000
		Plan 1d		21.06.2019				1,464							
Egil Kjeldsen	CCO - Skarpenord (resigned)	Plan 1a	21.06.2019 – 30.06.2020	21.06.2019	30.06.2020	140 000	30.06.2020	1,100	140 000	0	-140 000		0	0	0
		Plan 1b	21.06.2019 – 30.06.2021	21.06.2019	30.06.2021	140 000	30.06.2021	1,210	140 000	0	-140 000		0	0	0
		Plan 1c	21.06.2019 – 30.06.2022	21.06.2019	30.06.2022	140 000	30.06.2022	1,331	140 000	0	-140 000	140 000	0	0	0
		Plan 1d		21.06.2019				1,464							
Total						**9 240 000**			**9 240 000**	**0**	**3 080 000**	**0**	**7 560 000**	**7 560 000**	**7 560 000**

The options can be exercised in connection with the reporting of the quarterly reports indicated in the table above. The exercise period is two weeks after the quarterly report is published at Oslo Børs.
The options linked to plan 1a are earned in the period from the award date to the vesting date, which is 21.06.2019–30.06.2020.
The options linked to plan 1b are earned in the period from the award date to the vesting date, which is 21.06.2019–30.06.2021.
The options linked to plan 1c are earned in the period from the award date to the vesting date, which is 21.06.2019–30.06.2022.

Options that have not been exercised (cf. plan 1a, 1b and 1c) can be exercised through plan 1d on 30 June 2023 at a strike price of 1.464. The exercise can take place after the publication of the second quarter report of 2023 and the following two weeks.
The CFO entered into an option agreement a year later and can exercise the options on the same terms a year later than the other participants.
Resigned CFO Kjetil Flesjå left the company with effect from 30 November 2020. He has retained his allocated options with associated rights.
No shares or other instruments have been allocated in connection with remuneration to leading persons.

SHARE-BASED REMUNERATION FROM 2022

Name	Position	The main conditions of share option plans							Information regarding the reported financial year						
									Opening balance	During the year			Closing balance		
		Specification of plan	Performance period	Award date	Vesting date	End of holding period	Exercise period	Strike price of the share	Share options awarded at the beginning of the year	Share options awarded	Deducted in 2022	Share options vested	Share options subject to a performance condition	Share options awarded and unvested	Share options subject to a holding period
Styrk Bekkenes	CEO - Scana (resigned)	Plan 1a	24.01.2022 – 30.06.2023	24.01.2022	30.06.2023	2 000 000	30.06.2023	1,400	0	2 000 000			2 000 000	2 000 000	2 000 000
		Plan 1b	24.01.2022 – 30.06.2024	24.01.2022	30.06.2024	2 000 000	30.06.2024	1,470	0	2 000 000			2 000 000	2 000 000	2 000 000
		Plan 1c		24.01.2022				1,470							
		Plan 1d	24.01.2022 – 30.06.2025	24.01.2023	30.06.2025	2 000 000	30.06.2025	1,544	0	2 000 000			2 000 000	2 000 000	2 000 000
		Plan 1e		24.01.2022				1,544							
Oddbjørn Haukøy	Interim CEO - Scana	Plan 1a	24.01.2022 – 30.06.2023	24.01.2022	30.06.2023	2 000 000	30.06.2023	1,400	0	2 000 000			2 000 000	2 000 000	2 000 000
		Plan 1b	24.01.2022 – 30.06.2024	24.01.2022	30.06.2024	2 000 000	30.06.2024	1,470	0	2 000 000			2 000 000	2 000 000	2 000 000
		Plan 1c		24.01.2022				1,470							
		Plan 1d	24.01.2022 – 30.06.2025	24.01.2022	30.06.2025	2 000 000	30.06.2025	1,544	0	2 000 000			2 000 000	2 000 000	2 000 000
		Plan 1e		24.01.2022				1,544							
Torvald Ulland Reiestad	CFO - Scana	Plan 1a	24.01.2022 – 30.06.2023	24.01.2022	30.06.2023	333 333	30.06.2023	1,400	0	333 333			333 333	333 333	333 333
		Plan 1b	24.01.2022 – 30.06.2024	24.01.2022	30.06.2024	333 333	30.06.2024	1,470	0	333 333			333 333	333 333	333 333
		Plan 1c		24.01.2022				1,470							
		Plan 1d	24.01.2022 – 30.06.2025	24.01.2022	30.06.2025	333 334	30.06.2025	1,544	0	333 334			333 334	333 334	333 334
		Plan 1e		24.01.2022				1,544							
Eirik Sørensen	Managing director - PSW Power & Automation	Plan 1a	24.01.2022 – 30.06.2023	24.01.2022	30.06.2023	833 333	30.06.2023	1,400	0	833 333			833 333	833 333	833 333
		Plan 1b	24.01.2022 – 30.06.2024	24.01.2022	30.06.2024	833 333	30.06.2024	1,470	0	833 333			833 333	833 333	833 333
		Plan 1c		24.01.2022				1,470							
		Plan 1d	24.01.2022 – 30.06.2025	24.01.2022	30.06.2025	833 334	30.06.2025	1,544	0	833 334			833 334	833 334	833 334
		Plan 1e		24.01.2022				1,544							
Erlend Einevoll	Managing director - PSW Solutions	Plan 1a	24.01.2022 – 30.06.2023	24.01.2022	30.06.2023	833 333	30.06.2023	1,400	0	833 333			833 333	833 333	833 333
		Plan 1b	24.01.2022 – 30.06.2024	24.01.2022	30.06.2024	833 333	30.06.2024	1,470	0	833 333			833 333	833 333	833 333
		Plan 1c		24.01.2022				1,470							
		Plan 1d	24.01.2022 – 30.06.2025	24.01.2022	30.06.2025	833 334	30.06.2025	1,544	0	833 334			833 334	833 334	833 334
		Plan 1e		24.01.2022				1,544							
Trond Ottar Bø	Managing Director - Skarpenord	Plan 1a	24.01.2022 – 30.06.2023	24.01.2022	30.06.2023	333 333	30.06.2023	1,400	0	333 333			333 333	333 333	333 333
		Plan 1b	24.01.2022 – 30.06.2024	24.01.2022	30.06.2024	333 333	30.06.2024	1,470	0	333 333			333 333	333 333	333 333
		Plan 1c		24.01.2022				1,470							
		Plan 1d	24.01.2022 – 30.06.2025	24.01.2022	30.06.2025	333 334	30.06.2025	1,544	0	333 334			333 334	333 334	333 334
		Plan 1e		24.01.2022				1,544							
Peter Jansson	Managing director - Subseatec	Plan 1a	24.01.2022 – 30.06.2023	24.01.2022	30.06.2023	333 333	30.06.2023	1,400	0	333 333			333 333	333 333	333 333
		Plan 1b	24.01.2022 – 30.06.2024	24.01.2022	30.06.2024	333 333	30.06.2024	1,470	0	333 333			333 333	333 333	333 333
		Plan 1c		24.01.2022				1,470							
		Plan 1d	24.01.2022 – 30.06.2025	24.01.2022	30.06.2025	333 334	30.06.2025	1,544	0	333 334			333 334	333 334	333 334
		Plan 1e		24.01.2022				1,544							
Anette Netteland Dybvik	Head of IR and Investments - Scana	Plan 1a	24.01.2022 – 30.06.2023	06.07.2022	30.06.2023	250 000	30.06.2023	1,400	0	250 000			250 000	250 000	250 000
		Plan 1b	24.01.2022 – 30.06.2024	06.07.2022	30.06.2024	250 000	30.06.2024	1,470	0	250 000			250 000	250 000	250 000
		Plan 1c		06.07.2022				1,470							
		Plan 1d	24.01.2022 – 30.06.2025	06.07.2022	30.06.2025	250 000	30.06.2025	1,544	0	250 000			250 000	250 000	250 000
		Plan 1e		06.07.2022				1,544							
Morten Riiser	VP Finance - Scana	Plan 1a	24.01.2022 – 30.06.2023	30.06.2022	30.06.2023	250 000	30.06.2023	1,400	0	250 000			250 000	250 000	250 000
		Plan 1b	24.01.2022 – 30.06.2024	30.06.2022	30.06.2024	250 000	30.06.2024	1,470	0	250 000			250 000	250 000	250 000
		Plan 1c		30.06.2022				1,470							
		Plan 1d	24.01.2022 – 30.06.2025	30.06.2022	30.06.2025	250 000	30.06.2025	1,544	0	250 000			250 000	250 000	250 000
		Plan 1e		30.06.2022				1,544							
Håvard Kallestad	SVP Operations & Business Development - PSW Technology	Plan 1a	24.01.2022 – 30.06.2023	24.01.2022	30.06.2023	250 000	30.06.2023	1,400	0	250 000			250 000	250 000	250 000
		Plan 1b	24.01.2022 – 30.06.2024	24.01.2022	30.06.2024	250 000	30.06.2024	1,470	0	250 000			250 000	250 000	250 000
		Plan 1c		24.01.2022				1,470							
		Plan 1d	24.01.2022 – 30.06.2025	24.01.2022	30.06.2025	250 000	30.06.2025	1,544	0	250 000			250 000	250 000	250 000
		Plan 1e		24.01.2022				1,544							
Tor Erik Christoffersen	CCO - PSW Technology (resigned)	Plan 1a	24.01.2022 – 30.06.2023	24.01.2022	30.06.2023	0	30.06.2023	1,400	0	250 000	-250 000		0	0	0
		Plan 1b	24.01.2022 – 30.06.2024	24.01.2022	30.06.2024	0	30.06.2024	1,470	0	250 000	-250 000		0	0	0
		Plan 1c		24.01.2022				1,470							
		Plan 1d	24.01.2022 – 30.06.2025	24.01.2022	30.06.2025	0	30.06.2025	1,544	0	250 000	-250 000		0	0	0
		Plan 1e		24.01.2022				1,544							
Total						**22 250 000**			**0**	**23 000 000**		**0**	**22 250 000**	**22 250 000**	**22 250 000**

The options can be exercised in connection with the reporting of the quarterly reports indicated in the table above. The exercise period is two weeks after the quarterly report is published at Oslo Børs.

The options linked to plan 1a are earned in the period from the award date to the vesting date, which is 24.01.2022–30.06.2023.
The options linked to plan 1b are earned in the period from the award date to the vesting date, which is 24.01.2022–30.06.2024.

Options that have not been exercised (cf. plan 1a) can be exercised through plan 1c on 30 June 2024 at a strike price of 1.47. The exercise can take place after the publication of the second quarter report of 2024 and the following two weeks.
The options linked to plan 1d are earned in the period from the award date to the vesting date, which is 24.01.2022–30.06.2025.

Options that have not been exercised (cf. 1a and 1b) can be exercised through plan 1e until 30 June 2025 at a strike price of 1.544. The exercise can take place after the publication of the second quarter report of 2025 and the following two weeks.

No shares or other instruments have been allocated in connection with remuneration to leading persons.

1.4 INFORMATION ON HOW THE REMUNERATION COMPLIES WITH THE REMUNERATION GUIDELINES AND HOW PERFORMANCE CRITERIA WERE APPLIED.

The Group does not have payment schemes that are based on performance criteria and the application of such criteria. Based on the employment agreements, such arrangements are not included in the conditions.

1.5 EXCEPTIONS AND DEVIATIONS FROM THE REMUNERATION POLICY AND THE PROCEDURE FOR IMPLEMENTATION

The Group did not deviate from the guidelines in 2022. In 2021 the Group did deviate from parts of the guidelines. The declaration relating to the remuneration of leading personnel allows the board to decide in some cases to deviate from the guidelines. One case is extraordinary circumstances where exceptions may be required to secure the company's long-term interests and sustainability. In 2021, a bonus was paid in connection with the transaction entered in December 2021 as a one-off remuneration awarded to leading personnel.

1.6 YEARLY CHANGES OF REMUNERATION AND THE GROUPS RESULTS

The report must contain information on the annual change in the remuneration of each individual executive, the company's results, as well as the average remuneration divided by the number of FTE's (full-time equivalents) excluding executive staff over a period covering at least the last five financial years. Scana ASA does not have salary agreements linked to the achievement of results and it is therefore not included in the table below. See the Groups Consolidated Statement of Profit or Loss for reference to the Groups results and the discussion in the board of directors' report.

The table below shows comparable remuneration and the company's performance over the 5 last reported financial years. Leading personnel who do not hold the same role today are anonymized in the table below. The average number of FTEs and total remuneration are linked to continued operations and the EBITDA.

REMUNERATION FOR LEADING PERSONNEL

Remuneration for leading personnel		2017	2018	2019	2020	2021	2022
Name	**Position**						
Dag Schjerven	Chairman of the board		582	599 72	3		
Styrk Bekkenes	CEO			1 652	2 086	3 568	3 308
Torvald Ulland Reiestad	CFO				529	1 817	1 722
Oddbjørn Haukøy	CCO						2 841
Anette Netteland Dybvik	Head of IR and Investments						429
	Former CFO	1 882	2 183	2 440	2 151	175	
	Former CEO	3 336	5 252				
Remuneration for leading personnel		**5 218**	**8 017**	**4 691**	**4 838**	**5 563**	**8 300**
Average FTEs		101	97	104	102	91	301
Total remuneration for all employees		66 871	77 967	77 608	76 550	74 106	281 120
Remuneration – not leading personnel		61 653	69 950	72 917	71 712	68 543	272 820
Average FTE – not leading personnel		99	95	102	100	89	298
Average remuneration not leading personnel		623	736	715	717	774	916
EBITDA		**- 18 363**	**- 12 706**	**10 636**	**34 593**	**16 655**	**70 627**

YEARLY CHANGE- REMUNERATION FOR LEADING PERSONNEL

Remuneration for leading personnel							
Name	**Position**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**
Dag Schjerven	Chairman of the board	582	17	- 527	- 69	- 3	-
Styrk Bekkenes	CEO		1 652	434	1 482	- 260	3 308
Torvald Ulland Reiestad	CFO			529	1 288	- 95	1 722
Oddbjørn Haukøy	CCO						2 841
Anette Netteland Dybvik	Head of IR and Investments						429
	Former CFO	301	257	- 289	- 1 976	- 175	
	Former CEO	1 916	- 5 252				
Total yearly change remuneration for leading personnel		**2 799**	**- 3 326**	**147**	**725**	**- 533**	**8 300**
Yearly average change in remuneration for not leading personnel		**114**	**- 21**	**2**	**57**	**303**	**916**

Former CEO resigned in the summer of 2018 and received twelve months' severance pay. Former CFO resigned in November 2020 and received severance pay the same year.

1.7 INFORMATION REGARDING SHAREHOLDER VOTE

At the Ordinary General Meeting held on 7 May 2021, guidelines for remuneration to leading personnel were adopted. A total of 35,166,443 shares were represented, of which 638,668 share votes voted against. According to the guidelines for salary and remuneration must be approved by the company's ordinary General Meeting at least every fourth year guidelines can also be adjusted by decision in subsequent General Meetings. No such adjustments have been made since approval in 2021.

1.8 BOARD REMUNERATION

The board of Scana ASA was paid TNOK 1,125 in fees in 2022 and TNOK 31 to the election committee. Board remunerations are paid annually in arrears and apply for the period from the ordinary general meeting 2021 to the ordinary general meeting 2022. Fees in arrears for the board elected in May 2021 with a term of office until May 2022 are specified below. A new board was elected at an extraordinary general meeting in December 2022. In addition, three board members stepped down from the board in January 2023.

Name	Position	Active period	Remuneration paid out in 2021	Remuneration paid out in 2022
Dag Schjerven	Chairman of the board	May 2018 – Jan 2023	300	300
Morten Blix	Deputy Chair of the board	Jan 2022 – Dec 2022		90
Espen S. Berge	Deputy Chair of the board	May 2020 – Jan 2022	225	135
Marianne Lie	Board Member	May 2016 – Jan 2023	200	200
Margaret Elin Hystad	Board Member	May 2018 – Dec 2022	200	200
Rune Magnus Lundetræ	Board Member	May 2021 – Jan 2023		200
	Former Board Member	May 2020 – Dec 2021	200	
Total remuneration			**1 125**	**1 125**

The table below shows comparable remuneration to the board over the last five reported financial years. It is the various roles on the board that are used in the arrangement.

YEARLY CHANGE – REMUNERATION FOR LEADING PERSONNEL

Name	Position	Active period	RFY-4 vs. RFY-5	RFY-3 vs. RFY-4	RFY-2 vs. RFY-3	RFY-1 vs. RFY-2	RFY vs. RFY-1	Info. regarding financial year
Dag Schjerven	Chairman of the board	May 2018 – Jan 2023						300
Pål Selvik	Deputy chair of the board /Chairman of the board	Dec 2022 – Jan 2023 /Jan 2023 –						
Morten Blix	Deputy chair of the board	Jan 2022 – Dec 2022					90	90
Espen S. Berge	Deputy chair of the board	May 2020 – Jan 2022					90	135
Marianne Lie	Board member	May 2016 – Jan 2023						200
Margaret Elin Hystad	Board member	May 2018 – Dec 2022						200
Rune Magnus Lundetræ	Board member	May 2021 – Jan 2023					200	200
Ida Ianssen Lundh	Board member	Dec 2022 –						
Vidar Rabben	Board membe	Dec 2022 –						
Birgitte Feginn Angelil	Board member	Dec 2022 –						
	Former board member	May 2020 – Des 2021					200	
Total remuneration								**1 125**

The board confirm that the report is prepared according to the Companies Act Section §6-16 b (3) and related regulations.

Bergen, 28 April 2023

Pål Selvik
CHAIRMAN OF THE BOARD

Ida Ianssen Lundh
BOARD MEMBER

Vidar Rabben
BOARD MEMBER

Birgitte Feginn Angelil
BOARD MEMBER

Oddbjørn Haukøy
INTERIM CEO

EY
Building a better working world

Statsautoriserte revisorer
Ernst & Young AS

Thormøhlens gate 53 D, 5006 Bergen
Postboks 6163, 5892 Bergen

Foretaksregisteret: NO 976 389 387 MVA
Tlf: +47 24 00 24 00

www.ey.no
Medlemmer av Den norske Revisorforening

INDEPENDENT AUDITOR'S ASSURANCE REPORT ON REMUNERATION REPORT

To the General Meeting of Scana ASA

Opinion

We have performed an assurance engagement to obtain reasonable assurance that Scana ASA's report on salary and other remuneration to directors (the remuneration report) for the financial year ended 31 December 2022 has been prepared in accordance with section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation.

In our opinion, the remuneration report has been prepared, in all material respects, in accordance with section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation.

Board of directors' responsibilities

The board of directors is responsible for the preparation of the remuneration report and that it contains the information required in section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation and for such internal control as the board of directors determines is necessary for the preparation of a remuneration report that is free from material misstatements, whether due to fraud or error.

Our independence and quality control

We are independent of the company in accordance with the requirements of the 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. Our firm applies International Standard on Quality Control 1 (ISQC 1) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's responsibilities

Our responsibility is to express an opinion on whether the remuneration report contains the information required in section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation and that the information in the remuneration report is free from material misstatements. We conducted our work in accordance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information".

We obtained an understanding of the remuneration policy approved by the general meeting. Our procedures included obtaining an understanding of the internal control relevant to the preparation of the remuneration report in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. Further we performed procedures to ensure completeness and accuracy of the information provided in the remuneration report, including whether it contains the information required by the law and accompanying regulation. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Bergen, 28 April 2023
ERNST & YOUNG AS

Jørn Knutsen

Jørn Knutsen
State Authorised Public Accountant (Norway)

Independent auditor's assurance report on remuneration report - Scana ASA 2022

GUIDELINES FOR SALARY AND OTHER REMUNERATION FOR LEADING PERSONNEL

1. INTRODUCTION

These guidelines have been approved by the board of Scana ASA ("Scana" or the "company"), in accordance with the Act on Public Limited Companies ("Public Limited Companies Act") Section 6-16a and associated regulations. The guidelines have been prepared for approval at the company's Ordinary General Meeting in 2021 and shall apply until the Group's Ordinary General Meeting in 2025, unless the guidelines are amended or replaced earlier.

2. PERSONNEL COVERED BY THE GUIDELINES

Scana defines leading personnel as the Managing director and members of the Group Management. The guidelines can also be applied to other key personnel in the Group. The Group does not have employee-elected board members.

3. THE PROCESS FOR THE PREPARATION OF THE GUIDELINES. CONFLICTS OF INTEREST

The board has had an active role in establishing, evaluating, and implementing these guidelines. The board must prepare proposals for guidelines that must be approved by the company's ordinary General Meeting at least every fourth year. The Ordinary General Meeting makes a final decision on such proposals. Adopted guidelines can also be adjusted by decision in subsequent General Meetings.

To minimize the risk of conflicts of interest, no leading personnel shall participate in the preparation of or make decisions related to salary or other remuneration that the person in question is directly affected by.

4. THE MAIN PRINCIPLES FOR THE COMPANY'S EXECUTIVE PAYMENT POLICY

These guidelines constitute a framework for the salary and other remuneration the company can award to leading personnel during the period the guidelines are active. The purpose is to contribute to the realization of the company's business strategy, long-term interests, and financial sustainability.

The main principle behind the Group's executive payment policy is that base pay should promote value creation in the company and contribute to overlapping interests between the owners and leading personnel. Basic salary must not be of such a nature or have an extent that could damage the company's reputation.

As a leading player in its industry, Scana is dependent on offering salaries that can recruit the most talented leaders. It is the board's policy that to ensure the best possible leadership, salaries must be offered at levels that the individual is satisfied with and that are competitive in an international market. Salary and other remuneration must be the same for male and female employees for equal work or work of equal value.

Salary and employment conditions for employees in the Group have been considered when preparing these guidelines, by including information on employees' total income, forms of remuneration and other salary components the board's basis for evaluating whether the Group's salary practices, guidelines and limitations set out in these guidelines are adequate and reasonable.

Basic salary for leading personnel consists of a fixed and a variable salary component which is determined on an individual basis.

GUIDELINES FOR SALARY AND OTHER REMUNERATION

ELEMENTS OF PAY

Salary includes all benefits a person receives as a result of his or her position as a leading person in the Group in accordance with §2 of the Regulations on guidelines and report on remuneration for leading personnel.

FIXED SALARY

The company's policy is that the management salaries should mainly be expressed in a fixed monthly salary that reflects the level of the person concerned' s position and practice, including ordinary benefits in kind.

For leading personnel, the basic salary must make up the most significant part of the total salary.

VARIABLE SALARY

Bonus schemes for the management team must be linked to the Group's value drivers to achieve the Group's business strategy, long-term interests and sustainable business operations. Account must be taken of achieved results and judgment relating to operating margin and order intake. The total value of variable payment must not normally exceed the value of fixed payment.

OTHER REMUNERATION

In addition to basic salary, other remuneration may be given to leading personnel, including the allocation of shares or other benefits linked to shares or developments in the share price in the Group or other companies in the Group.

NON-FINANCIAL BENEFITS

Leading personnel receive standard non-financial benefits such as coverage of mobile and broadband etc.

PENSION

Pension schemes shall basically be the same for leading personnel as established generally for employees in the Group. Pension schemes must be based on customary schemes and current legislation.

SHARE-BASED PROGRAM

On 24 June 2019, the Group announced that leading personnel have been awarded a share-based option program together with the General managers of the subsidiaries. The option program was approved by the general meeting on 8 May 2020. The board considers attractive share-based incentive schemes to be an important part of the total compensation.

The options can, according to the option agreements' detailed terms, be exercised with up to 1/3 after 12 months (following the company's reporting of the second quarter of 2020), 1/3 after 24 months and 1/3 after 36 months. All unused options can be exercised after 48 months. The exercise price is NOK 1.10 per share after 12 months, and then increases by 10 % for each year. There is a 6-month lock-in period for shares acquired under the share-based program.

In the share-based program decided in 2019, it is assumed that no one who has been awarded options ends the vesting period and that everyone redeems the options after the second quarter of 2022.

On 24 January 2022, the Group announced that leading personnel have been awarded a new share-based option program together with the General managers of the subsidiaries. The option program was approved by the general meeting on 22 June 2022. The board considers attractive share-based incentive schemes to be an important part of the total compensation.

The options can, according to the option agreements' detailed terms, be exercised with up to 1/3 after 12 months (following the company's reporting of the second quarter of 2023), 1/3 after 24 months and

1/3 after 36 months. All unused options can be exercised after 48 months. The exercise price is NOK 1.40 per share after 12 months, and then increases by 5 % for each year. There is a 6-month lock-in period for shares acquired under the share-based program.

In the share-based program decided in 2022, it is assumed that no one who has been awarded options ends the vesting period and that everyone redeems the options after the second quarter of 2025.

EMPLOYMENT AGREEMENTS

Retirement arrangements that are established upon resignation will be seen in connection with the mutual possibility of termination of the employment relationship and other limiting clauses in the individual's employment agreement. Post-retirement schemes must, as a starting point, have deductions for income from other sources. The CEO has an agreement for 6 months' severance pay.

DEVIATIONS FROM THESE GUIDELINES

In the following cases, the board may decide to deviate from these guidelines:

- in the event of a change of CEO;
- in the event of material changes in the Group's organization, ownership and/or operations;
- in the event of material changes in the Group's strategy.
- in the event of changes to or additions to relevant legislation, rules or regulations (for example for regulatory, stock market, tax or administrative purposes, or to take into account changes in legislation or corporate law obligations or guidelines);
- in the event of other extraordinary circumstances where exceptions may be required to secure the Group's long-term interests and sustainability as a whole, or to ensure the Group's viability.

Any deviation from these guidelines must be reported in the salary report for the individual year. The Board's statement on the determination of remuneration for leading personnel will be sent out or made available to shareholders on the Group's website, together with a notice of the Group's Ordinary General Meeting, as well as the Group's Annual Report.

BOARD AND MANAGEMENT

Board

Pål Selvik

Chairman of the board

Pål Selvik (b.1972) has more than 20 years' experience from equity and capital markets. He has been CFO of the GC Rieber-Group since 2008, and is also CEO of GC Rieber Fortuna AS, an investment company within the GC Rieber Group. He has board-experience from shipping/offshore, real estate, financial and industrial companies. Selvik holds an MBA in Finance from NHH (Norwegian School of Economics).

Ida Lanssen Lundh

Board member

Ida lanssen Lundh (b. 1987) currently works as VP Business Development in OKEA ASA, previously VP Drilling & Wells in OKEA ASA. She has also worked for Det norske oljeselskap, Norske Shell and Shell Global Solutions. With over 10 years of experience from the oil and gas industry, she holds extensive national and international experience and insight within company – and project management, technology, and M&A. She has previously had several board positions, and holds a master's degree in petroleum engineering from NTNU/Colorado School of Mines.

Birgitte Feginn Angelil

Board member

Birgitte F. Angelil (b. 1968) holds a position as partner in Eltek Holding, she is currently an advisor to companies and key stakeholders in the companies owned by Eltek Holding. She has worked more than 25 years in consulting. Senior advisor across industries in Business Development. Digitalisation. Branding. Design. People and Organisation. Her last role in Consulting as CEO. Broad board experience from both listed companies and start-ups.

Vidar Rabben

Board member

Vidar Rabben (b. 1971) has extensive management, technical and commercial experience, particularly from the aquaculture, maritime and energy sectors. He also has many years of experience in entrepreneurship, building successful companies. Rabben holds the position as the CEO of Fjord Maritime and serves as board member for several companies. Rabben has valuable knowledge within power and automation including energy storage.

Management

Oddbjørn Haukøy

Scana ASA – Interim chief executive officer

Oddbjørn Haukøy (b. 1977) was central in the establishment of PSW back in 2007 and has been an important driving force in the development of the company. Haukøy has over 25 years of experience from work and technology development in the offshore and maritime industry.

Torvald Ulland Reiestad

Scana ASA – Chief financial officer

Torvald Ulland Reiestad (b. 1980) holds a Master of Science in finance and is also a certified public accountant. Reiestad has a solid banking background, after many years in Sparebanken Vest. Reiestad has led refinancing and sales processes on behalf of banks, investors, and advisers. Primarily in oil service, offshore, shipping, and real estate.

Anette Netteland Dybvik

Scana ASA – Head of IR and Investments

Anette Netteland Dybvik (b. 1991) joined Scana ASA as Head of IR and Investments in September 2022. She holds a Master of Science in finance and is also a State Authorized Public Accountant. Prior to joining Scana Dybvik has experience from EY working with Auditing and Transactions for large Norwegian and International companies within the oil service, offshore and shipping industry.

Scana

Powering the ocean industries

zpirit.no