



ANNUAL REPORT 2023

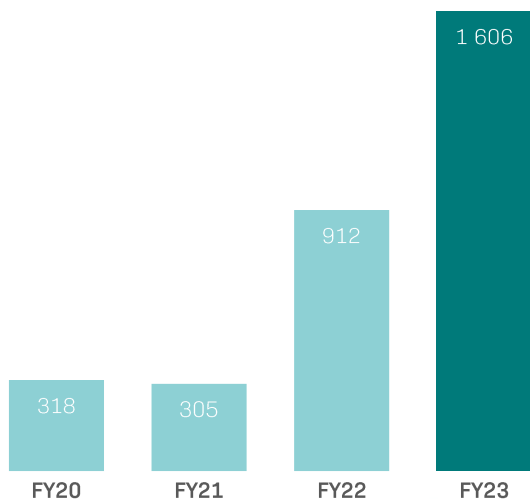
Bergen, 19 April 2024

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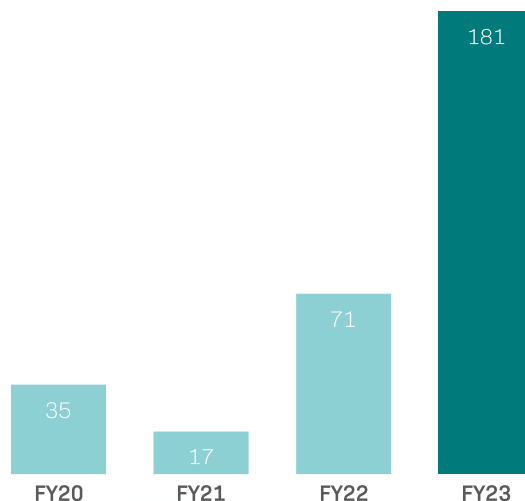
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Key numbers

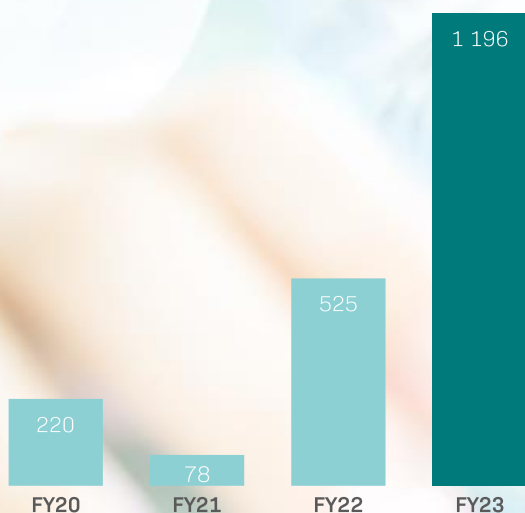
REVENUE



EBITDA



ORDER BACKLOG



ORDER INTAKE



Greetings from CEO

Looking back at 2023, I can truly state that it has been a transformational year for Scana.

First, the effects from the PSW Group acquisition in 2022 are quite visible in many aspects, with increased revenue and profitability as the most prominent. The number of employees in the group has increased from 345 to 537 in 2023. We have also welcomed many new shareholders on the top 20 list.

During the year, a new Board of Directors has been elected, and we have strengthened the Management team. I started as CEO September 1st and would like to thank Mr. Oddbjørn Haukøy for holding the interim position from January to September. Mr. Haukøy has been an important contributor in the transformation of the group. Because of a significant improvement in financials, we are also able to re-introduce dividends to our shareholders. The first since 2010.

During 2023 we have experienced significant growth in all our business areas, and we are experiencing strong business cycles across all three business areas; Energy, Offshore and Maritime.

The year started with a milestone, when PSW Technology, in January 2023, was awarded a frame agreement with Equinor on the Mongstad refinery. Including options, this contract will provide an important base-revenue for several years to come.

PSW Solutions is performing excellently, with strong margins and steady business within surface treatment and NDT services.

PSW Power & Automation is experiencing strong growth supporting electrification as a megatrend. The Battery Energy Storage Solutions (BESS) market is probably just in the initial phase, and we have had a breakthrough in grid scale energy storage. We are ready to capitalize on our technology and competence to grow further in this segment.

For Skarpenord, 2023 was an important year. A schoolbook example in how to turn a business around, and the company is now healthier than ever, with a strong aftermarket. Well done!

Subseatec has secured important contracts for steel stress-joints with large international customers in the Gulf of Mexico. The backlog and the list of potential projects is robust, including new market segments.

Seasystems is continuing to deliver steady cash-flow into the group. The demand for mooring solutions on a global scale looks promising within several segments – offshore wind, LNG's, FPSO's, FSRU's and aquaculture.

A common denominator for all our companies is the attempt and willingness to contribute to the demand for more sustainable energy solutions, also within oil and offshore. The demand for energy is increasing globally and will continue to do so for several years. The energy mix is of utmost importance in this picture. The global society is not imminently ready to cut down on oil-consumption, but there are several measures that can be taken to make the oil-industry more sustainable. Scana and our companies are committed to contribute when and wherever we can. As an example, we have been able to re-use well-equipment, and move it from one producing oilfield to another. This is both cost-efficient and makes the footprint from operations lower.

In 2023 we have shown consistent health and safety performance with no significant injuries or environmental incidents. Apart from being competitive and innovative, this may in many ways be considered as our “license to operate”. Every board-meeting, across all our companies, starts with HSEQ on top of the agenda, and we expect that the whole organization, from top to bottom, has the equivalent focus.

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

During the year we have made some changes in our legal structure, to make the whole setup more efficient, and to get rid of in-between holding companies and non-operational structures. We have also refreshed several managing documents, internal guidelines, and policies across the group.

On the financial side, we have strengthened our capital structure, first by strong operational cashflow and re-payment of long-term debt. Operational cashflow is now able to fund growth investments, and by selling certain non-core assets we are also able to combine lower debt, funding of new investments and dividends. This is both remarkable and satisfying, given the financial position in the company by end 2022.

All in all, we have a promising portfolio of companies, which has the potential to grow further, both organically and through M&A. Positioned as niche-players in business areas that have strong fundamentals. When combined, we can identify a growing number of synergies across the Scana Group. We will continue to develop our business areas and aim to create further value for our shareholders and maintain good relationships with all other stakeholders.



Pål Selvik, CEO of Scana ASA

**We have a promising portfolio of companies,
which has the potential to grow further,
both organically and through M&A.**

Pål Selvik

I am quite sure 2024 will be another busy and exciting year for the Scana Group.

Best regards,

A handwritten signature in blue ink, appearing to read 'Pål Selvik', enclosed in a light blue circular stamp.

Pål Selvik

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 ocean and energy industries through the business areas; OFFSHORE, ENERGY and MARITIME. The company is run by eight employees from the headquarter in Bergen, with operational businesses in Norway and Sweden, supported by external resources adding competence and capacity.

2023 has been another year with a challenging geopolitical climate, characterized by armed conflicts in regions where the Scana Group operates. Humanitarian crisis put aside; these conflicts significantly impact the markets where the Scana Group operates in various ways. Energy security remains high on the global agenda and provides strong market fundamentals for all business areas in the Scana Group. However, the rise in protectionism, imposition of sanctions and the closure of vital trade routes as the Suez-canal increased the complexity and risks associated with conducting business in the global markets. This affects decisions regarding business partnerships and present challenges within supply chain. Scana engages with relevant corporate entities, financial institutions, and legal consults to ensure compliance and manage business risk in this dynamic environment.

Climate changes and the reduction of carbon emissions continue to drive the global agenda. Scana is well positioned to support the offshore industry in reducing greenhouse gas emissions whilst being a key supplier to renewable energy industries and electrification of both on- and offshore industries. Ensuring that operations are carried out in a safe and sustainable manner is a top priority for all our businesses. In a year marked by workforce growth from 371 to 537, mainly driven by OFFSHORE and ENERGY, we are pleased to deliver strong HSEQ-performance to customers with the highest HSEQ-standards.

The macroeconomic landscape in 2023 been shaped by inflationary pressures, rising interest rates and high volatility in key currencies, all of which had implications for the Scana companies. Through strong operational performance and the divestment of the 49 % shareholding in Scana Korea Hydraulics, interest cost was reduced compared to 2022 due to deleveraging.

HIGHLIGHTS

Accelerated profitable growth with revenues increasing from NOK 912 million to NOK 1.606 million and turning a net loss of NOK 45 million in 2022 to a net profit of NOK 72 million in 2023.

The order backlog going into 2023 was NOK 533 million, while 2023 ended with an order backlog of NOK 1.196 million. The order intake was NOK 2.262 million with the following key contract wins.

- A 3-year contract from Equinor for maintenance of the Mongstad refinery of NOK 200 million annual value and including options (3+3 years) a total value of NOK 1.8 billion.
- Several contract awards within energy storage solutions with the entrance of grid-scale battery storage to Jönköping Energi and Uddevalla Energi being commercial highlights.
- Several contracts within subsea development, well control and FPSO mooring.
- The strong results have paved the way for the first dividend to Scana shareholders since 2010.

SUBSEQUENT EVENTS

- West Asset Management AS a newco and subsidiary of PSW Technology was awarded a 10-year contract for operation and maintenance of strategically important properties associated with coastal bases along the Norwegian coastline. Total contract value is large, above NOK 150 million.
- PSW Technology divests well control preparedness equipment, releasing NOK 116 million in cash and a profit of ca NOK 55 million to be recognized in Q1 2024
- PSW Power & Automation AS has signed a contract for a series of E-house modules to be part of emergency power systems for several data center terminals.
- Reintroduction of dividend to Scana shareholders, 0.05 NOK per share paid out on or about April 3rd, 2024, the first dividend to Scana shareholders since 2010.

INCOME STATEMENT

After a financially challenging 2022, during which focus was on maintaining critical competence and capacity over short-term cost gains, the expected results have materialized in 2023, as reflected by the financial performance of the Scana Group. The three business areas, OFFSHORE, ENERGY and MARITIME, all delivered strong financial and operational performances and the Scana ASA organization has been strengthened.

The Scana Group reported operating revenue in 2023 of NOK 1.606 billion, up 76 % from NOK 912 million in 2022. Each business area demonstrated experienced strong revenue growth with OFFSHORE leading the way with 112 % increase in revenue compared to 2022.

The strong growth in revenue has materialized in a significant increase in profitability with EBITDA increasing from NOK 71 million in 2022 to NOK 181 million in 2023. The increase in EBITDA has been achieved despite investments in organization in both headquarter, ENERGY and OFFSHORE and one-off costs of NOK 10 million related to restructuring. The growth in EBITDA is driven by all business areas. Depreciation and impairment cost increased from NOK 90 million in 2022 to NOK 98 million in 2023 and was mainly driven by inflation adjustment on long term lease agreements in OFFSHORE and ENERGY. The operating income of NOK 83 million in 2023 is an improvement of NOK 102 million compared to the operating loss of NOK 19 million in 2022. Net financial expense decreased from NOK 41 million in 2022 to NOK 32 million in 2023 despite a significant increase in interest rates. The decrease in financial expense is a direct outcome of deleveraging, achieved through strong operational performance and the sale of the 49% shareholding in Scana Korea Hydraulics. This sale resulted in the release of NOK 40 million in cash and yielded a profit of NOK 5 million, recognized as income from associated companies.

The Scana Group recognized a tax income of NOK 15 million compared to NOK 11 million in 2022 which relates to increased deferred tax asset. See further information in disclosure 11.

The Scana Group's net profit was NOK 72 million compared to a loss of NOK 45 million in 2022. The earnings per share was NOK 0.16 compared to a loss of NOK 0.12 in 2022.

Order intake in 2023 was NOK 2.261 billion compared to NOK 1.087 billion in 2022. OFFSHORE increased with NOK 794 million, ENERGY with NOK 305 million and MARITIME with 74 million. The increased order intake contributed to a record high order backlog of NOK 1.196 billion at year end 2023. The majority of the order backlog is for delivery in 2023, with the maintenance contract to Equinor adding additional visibility in 2025. The two 3+3-year options are not included in the backlog.

BALANCE

Total assets as of 31.12.23 was NOK 1.495 million compared to NOK 1.378 million last year. The increase is related to increased activity levels in the Scana Group. Gross interest-bearing debt was NOK 116 million as of 31.12.2023 compared to NOK 152 million last year. Total equity was NOK 581 million as of 31.12.2023, corresponding to an equity share of 39 percent compared to NOK 493 million and 36 percent last year.

As of 31.12.23 total intangible assets were NOK 425 million of which NOK 286 million was goodwill, NOK 71 million intangible assets where the majority is related to the acquisition of PSW and a deferred tax asset of NOK 68 million. Right of use assets decreased to NOK 390 million compared to NOK 403 million, last year which has led to a decrease in lease liabilities to NOK 408 million from NOK 412 million last year.

CASHFLOW

Net cashflow from operating activities was NOK 158 million. The deviation from operating profit is mainly related to depreciation, amortizations, and changes in working capital.

In 2023 net cash from investing activities was NOK 0 million where the sale of the 49 % shareholding in Scana Korea Hydraulics released NOK 40 million in cash. A similar amount has been invested in the business acquisition of Future Energy and organic growth investments mainly within OFFSHORE and ENERGY.

Net cashflow from financing activities was negative NOK 125 million. NOK 36 million was installments on bank loan, of which NOK 15 million was an extraordinary installment after the sale of Scana Korea Hydraulics. Payments of leasing liabilities was NOK 59 million and NOK 40 million has been paid in interest. In 2023 NOK 14 million was net proceeds from issuance of share capital related to options for senior executives.

The board of directors is pleased with the financial performance of the Scana Group in 2023 with significant growth in both revenue and profitability. The financial position of the Scana Group is robust with capacity to both support organic growth and M&A opportunities.

SCANA ASA ACCOUNTS

The parent company Scana ASA had a profit of NOK 106 million in 2023 compared to a loss of NOK 15 million in 2022. The major factors relate to dividends and group contributions from subsidiaries and reversal of previous years impairment and tax cost.

Total assets as of 31.12.2023 were NOK 1.170 million, compared to NOK 1.070 million last year. The main increase relates to shares in subsidiaries and an improved cash balance due to retained earnings.

Equity amounted to NOK 803 million at the end of 2023, compared to NOK 681 million last year. The increase in equity is driven by the net profit and a capital increase in October, with reference to disclosure 9 in the Scana ASA accounts.

Scana ASA had no research and development activities in 2023. The R&D activities of the Scana Group are presented in the annual reports of the respective operational portfolio companies.

The profit of NOK 106 million in 2023 was allocated to other equity.

BUSINESS AREAS

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

The business area delivered NOK 767 million in revenue in 2023 compared to NOK 367 million in 2022 where the growth is related to significant increase in well control maintenance and to the maintenance contract at Mongstad refinery. Activity levels from well control business were particularly strong in first half of 2023, while the ramp up of the Mongstad refinery contract was completed in October 2023. The order intake related to subsea projects was strong in 2023 and secures a strong and profitable growth for Subseatec in 2024. EBITDA increased from NOK 50 million to NOK 121 million driven by economies of scale. With NOK 69 million in depreciations, mainly related to long term property leases on the Mongstad facilities and depreciations on tangible and intangible assets, EBIT was NOK 52 million compared to an operating loss of NOK 14 million last year.

A strong order backlog going into 2024, combined with continued strong market sentiment for both subsea developments and offshore drilling, as well as the first full year with the operation and maintenance contract at Mongstad, gives a good basis for continued profitable growth.

ENERGY ENERGY consists of psw power & automation located at ågotnes. This follows a successful merger of atc with offices at gardermoen in 2023. The business area provides complete solutions within energy storage solutions, shore power and energy modules across industries.

The business area delivered NOK 562 million in revenue with a particular strong development related to energy storage solutions and energy modules in 2023. EBITDA for 2023 was NOK 62 million. Margins were negatively impacted by challenges in a few projects from 2021. Operational investments position the business area for continued international growth in 2024. With NOK 20 million in depreciations related to facilities on Ågotnes and an impairment of intangible assets of NOK 2 million, EBIT in 2023 became NOK 39 million.

The continuous focus on electrification in general, and energy storage solutions in particular, is expected to drive demand within this business area. The order backlog of NOK 298 million as of 31.12.2023 and several contract awards in Q1 2024 provide a strong foundation for growth in 2024. For the purpose of capturing and developing opportunities within the energy storage solutions market, the business area is undertaking several strategic investments. These include: geographical expansion efforts, software development capacities and strategic supplier agreements of key components. These initiatives are anticipated to result in significant value creation over the medium to long term. However, it is important to note that there might be short-term cost increases and a rise in working capital during the ramp-up phase."

MARITIME MARITIME MARITIME consists of Seasystems and Skarpenord located at Vestby and Rjukan/Husnes respectively.

The business area provides mooring solutions and valve remote control systems across ocean industries.

The business area delivered NOK 288 million in revenue compared to NOK 201 million last year. Both business areas contribute to the growth in revenue. EBITDA was NOK 44 million compared to NOK 20 million last year, with an impressive financial turnaround for Skarpenord being the main factor.

The business area has an asset light business model with NOK 6 million in depreciations resulting in an EBIT of NOK 38 million compared to NOK 14 million last year.

The outlook for the business area is strong with high activity levels within LNG, FSRU's and FPSO's expected to be the short-term drivers. Offshore wind and carbon capture and storage have large potential for the medium term.

STRATEGY

Scana ASA is an active industrial owner within the ocean and energy industries. Scana shall create long term value for its shareholders through professional and active ownership in the subsidiaries.

Active ownership is executed through the subsidiary's board of directors, complemented by management services that capitalize on significant synergies, thereby creating value. At present, the primary management services encompass group financing, insurance, marketing, and procurement agreements. Each subsidiary conducts its individual strategy development process, with Scana Group management guaranteeing alignment with the Scana Group's overarching objectives through the subsidiary's board of directors.

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 68.

RISK MANAGEMENT

The Scana Group's main risk is the macroeconomic environment and the development of global markets.

All 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, supply chain optimisation 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, entering into strategic supplier agreements and assessing potential for vertical integration through M&A activities.

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 defense- and legal costs.

The directors and officers of Scana ASA and all subsidiaries (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 optimizing the risk-adjusted return.

Currency risk

Currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Scana Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Scana Group's operating activities (when revenue or expense is denominated in a foreign currency) and the Group's net investments in foreign subsidiaries.

The Scana Group 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 sales forecast and purchases within a 12-month period. 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

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Scana Group's exposure to the risk of changes in market interest rates relates primarily to the Scana Group's long-term interest-bearing debt with floating interest rates. The Scana 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 Scana Group is to secure financial flexibility to make optimal business decisions. The Scana Group works continuously with to reduce financial risk through close cooperation with its subsidiaries, monitoring short- and long-term cash flow projections. We aim to reduce working capital in close cooperation with customers and suppliers. On larger contracts, liquidity risk is managed through balanced milestone structures with customers and suppliers.

Assessing strategic importance of property, plant & equipment, inventories, and financial assets is also part of the risk monitoring process of the Scana Group leading to the divestment of Scana Korea Hydraulics in 2023.

As of December 31st, 2023, the Scana Group had a liquidity reserve of NOK 146 million consisting of NOK 36 million in cash and NOK 110 million in undrawn credit facility. The main financing agreements for the Scana Group are with DNB Bank and include term loans of NOK 115 million, working capital facility of NOK 110 million and a trade finance facility of NOK 60 million. As of December 31st, 2023, Scana is compliant with all financial covenants.

CREDIT RISK

Credit risk is the risk of financial losses if a customer or counterparty is unable to meet its contractual obligations. Credit risk usually relates to the Scana Group's trade receivables, contract assets and cash and cash equivalents. The Scana 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 in the industry and the country in which the customers operate, have less influence on the credit risk.

Customer credit risk is managed by each business unit subject to the Scana Group's established policy and guidelines relating to customer credit management. Credit quality of a customer is assessed based on credit rating and individual credit limits can be defined in accordance with this assessment.

Outstanding customer receivables and contract assets are regularly monitored. Subsidiaries enters larger customer contracts with advance payments (20 %–30 %) or milestone invoicing throughout the entire project progress.

The Scana 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.

CORPORATE SOCIAL RESPONSIBILITY

As an active industrial owner of companies within the ocean and energy industries, the Scana Group strongly believes in growing our businesses in a safe and sustainable manner. Closely connected to our prioritized Sustainable Development Goals (SDG's), we commit to being accountable to ourselves and our stakeholders through corporate responsibility programs and initiatives.

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

The Scana Group 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 2023 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 ASA's webpage. 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 Group have not encountered any incidents in 2023 that suggests violations of these values. In 2024, we will continue to prioritize human rights, including conducting assessments of our supply chain.

CORRUPTION

The Scana Group 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. The Scana Group has zero tolerance for corruption and encourages employees in the group to report the slightest suspicion of violations.

EMPLOYEE RIGHTS

The Scana Group has a stated goal of ensuring safe working conditions and fostering a positive working environment where employees thrive and develop their skills. The current working environment is deemed favorable. Recognizing that young workers represent the future of our Scana companies, we are committed to actively supporting traineeships and internships within our organizations. Additionally, the Scana Group

fully supports employees' rights to organize in trade unions and trade organization. Procedures have been drawn up and implemented for the personal data legislation that was introduced in 2018 (GDPR).

SOCIAL CONDITIONS

Scana Group work actively to promote the objectives of the Discrimination Act.

We are committed to fair treatment in all aspects of recruitment, promotion, development opportunities, and protection against harassment. We strongly believe in an inclusive working environment.

The Scana Group 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 common ethical guidelines, and these 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 8 full-time employees at the end of 2023 of which 1 is a woman. In addition to the full-time employees Scana shares a HSEQ and Sustainability resource with a subsidiary who is a woman.

The Scana Group had 537 employees as of 31 December 2023, an increase from 345 employees at the end of 2022. This is due to increased activity levels within OFFSHORE and ENERGY. 13 percent of the employees are women and 87 percent are men. For information regarding remuneration at the executive level and breakdown per gender, please refer to the section on Guidelines for Senior Executives and Other Remuneration, as well as the 2023 Report of Remuneration for Senior Executives included in the Annual Report.

In Scana ASA the sickness absence in 2023 was 2 percent and at the same level as in 2022 of 2 percent. For the Scana Group the sickness absence in 2023 were 4 percent (2022: 5 percent). There were no fatal accidents in the companies in 2023, equal to in 2022.

	2023	2022
Number of injuries with leave	1	1
Number of first aid injuries	13	5
Number of medical treatment injuries	4	4
Fatal accidents	0	0
Total sick leave	4	5
Short time sick leave	2 %	1 %
Long time sick leave	2 %	4 %

No information is provided on individual cases as this would be considered a violation of GDPR guidelines.

THE EXTERNAL ENVIRONMENT

Scana ASA's subsidiaries are ISO-certified for their operations and do not affect the external environment beyond the allocated emission permits. Scana companies enhance the environmental sustainability of their operations as well as for their stakeholders through measures such as the utilization of renewable energy sources, recycling, waste reduction, and the development of sustainable solutions for the ocean industries. We assess our supply chains, and we eliminate risks 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 CO₂ 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 § 3–3a, we confirm that the financial statements have been prepared under the assumption of going concern.

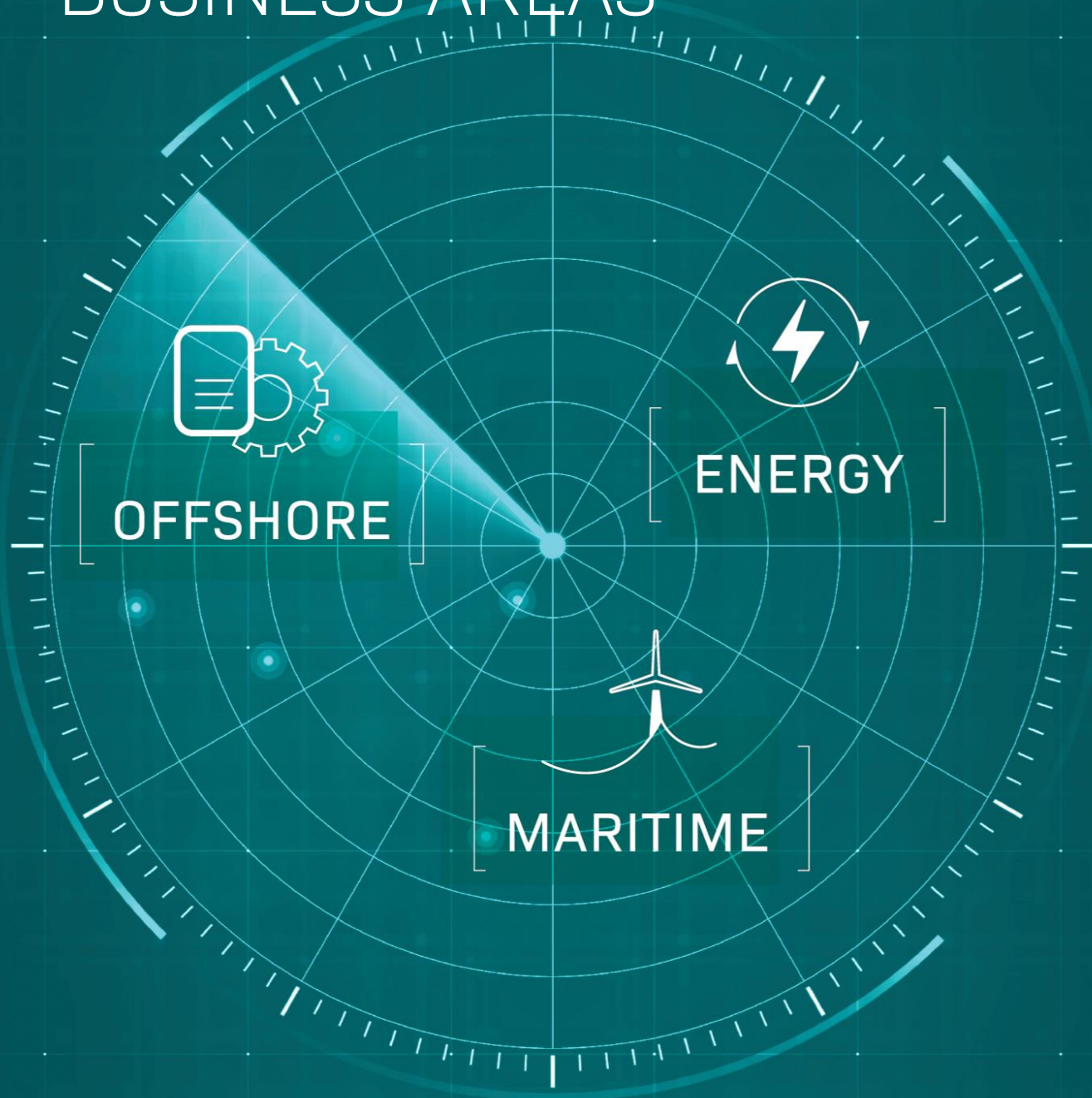


The board of directors of Scana ASA

Bergen, 19 April 2024

					
Gunnar Winther Eliassen CHAIRMAN OF THE BOARD	Ida Ianssen Lundh BOARD MEMBER	Morten Blix BOARD MEMBER	Birgitte Feginn Angeliil BOARD MEMBER	Bjørn Gabriel Reed BOARD MEMBER	Pål Selvik CEO

SCANA GROUP - BUSINESS AREAS



Scana and portfolio companies

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

Scana's subsidiaries have a solid innovation and commercialization history based on core competence. Scana is headquartered in Bergen and has around 500 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 AS
- PSW Solutions AS
- Subseatec S AB

ENERGY

Providing reliable and innovative energy solutions across industries paving the way for increased efficiency and reliability of the power grid and electrification of on and offshore activities.

- PSW Power & Automation AS

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 AS
- Skarpenord AS

VISION AND MISSION

VISION Powering the ocean and energy industries.

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



OFFSHORE

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



OFFSHORE

PORTFOLIO COMPANIES:

- PSW TECHNOLOGY AS
- PSW SOLUTIONS AS
- SUBSEATEC S AB

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 2023 this business area accounted for 47 percent of the Scana Group revenue.

SHORT ABOUT OUR OFFSHORE COMPANIES

PSW Technology offers a wide range of services and solutions to the oil and gas industry both on and offshore. The company has all the expertise our customers require in one place. Our facilities at Mongstad are ideally situated to provide IMR services both to 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. In December the company gained important expertise in the field of electrical engineering through the skilled workers of Future Energy AS, encompassing both high and low voltage, via a business transfer. This strengthened PSW's multidiscipline expertise by electrical and automation services. Our proximity to Sløvåg makes us a full-service provider for your rig or vessel needs maintenance.

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 Nondestructive testing (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 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 in steel.

KEY DRIVERS OF GROWTH

The OFFSHORE division is experiencing an improving global offshore market with strong customer relations, providing ongoing momentum. The awarded Equinor maintenance contract positions PSW Technology with the opportunity to ramp up multidisciplinary expertise. The OFFSHORE division is poised to contribute to sustainability through projects in offshore industries, focusing on reuse and refurbishment. The strategic locations at Mongstad, equipped with world-class facilities and equipment, are positioned to capture an even larger share of the market. Additionally, the companies are prepared to follow clients worldwide.

NOK million	FULL YEAR	
	2023	2022
Revenue	767.0	367.3
EBITDA	120.5	49.9
EBIT	51.8	-14.4
EBT	35.2	-46.4
Ordinary investments	12.1	13.2
Order intake	1 288.5	500.5
Order backlog	770.0	250.4

Our Companies are well-poised for sustained growth in the global market, capitalizing on strong customer relations, multidisciplinary expertise and strategic initiatives focused on sustainability, reuse, and refurbishment.



ENERGY

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



PORTFOLIO COMPANY:

- PSW POWER & AUTOMATION AS

Providing reliable and innovative energy solutions across industries paving the way for increased efficiency and reliability of the power grid and electrification of on- and offshore activities

Our business area ENERGY is a notable player within electrification with shore power systems, energy storage systems and e-house modules as key offerings. This business area accounted for 35 percent of the Scana Groups revenue in 2023.

SHORT ABOUT OUR ENERGY-COMPANY

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. In 2023 the subsidiary Trans Construction were merged with PSW Power & Automation and become the department PSW Modules. PSW Modules has specialized itself in design and production of E-house modules to the maritime-, offshore and onshore based industry.

KEY DRIVERS OF GROWTH

The ongoing megatrend within Battery Energy Storage Solutions (BESS) attracts interest, both for current product offerings and for spinoff products added to the product portfolio this year. Focus on energy mix, relaying on variable energy resources such as wind and sun requires grid stabilization solutions. In addition, the EU directive for emission free construction sites gives a demand for our solutions. The company is established with a leading R&D environment within battery technology, power electronics and software. With a strong business development team and scalable company setup we are ready for increased volume and growth.

NOK million	FULL YEAR	
	2023	2022
Revenue	562.1	354.6
EBITDA	61.5	28.4
EBIT	39.1	10.0
EBT	40.4	0.2
Ordinary investments	19.2	9.7
Order intake	663.5	362.0
Order backlog	292.7	193.0

Our company is positioned by taking a key role in the ongoing energy transition in Scandinavia and is ready to seize markets opportunities by scaling up in the areas of battery solutions and software control.



MARITIME

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



MARITIME

PORTFOLIO COMPANIES:

- SKARPENORD AS
- SEASYSTEMS AS

Supplying 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 18 percent of the Scana Group revenue in 2023.

SHORT ABOUT OUR MARITIME COMPANIES

Seasystems has high internal competence within project management, engineering, fabrication, and installation. The company offer sophisticated and reliable mooring solutions to floating structures.

Through a continuous focus on quality and functional design, Seasystems always strive to find the optimal solution for each project. Seasystems operates in several segments, such as FPSO's, FSRU's, floating wind and fish farming.

Skarpenord is a leading supplier of remote valve 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. In 2023 the company delivered all-time high results as a result of a turnaround in the company.

KEY DRIVERS OF GROWTH

Our companies within MARITIME are leading providers of innovative mooring solutions and valve remote control systems for vessels, rigs, and floating structures. Our solid market position is anchored in providing mooring solutions for all types of floating structures, including FSRU, FPSO, Offshore Wind, Aquaculture, CCS, and more. We see good prospects for new projects for our mooring solutions driven by the increased focus of energy security and renewable energy sources offshore. We are also uniquely positioned to capitalize on a portfolio of 2500 installed valve control systems, giving us a distinct advantage in the industry aftermarket.

NOK million	FULL YEAR	
	2023	2022
Revenue	288.4	200.9
EBITDA	44.3	20.3
EBIT	38.1	13.9
EBT	39.4	10.8
Ordinary investments	1.3	1.6
Order intake	308.9	235.7
Order backlog	111.0	89.5

MARITIME stands out as a niche leader with a robust track record in expanding within specialized market segments.

HIGHLIGHTS 2023



Highlights for Scana 2023

2023 has been characterized by a strong operational focus and financial de-risking. Several large projects were delivered and completed. Here is an overview of the most important events of the past year.

JANUARY

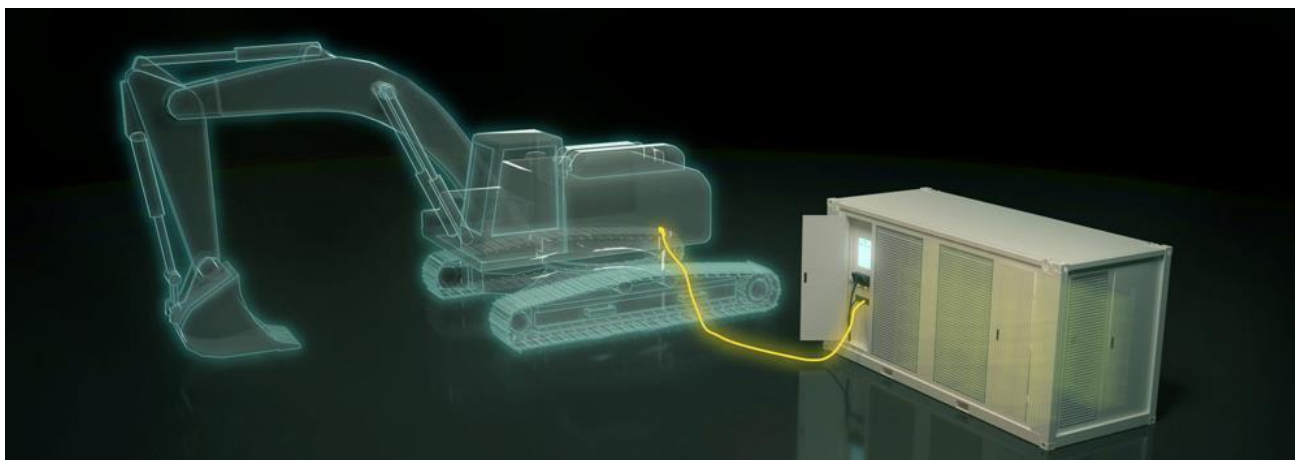
The new Year started with PSW Technology's historically largest contract when they were awarded a three-year contract for maintenance services to the Mongstad refinery. The contract has an estimated contract value of MNOK 1.8 billion including options. This is reconned as a game changer giving larger re-occurring revenues for the upcoming years.

Seasystems was awarded a letter of intent (LOI) for the delivery of a mooring system to a floating LNG terminal in Germany.



FEBRUARY

PSW Power & Automation signed a contract with PON Energy Rental for the delivery of a series of mobile DC chargers with integrated battery systems. The mobile charging solution has a built-in battery pack with high-power chargers to provide fast DC charging of trucks, busses, other vehicles, and construction sites.



CQ Master Container.

Trans Construction (ATC) secured a contract for the delivery of two E-house modules for generator sets which will be part of an offshore windmill farm.



E-house modules for generator sets.

PSW Technology signed an agreement with an international subsea customer for deep-water BOP stack services. In addition, PSW Technology signed an agreement with Deep Value Driller for deep-water BOP stack services.

MARCH

In March Trans Construction (ATC) and PSW Power & Automation secured no less than three new contracts for delivery of E-house modules. The modules are planned to be part of

- an emergency power system for several data center terminals.
- an emergency power system.
- an offshore development project on the UK sector.

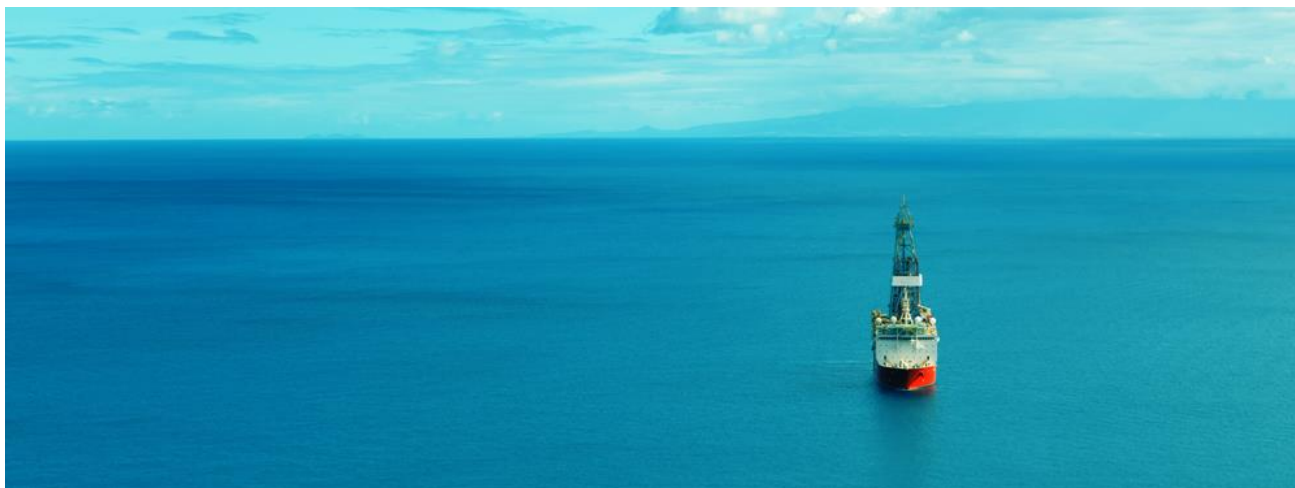


E-house modules for emergency power system for Offshore installations.

APRIL

Seasystems signed a contract for the delivery of anchoring system to an FSO-project outside West Africa.

Trans Construction (ATC) and PSW Power & Automation signed its fifth contracts for delivery of E-house modules so far in 2023. The module is planned to be part of an offshore project on the Norwegian continental shelf.



MAY

Skarpenord signed a strategic cooperation agreement with Scana Korea Hydraulic Ltd (SKH) –a joint venture company responsible for production and deliveries of Skarpenord' s valve control systems and a collaboration partner in Korea for more than 20 years.



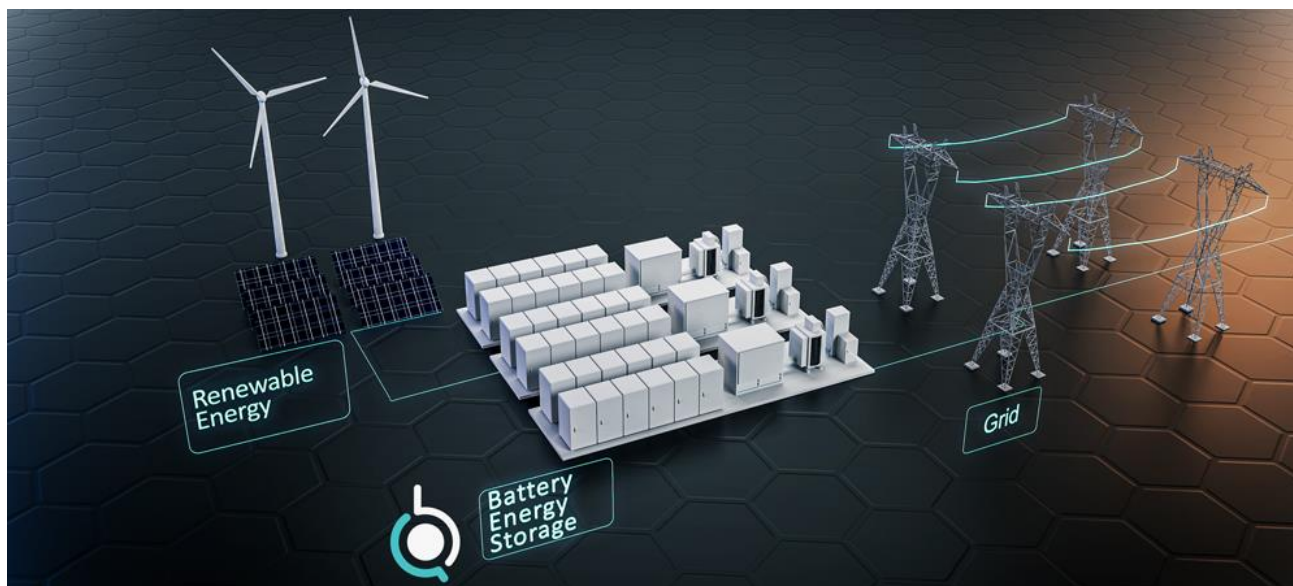
JUNE

Seasystems signed two contracts to an FPSO-project outside the Ivory Coast. The first contract is regarding upgrade and refurbishment of a mooring system supplied by Seasystems in 2008, and the second contract is for gimbals used for transfer of fluids between two floating units.



PSW Power & Automation signed multiple contracts for energy storage and charging systems in Germany, the Netherlands, and Saudi-Arabia. The solutions will replace or optimize the operation of traditional diesel generators and will be significant contributors towards fossil free operations.

JULY



Visualization of Grid-Scale Energy Storage Installation

PSW Power & Automation had a breakthrough signing two important grid scale energy storage contracts in Sweden. The first with Uddevalla Energi and the second with Jönköping Energi. The battery systems will ensure that excess energy is stored and released when needed, and thereby ensuring a stable and energy efficient power grid in the regions.

A photograph of a worker in an orange jumpsuit and white hard hat, seen from behind, sitting on a black stool. The worker is looking into a large, circular opening in a dark metal structure. The background shows an industrial setting with blue and orange structural elements. The lighting is dramatic, with strong highlights on the worker's jumpsuit and the circular opening.

Our purpose is to solve
global energy challenges for both
customers and future generations.

AUGUST

Pål Selvik joined as new Chief Executive Officer of Scana ASA.



Pål Selvik, the new CEO, and Oddbjørn Haukøy, the interim CEO.

SEPTEMBER

Subseatec has signed a sizeable contract within subsea development with international energy company to deliver steel stress joints to the US Gulf of Mexico. The contract demonstrates Subseatec standing as one of the most experienced specialists in riser applications within the global oil and gas industry.



Subseatec's delivered steel stress joints.

OCTOBER

Subseatec was awarded a second contract within Subsea development in the US Gulf of Mexico within a month. PSW Technology has signed an extension of their frame agreement with Odfjell Drilling AS for marine risers and subsea equipment services for a fixed period of 4 years with a 2+2-year option.

PSW Power & Automation signed three contracts:

- One of substantial size for the delivery of a series of E-house modules
- One contract with a Dutch company for the delivery of a series of mobile DC chargers with integrated battery systems.
- One contract for the design and delivery of an offshore electrification project. The system will ensure safe transfer of electric power from a fixed platform installation to a jack-up drilling unit situated in the North Sea.



Ricard Cornell, Managing Director of PSW Technology and Jakob Korsgaard, Chief Operating Officer of Odfjell Drilling AS.

NOVEMBER

PSW Technology signed an agreement for business transfer with Future Energy, involving the transfer of specific assets, rights, and obligations, including the company's approximately 50 employees. In addition, PSW Technology signed a frame agreement with a Norwegian oil and gas operator for capping stack & support services. The contract consists of a fixed period of 3 years with a 2+2-year option.

FUTURE  ENERGY

DECEMBER

PSW Technology signed an agreement with an International offshore drilling contractor for a deep-water riser system. PSW Power & Automation signed a contract for an energy storage system in the Netherlands. The developed BQ-S battery system will replace or optimize the operation of traditional diesel generators and will be a significant contributor towards fossil free operations.



SUSTAINABILITY REPORT



Sustainability strategy

STRATEGIC DIRECTION

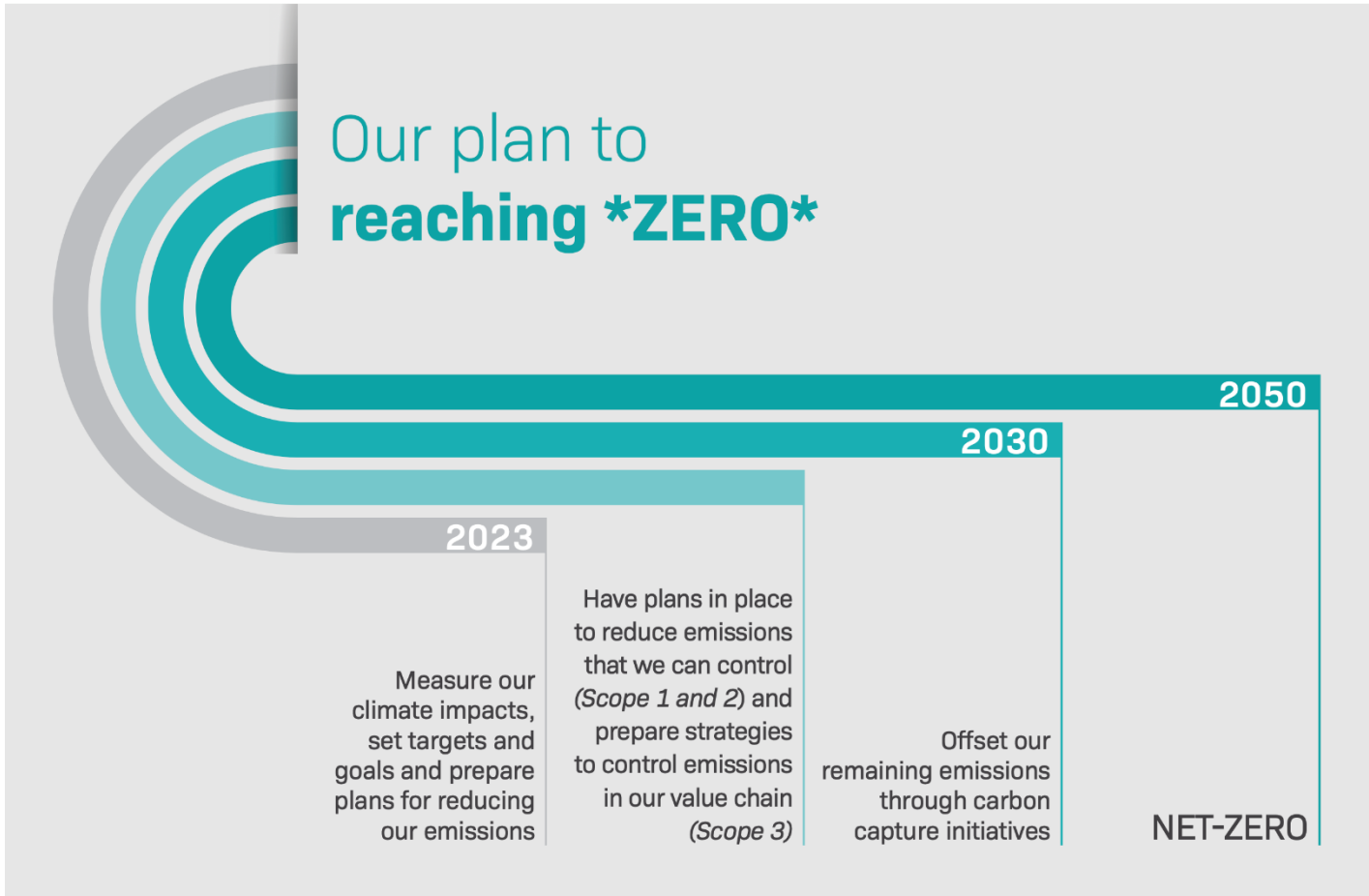
Sustainability is deeply embedded into our strategy. We operate by the intention of “ZERO harm” to the environment through providing environmentally sound technologies for our customers and the focus on our sustainability strategy is based on the vision of “reaching ZERO”. Our ultimate goal is to cut greenhouse gas emissions (GHG) to as close to zero as possible by 2050. 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 have to start by understanding our base-line overview, measuring our greenhouse gas emissions Scope 1 and 2 (CO₂). 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 wherever feasible. 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 remaining emissions, 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 ESG-ambition:
**reaching
“ZERO”**

- ZERO injuries, accidents, and work-related illness
- ZERO incidents of discrimination
- ZERO security incidents
- Net-ZERO emissions

Our plan to reaching ***ZERO***



SCOPE 1

Direct *greenhouse* gas (GHG) emissions from sources owned or directly controlled by the Scana Group. (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 Scana Group's activities but arises from sources that are not owned or directly controlled by the Scana Group.

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

OUR COMMITMENT TO THE UN SUSTAINABLE DEVELOPMENT GOALS

SUSTAINABLE DEVELOPMENT GOALS AND OUR ESG STRATEGY

Based on the materiality analysis in section 4.3, we prioritized the Environmental, social and governance (ESG) issues and ranked them in order of materiality. Points of action have been defined, outlining our ESG strategy.

We continue working on a detailed action plan, 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 our KPI's.

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

The Scana Group has defined four of the UN's Sustainable Development goals (SDGs) as our primary goals, and together with our portfolio companies, we have implemented processes of working towards these.

In addition to our primary goals, several of our companies have identified other key SDGs to contribute towards sustainable business conduct.

SCANA'S PRIORITIZED SDGS ARE:

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



OUR PRIORITIZED SUSTAINABLE DEVELOPMENT GOALS

In the Scana Group, our aim is to understand the importance of specific ESG- and sustainability topics. The “Materiality Assessment” gives us information about the priorities we should take.

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 resource use and waste management are important for working towards SDG 12 and 13; climate action and responsible consumption and production.

We aim for zero injuries and work-related illnesses and will work actively towards equal opportunities for all in active cooperation with our stakeholders, providing safe and inclusive working conditions for all workers, with special focus on young workers and female workers. This corresponds with the SDGs 5 and 8; gender equality and 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 and 12; decent work and economic growth and responsible consumption and production.



ENVIRONMENT

CLIMATE RISK

We seek to own 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

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, regardless of age, gender, religion, race, national or ethnic origin, cultural background, social affiliation, disability, sexual orientation, marital status, or political opinion. We actively participate in the education of young workers, by employing trainees and 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. Clear communication and working together to reach mutual goals are focus areas that we will work towards in the group and with our stakeholders.



GOVERNANCE

TRANSPARENCY

We commit to taking an active role in preventing corruption and against the abuse of power. We have established routines to ensure compliance with our business practices and will provide training in ethical business conduct.

All our portfolio companies are ISO 9001:2015 certified, with annual audits by 3rd parties. 3 of our portfolio companies are certified ISO 14001 and ISO 45001 and we aim for compliance towards these standards for the rest of the portfolio companies.

COMPLIANCE AND RISK MANAGEMENT

Risk management is an integral part of our business, including HSEQ, 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.

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.

*Bribery and corruption = Illegal or illegitimate economic gifts or other inappropriate benefits with the goal of professional favors

2. ENVIRONMENTAL PERFORMANCE

The Scana Group considers the possible impacts on the external environment from the activities of the holding company as very low, and mainly related to air travel. Scana owns businesses with a wide range of differences in activity and markets that span from products, services and life-time extensions to critical equipment within several segments of the offshore industries to sustainable energy solutions – providing complete solutions within electrification and renewable energy to offshore, marine and shore-based activities.

Through their activities, companies can potentially have effects on the environment with noise and emissions. It is important for us to ensure high environmental standards in the present and create a more sustainable environmental strategy for the companies we own for the future.

As an owner, we require our subsidiaries to ensure that their operations do not exceed the environment impact outlined in their emission permits*. The companies also work continuously to limit their emissions, reduce the amount of waste and overall reducing their negative impact on the environment. Waste from production is recycled or sorted and handled in line with regulations. Our steel businesses buy scrap metal for melting and are thus recycling operations in their own right.

Our goal is that the products of the companies we own are as pure and clean as possible and are produced with as little negative impact on the environment as possible.

2.1 ENERGY CONSUMPTION AND GREENHOUSE EMISSIONS

Scana ASA's subsidiaries occupy various types of sites, from spacious, state-of-the-art warehouse and workshop buildings to workshops from the industrial area, to rented office buildings. In our efforts to reduce CO₂ emissions, a comprehensive understanding of our energy usage is important, including insight into the sources and methods of energy production. Three of our companies; PSW Technology, PSW Solutions and PSW Power & Automation procure energy from certified "green" energy production, confirmed by a guarantee of origin. The remaining companies either lack such documentation, or do not possess this information because the energy costs are included in the rental of the premises.

PSW Technology and PSW Power & Automation have installed solar panels on the roof of their buildings, providing the companies with clean energy.

2.2 WASTE MANAGEMENT

In the Scana Group we recognize that sustainability hinges on adopting a circular economic model. In this approach, existing resources are maximized, and waste is minimized throughout the value chain.

Our circularity efforts extend across every aspect of our business:

- **Design and manufacturing:** We rethink product design and manufacturing processes to minimize waste and maximize resource efficiency.
- **Supply chain collaboration:** The Scana Group collaborates with suppliers to optimize resource use and reduce waste.
- **Product lifecycle extension:** We focus on extending the life of their products, promoting reuse, and remanufacturing spare parts.
- **End-of-life recycling:** The Group actively promotes recycling and proper disposal of components.
- **Electrification and second life applications:** As the society transitions to electrification, the Scana Group explores second-life applications for batteries and raw materials.

The Scana Group recognizes that circularity not only saves natural resources but also reduces CO₂ emissions: by avoiding virgin material production and by emphasizing reuse, remanufacturing, and recycling, they contribute to decarbonization.

*Businesses that might produce pollution are required to have a permit under the Pollution Act ('Forurensningsloven').

Four of our companies have extensive waste-management systems in place, to keep as much of the natural resources in the circular economy as possible. E.g. steel, wood, paper, blasting sand and thinner is recycled and made available for reuse.

2.3 BIODIVERSITY AND CONSERVATION

As a listed industrial owner of company in the ocean industries, the Scana Group's operations are intricately linked to the health of marine ecosystems. Prioritizing biodiversity conservation is not only an ethical responsibility but also critical for long-term business resilience and sustainability. Biodiversity loss poses risks to the Scana Group's supply chain (e.g., disruptions due to ecosystem collapse and scarcity of raw materials).

2.4 #ENERGYTRANSITION #TECHNOLOGY #INNOVATION @ POWER & AUTOMATION

Innovation @ Power & Automation

BATTERY STORAGE SOLUTIONS TO STABILISE POWER GRIDS AND AVOID POWER OUTAGE

PSW Power & Automation delivers battery energy storage solutions for use in large-scale energy storage, stabilising the power grid and reducing reliance on fossil fuels. "Large scale modular battery packs are the next big step for the grid in Scandinavia and Europe in general," says Jens Hjorteset, Director of Business Development at PSW Power & Automation.

Electrical power grids are in a precarious situation. As extreme heat becomes more common, more blackouts are expected as demand for electricity spikes. For some, a power outage is merely an annoyance. For others, such as patients and the elderly, it may be catastrophic. Recent record-breaking heat in Europe and elsewhere has shown us this.

Moreover, the electrification of society has paralleled with the growth of renewables. But wind and solar, for example, generate intermittent power, which challenges the grid. "The solution is to bring stability into a grid that is seeing high consumer loads in an under- and overproduction scenario," explains Hjorteset.

"Grid-scale energy storage solutions are essential for managing production of power from various renewable energy sources. We have designed the 'BQ-G Battery Pack' to ensure that energy will not be wasted, but stored in batteries instead," explains Hjorteset.

This highly flexible and scalable solution can be installed at different locations on the grid, including at the point of generation, at substations, or at the distribution level. The optimal location depends on the specific needs of the grid and the grid services to be provided.

BQ-G ENERGY STORAGE SOLUTION ENDS POWER INSTABILITY

The BQ-G modular battery pack ensures grid stability and balance. "Our solution makes it possible to incorporate all of the renewable energy produced into the grid when it is needed, which prevents fluctuations and maintains a stable power supply," says Hjorteset.

In addition, as more renewables come online, large-scale energy storage will be essential for reducing, and eventually eliminating, the use of fossil fuel energy in the grid. It will also aid in ensuring access to power should the grid disruptions, arising from technical issues, extreme weather events, geopolitical conflicts and similar challenges.



Jens Hjortset (Director of Business Development) and Eirik Sørensen (Managing Director) from PSW Power & Automation

MOBILE BATTERIES HELP TO DECARBONISE CONSTRUCTION

Deploying mobile batteries to construction sites will decrease air and noise pollution resulting from construction activity. “The construction industry needs to decarbonize, whether it is cost effective or not. PSW Power & Automation plays an essential role in that effort,” says Jens Hjortset.

Imagine walking past a construction site, breathing in fresh air, and hearing the birds sing. This is already happening in cities like Copenhagen, Helsinki, Oslo and various other cities across Europe.

Normally, construction activity is responsible for 10 per cent of the world’s greenhouse gas emissions. The industry has now begun to replace diesel power with electric - thanks to cities’ strict regulations to decarbonize construction within a decade or two.

PSW Power & Automation delivers mobile battery containers to industries in need of electric power for temporary infrastructure. “Most of our customers have been using diesel generators, which release carbon dioxide, nitrogen oxide, particulates and other toxic exhausts,” says Hjortset.

“Most construction sites don’t have sufficient electrical infrastructure for electrical machines. Our mobile battery solution covers peak demands, hence there is no need to strengthen a costly electrical infrastructure just for the construction period,” explains Hjortset.

Another example is concert arenas, which may have a limited grid connection and need extra power for a short duration. At those times, a mobile battery container can replace some or all the diesel generators normally used.

BATTERY INTELLIGENCE ENSURES OPTIMAL POWER CONSUMPTION

PSW Power & Automation's solution consists of two separate but interrelated products; the hardware, including the battery pack, and software known as BQ intelligence. "Hardware isn't enough; software is needed for control.

Our BQ-G modular battery ensures optimal power consumption and logging of valuable data for future use," says Hjorteset.

MOBILE DC FAST CHARGING PROVIDES FLEXIBILITY

PSW Power & Automation also delivers fast charging mobile DC solutions for areas with inadequate grid infrastructure. The solution has an integrated battery, enabling seamless charging of electric construction equipment, trucks, boats, and vehicles.

"Our DC charger is designed for mobile transport, which is a prerequisite for the electrification of various industries," says Hjorteset.

The mobile DC charger optimizes operations on electrified work sites, saving both time and money. The unit features a simple connection and disconnection system, capable of operating either with the grid or disconnected from the grid. Recharging can be done using the AC grid or a DC charging station.

The charger also has an individual payment system, allowing different companies at the same site to easily share the charger and pay only for the power they use. Moreover, the mobile DC charger can play an important role in decarbonizing industries that rely on heavy electric machinery.

RAPID ELECTRIFICATION PROPELS MARKET GROWTH

The Paris Agreement and government regulations are pushing industries to quickly adopt the use of electric power and other forms of clean energy.

"An increasing number of companies will need access to fast charging mobile DC solutions as industries with heavy equipment continue to electrify," says Hjorteset.

ENVIRONMENT



50%

**OF OUR COMPANIES
HAVE AN
ENVIRONMENTAL CERTIFICATION**



ALL SCANA COMPANIES FOCUS ON

**WASTE
REDUCTION**



3. SOCIAL PERFORMANCE

3.1 EMPLOYEE WELL-BEING AND DIVERSITY

The Scana Group has established a systematic HSEQ program and is actively working to improve the HSEQ level in the Scana Group. Health and safety are on the agenda for all board meetings, where we focus on absence from work, near-misses, and possible injuries, as well as the company's follow-up on these matters. Overall sick leave in the Scana Group is considered low.

There have been no recorded incidents of damage or injuries related to work at Scana ASA (parent company). The working environment in the company is considered satisfactory.

3.2 LABOR PRACTICES AND HUMAN RIGHTS

In the Scana Group we work actively to ensure that we comply with basic human rights, as well as to ensure decent working conditions in our own operations and in the supply chain. Responsible business conduct is embedded in our processes and documents for business management, including our code of conduct. Risks for violations of human rights and decent working conditions have been assessed for internal processes, as well with regards to our critical suppliers. We report our efforts on the work with human rights and decent working conditions in our annual report.

3.3 COMMUNITY ENGAGEMENT

The Scana Group actively engages with the communities in which we operate, dedicated to creating a positive impact in various initiatives. We prioritize community well-being and is a proud member of the Bergen Chamber of Commerce. Each of our subsidiaries plays a role in contributing to the well-being and growth of the local communities.

For instance, PSW Technology is actively involved in a project in Alver municipality where the target is the "Symbioses between Industry and Education," fostering links between the industrial sector and educational partners.

Moreover, our companies support local sports clubs in their communities. Among others are Alvidra sportsklubb, Nordhordland ballklubb, Lindås Idrettslag, Soon Seilforening and Seim skyttarlag. In the image provided, PSW Power & Automation contributes to the PSW Øygarden Football Academy in the nearby area of Øygården. Throughout the year, over 60 participants from 5 different clubs attend training sessions at the Academy three times a week, directly after school.



PSW Power & Automation contributes to the PSW Øygarden Football Academy

In addition, as members of the Nordhordland Training Office, PSW Technology and PSW Solutions offer apprenticeships collectively within electrical engineering, automation, industrial mechanics, metalworking, and welding. This helps nurture young talents and provides career opportunities within our communities.

Our Swedish subsidiary, Subseatec, collaborates with educational institutions to inspire future engineers and innovators. We offer internships to technical program students, complementing their education with practical experience.

By nurturing talents, fostering educational opportunities, and promoting community well-being, we are committed to contribute to the growth and prosperity of the regions which we operate within.

3.4 BEYOND BOUNDARIES

Unleashing global talent at Subseatec

In the Nordic region, numerous immigrants encounter challenges in securing employment. At Subseatec, however, the narrative is different.

Hiralben Thakkar, a legal professional educated in India, has successfully established herself as a Quality Assurance Specialist. This reflects Subseatec's commitment to inclusiveness and openness, which Thakkar considers to be the fundamental strength of the organization.

"As an immigrant in Sweden, you have to work thrice as hard," Thakkar notes, emphasizing the importance of blending in, mastering the local language, and comprehending cultural nuances.

Originally hailing from Gujarat, India, Thakkar relocated to Scandinavia in 2014, accompanying her spouse, Balmukund, who was pursuing a doctoral degree in Tromsø, Norway. They moved to Sweden amidst the global pandemic.

"I've been very fortunate. My colleagues have accepted me since day one and shown immense trust," tells Thakkar.

She joined the company through a municipal program connecting immigrants with academic backgrounds with local companies. An opportunity that she learned through the local library. A week later, she was offered an internship at Subseatec, where she worked on data books and Health, Safety, Environment, and Quality (HSEQ) – a natural fit given her legal background.

NETWORKING CHALLENGES

"The typical employment pathway presents numerous hurdles without a local network. The absence of local references and the challenges of not being a native is significant," Thakkar elucidates.

"This often means compromising oneself, and for many, especially women, it results in staying home despite high education levels. We saw the same when my husband was job hunting. He was sending 10-20 applicants each day. Without connections, it's hard."

"I'm thrilled I found this opportunity and proved myself an adept learner and attentive listener. My uniqueness was not only accepted but celebrated. I was entrusted with engaging tasks from the beginning, providing me with strength and inspiration."



Subseatec Quality Assurance Specialist Hiralben Thakkar and Peter Jansson, Managing Director at Subseatec

OVERCOMING LANGUAGE BARRIERS

Language barriers are a common obstacle for foreign-born individuals entering the job market.

“It’s an impediment, regardless of one’s skills or education. You start from zero,” Thakkar shares from her experience. “Embracing the learning curve with determination and patience is key, and a sense of humor helps too.”

“I made many mistakes learning Swedish, but my colleagues were supportive and kind, and we all laughed together. Everyone understands that learning a new language is hard. And when needed, asking people to speak slowly or switching to English has always worked well,” she says.

“My Swedish is less nuanced than my English, but the directness can be a strength. When I speak, it’s straightforward, with no hidden meanings,” she laughs. “Everybody knows precisely what I want.”

“Since we operate internationally and use English as our main language, we can think broadly in our hiring practices,” says Peter Jansson, Managing Director at Subseatec. “This offers an accessible path for non-Swedish speakers, many of whom pick up the language once they start working with us.”

Thus, Thakkar started working even before mastering Swedish and continued learning alongside her new coworkers. In her project group, 40 % of employees are women, while 60% are men, many of whom have international backgrounds.

A CULTURE OF COLLABORATION

Today, Thakkar is a permanent and integral member of the Subseatec team, and she highly values the trust and openness within the company. The organization’s flat hierarchy and transparent culture have been instrumental in her rapid learning and integration.

“Subseatec’s environment is characterized by flexibility and collaboration, fostering a supportive and familial atmosphere,” she notes. “In India, I was used to a more rigid hierarchy, but here, I could approach anyone with questions, including the boss.”

This open culture is unique, and everyone is acting as mentors and guides for each other, working towards a shared vision.”

“Here, every day brings new projects, and challenges that we tackle together. That’s what drives me and gives me meaning,” she says, smiling while discussing the company culture. “People stay here forever.”

ACCEPTANCE OVER EQUALITY

Thakkar believes in aiming for acceptance rather than equality in diversity and inclusion.

“It’s more fruitful to embrace differences. True equality might be unattainable, but acceptance is achievable. It’s about being conscious of what’s missing in the team and welcoming diversity in thought, not just nationality or gender.”

“In today’s global marketplace, embracing diverse perspectives is not just beneficial; it’s a competitive advantage,” she asserts. “Companies that understand and value this diversity are better positioned to thrive internationally.”

A STRATEGY OF OPENNESS

Peter Jansson elaborates on Subseatec’s approach, “Our focus is on neutrality and transcending conventional barriers such as gender, age, and origin.”

“This hasn’t been a deliberate recruitment strategy, but rather an openness to where expertise lies,” he adds, referring to the collaboration with the municipality.

“Our most recent hire, a 25-year-old woman, was selected not for her gender or origin but because she was the most qualified, outperforming other candidates.” Peter Jansson emphasizes the value of alternative recruitment channels over quotas, noting, “Adherence to irrelevant criteria can lead to suboptimal decisions.”

He recognizes the significant benefits of a diverse workplace, fostering an open and mindful culture that encourages many questions and new perspectives.

SOCIAL



95%

AVERAGE FEMALE WAGES
COMPARED TO AVERAGE MALE WAGES



13%
OF OUR EMPLOYEES
ARE FEMALE

25 APPRENTICES
EMPLOYED IN OUR COMPANIES



1
LOSS TIME INJURY



1,41
LTI FREQUENCY



4%
SICK LEAVE IN GROUP



LTI frequency = Lost time injury frequency

4. GOVERNANCE

4.1 GOVERNANCE STRUCTURE AND THE BOARD OVERSIGHT OF SUSTAINABILITY

In the Scana Group, we strive to ensure sustainability, integrity and responsibility throughout the value chain. Our highest governing body is our board of directors which is responsible for overseeing and safeguarding management of our sustainability work.

The board of directors have 7 board meetings per year, as well as ad-hoc meetings. Every ordinary board meeting starts with HSEQ.

Climate-related issues are a part of the risk assessment, which is a topic to be addressed in every board meeting. Material impacts, policies, reporting and other key topics are discussed and agreed upon.

Quarterly audit committee meetings are held focusing on the financial reporting and other relevant topics such as sustainability when deemed appropriate.

The annual sustainability report is discussed, reviewed, and approved by the board and audit committee in the first quarter of the year. Scana has appointed a Sustainability Manager, with the responsibility to develop, drive and communicate the sustainability agenda and over-all sustainability goals, determined by the board.

Scana subsidiaries each have their own sustainability targets and goals, connected to the UN's sustainable development goals.

Each company is responsible for ensuring compliance with local legal requirements in addition to the corporate requirements. Our management system is governed through 6 high-level policies that describe the intention and direction of Scana ASA. They are valid for all subsidiaries and are shared with our customers and other interested parties. These policies can be found on our website.

OUR HIGH-LEVEL POLICIES:

- Human rights
- Ethical guidelines
- Sustainability
- HSE policy and goals
- IT and social media policy
- Routines for secure handling of inside information

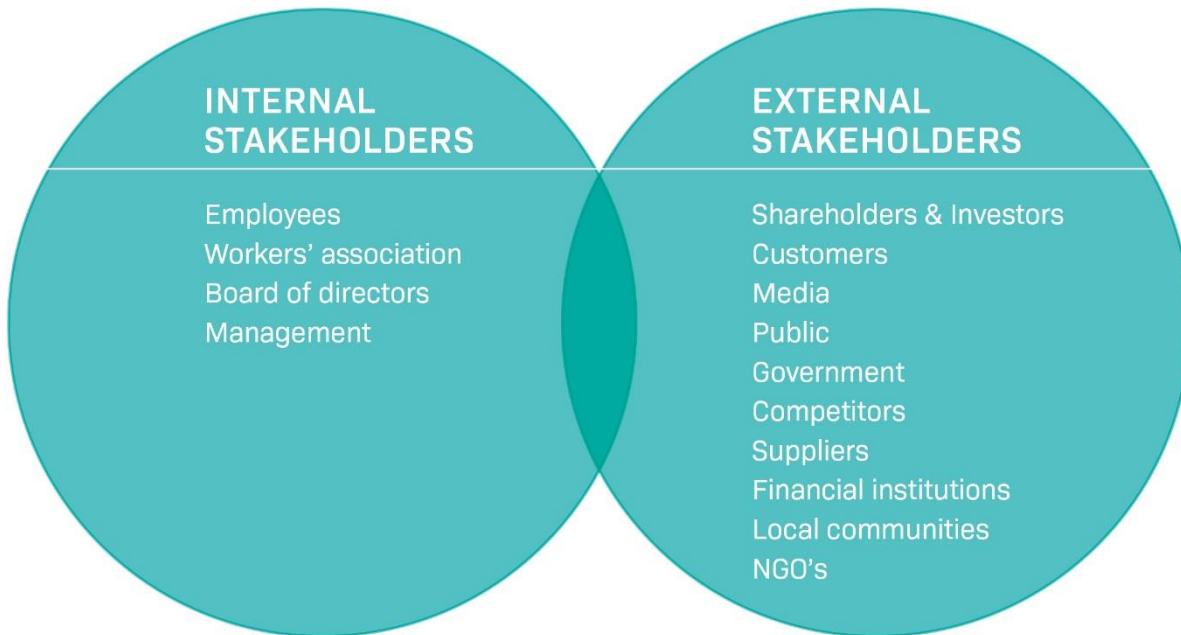
All employees are expected to act in accordance with these company policies and requirements. Our Ethical guidelines are the key governing document and states our expectations to uphold honest and sustainable business practices.

4.2 STAKEHOLDER ENGAGEMENT

As our stakeholders provide us with important feedback, we use different ways to engage our stakeholders. As a starting point, we have defined a short-list of stakeholders with whom we communicate frequently. These stakeholders influence our group of companies, and in turn we may influence them by our position in the market, and the products and services we provide.

The stakeholders are important in defining our material topics; the aspects where we, as a group, experience a meaningful impact. During Q4, we conducted interviews with these stakeholders and conducted desktop analysis, mapping the subjects in the European Sustainability Reporting Standards (ESRS), along with the relevant aspects influencing us through risks, opportunities, and financial considerations.

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's the most important issue of interest for this interested party, and how does it compare to other issues?"



4.3 MATERIAL TOPICS

We use the Materiality assessment method* to help identify which environmental, social, and governance 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 from our stakeholders.

MATERIAL IMPACTS

Scana has followed the GRI's materiality standard (GRI 3: Material Topics) to determine the reporting topics relevant to the group. Topics with significant environmental, social, human rights, or economic impacts are considered material.

The process of identifying material topics for reporting involved internal workshops, stakeholder dialogue, and seeking expert opinion. The recommended material topics were then presented to and approved by the audit committee.







* Materiality assessment method = See section 1 in GRI 3: Material Topics 2021 for more information on determining material topics

DOUBLE MATERIALITY

The Scana Group prepares for the requirements in the European Union’s Corporate Sustainability Reporting Directive (CSRD), which requires large and listed companies to disclose material ESG information. We adopted the double materiality approach, to consider ESG topics where the Scana Group may have an impact and those that might affect the Group’s value.

The Scana Group started integrating this approach in 2022 and is now evaluating the materiality of ESG topics that might impact Scana ASA and the subsidiaries financially.

The table below illustrates the outcome of the double materiality analysis, incorporating input from our stakeholders. Financial material topics are indicated with a green marker in the table.

ESG	MATERIAL TOPIC	FINANCIAL MATERIALITY	DESCRIPTION
ENVIRONMENTAL	CLIMATE CHANGE		<ul style="list-style-type: none"> Climate change mitigation
			<ul style="list-style-type: none"> Climate change adaption
			<ul style="list-style-type: none"> Energy (energy consumption and mix; gross scope 1, 2, 3 and total GHG emissions; GHG removal and GHG mitigation projects)
	POLLUTION		<ul style="list-style-type: none"> Pollution of air Pollution of water Substances of concern Substances of very high concern
	RESOURCE USE & CIRCULAR ECONOMY		<ul style="list-style-type: none"> Resource inflows, including resources use Resource outflows related to products and services Waste Own topic: life cycle extension
SOCIAL	OWN WORKFORCE		<ul style="list-style-type: none"> Working conditions (secure employment; working time; adequate wages; social dialogue; freedom of association, the existence of works councils and the information, consultation and participation rights of workers; collective bargaining, including rate of workers covered by collective agreements; work-life balance; health and safety)
			<ul style="list-style-type: none"> Equal treatment and opportunities for all (gender equality and equal pay for work of equal value; training and skills development; employment and inclusion of persons with disabilities; measures against violence and harassment in the workplace; diversity)
			<ul style="list-style-type: none"> Other work-related rights (child labour; forced labour; adequate housing; privacy)
GOVERNANCE	BUSINESS CONDUCT		<ul style="list-style-type: none"> Corporate culture
			<ul style="list-style-type: none"> Protection of whistle-blowers
			<ul style="list-style-type: none"> Management of relationships with suppliers including payment practices
			<ul style="list-style-type: none"> Corruption and bribery (prevention and detection, including training; incidents)

4.4 VALUE CHAIN ANALYSIS

The Scana Group's value chain revolves around sustainability, active ownership, and strategic alignment with relevant requirements. Our commitment to decarbonization and responsible business practices positions us in the evolving landscape of sustainable value creation.

PRIMARY ACTIVITIES

INBOUND LOGISTICS:

- Scana Group collaborates closely with suppliers to source raw materials and components for their portfolio companies.

OPERATIONS:

- The Scana Group actively manages its portfolio companies, ensuring efficient operations and alignment with sustainability goals.
- We focus on technologies related to electrification and emission reduction.

OUTBOUND LOGISTICS:

- The Scana Group facilitates the distribution of products and services from portfolio companies to end-users.

MARKETING AND SALES:

- We promote sustainable solutions offered by the portfolio companies.
- Marketing efforts emphasize environmental benefits.

SERVICE:

- The Scana Group ensures that the portfolio companies provide excellent service to customers.
- We support maintenance, repair, and upgrades for sustainable products.

SUPPORT ACTIVITIES

INFRASTRUCTURE:

- The Scana Group maintains a robust organizational structure to oversee companies.

HUMAN RESOURCES:

- We invest in research and development for sustainable technologies.

TECHNOLOGY DEVELOPMENT:

- The Scana Group recruits and retains skilled professionals who align with their sustainability vision.

PROCUREMENT:

- We drive innovation in electrification, renewable energy, and emission reduction.
- The Scana Group sources sustainable materials and components for the portfolio companies.



ALL

OF OUR COMPANIES
ARE CERTIFIED ACCORDING TO
ISO 9001

GOVERNING
POLICIES
IMPLEMENTED



**E-LEARNING
PORTAL**

IMPLEMENTED IN ALL
COMPANIES



31 POSITIVE
CUSTOMER FEEDBACK



3 NEGATIVE
CUSTOMER FEEDBACK



18 INTERNAL
AUDITS PERFORMED

5. PERFORMANCE INDICATORS AND METRICS

HSEQ Metrics

Key KPI's	Target	2022	2023	Direction
Increase the % of women in the workplace	>30 %	13 %	13 %	→
ZERO cases of discrimination	0	0	0	●
Code of ethics training for all	100 %	*	89 %	●
ZERO Loss Time Incidents	0	0	1	●
Number of apprentices in Scana companies	10	14	25	↑
Training portal implemented in all Scana portfolio companies	100 %	50 %	100 %	↑
Percentage of sick leave	3 %	5 %	4 %	↓
Net-ZERO Emissions	0	*	*	*
Sustainable procurement practices in all Scana companies*	100 %	*	*	*
% of energy from own procurement or production from renewable sources	100 %	73 %	97 %	↑
% of Scana companies with services contributing to the green shift	100 %	100 %	100 %	●
Zero waste (all waste to be recycled or re-used)	100 %	*	*	*
H1**	0	*	1.40	●
TRIF /TRIR /LTIR**	0		0.28	●

* Scana ASA and subsidiaries assess whether suppliers have a sustainable management system in the supplier evaluations

**H1 = H1 injuries are the sum of the number of lost time injuries and the number of fatalities. TRIF = Total Recordable Injury Frequency. TRIR= Total Recordable Incident Rate. LTIR= Lost time incident rate

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 professions within these sectors. 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” into the Scana Group targets.

We anticipate that achieving this target will have a positive impact on the outcomes related to 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	2023	Target
Increase the % of women in the workplace	13 %	13 %	>30 %
ZERO cases of discrimination	0	0	0
Code of ethics training for all		89 %	100 %

DID YOU KNOW

In the Scana Group, 13 % of our employees are female, and in one of our companies, the percentage reaches the target of 30 %.

We actively promote female participation in the industry through our cooperation with schools and local job-match initiatives.

Our contribution to the UN SDG's



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

Scana Group 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 for all Scana Group companies in 2023.

Scana Group 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, all 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, including migrant workers.

Key KPI's	2022	2023	Target
ZERO Loss Time Incidents	0	1	0
Number of apprentices in the Scana Group companies	14	25	5
Training portal implemented in the Scana Group companies	50 %	100 %	100 %

DID YOU KNOW

PSW Technology, PSW Solutions and PSW Power & Automation are approved apprentice companies. In 2023, the Scana Group companies assisted 25 young workers in their goal of achieving their certificate of apprenticeship, that almost doubled from 2022!

Our contribution to the UN SDG's



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 ASA's subsidiaries are actively involved in the green transition. PSW Power and Automation 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 subsidiaries work towards substitution of hazardous chemicals and aim to achieve the environmentally sound management of chemicals and all 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 portfolio companies will implement procurement practices that are sustainable, working together with suppliers towards the goal of zero waste. Several of the subsidiaries use renewable energy in production, some even generated by own solar panels.

Key KPI's	2022	2023	Target
Net-ZERO Emissions			0
Sustainable procurement practices in all Scana companies		100 %	100 %
% of energy from own procurement or production from renewable sources	73 %	97 %	100 %

DID YOU KNOW

PSW Solutions has technologically advanced cleaning systems in place that make it possible to clean and reuse thinner up to 300 times!

Our contribution to the UN SDG's



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 ASA's subsidiaries aim to contribute to the supply of affordable, clean energy. Initiatives have been taken towards the wind energy market by several of the portfolio companies. 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.

We are aware of our own environmental footprint: the environmental impact of the companies in the Scana Group 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	2023	Target
% of energy from own procurement or production from renewable sources	73 %	97 %	100 %
% of Scana companies with services contributing to the green shift	100 %	100 %	100 %
% of Scana companies generating own power (solar, hydro, hydrogen)	33.3 %	33.3 %	100 %

DID YOU KNOW

PSW Technology, PSW Solutions and PSW Power & Automation are approved apprentice companies. In 2023, we assisted 25 young workers in their goal of achieving their certificate of apprenticeship, that almost doubled from 2022!

* For energy from own procurement or production

Baseline data not yet available, as some Scana companies have waste handling included in rental contracts.

SUSTAINABILITY IN SCANA ASA AND THE SUBSIDIARIES

5.1 SUSTAINABILITY IN SCANA ASA AND THE SUBSIDIARIES

The following section contains “Sustainability Snapshots,” concise summaries outlining the sustainability work and scorecard for selected sustainability key performance indicators of Scana ASA and our subsidiaries. This section acts as a guide of how to interpret the Scana’s Sustainability Snapshots, and the reasoning behind what has been included in the one-pagers in the following pages.

The Sustainability Snapshots provides a detailed status on Scana ASA’s subsidiaries progress in key areas such as environmental stewardship, diversity, ESG implementation-, and management.

The Sustainability Snapshots presents the ESG performance of Scana ASA and its subsidiaries, for the period from 1 January 2023 to 31 December 2023.

All reports start with an over-all status report that describes the over-all maturity of the ESG systems implementation:

GOVERNANCE	IMPLEMENTATION	MANAGEMENT
● Sustainability policy	● Targets / Goals	● Materiality assessment
● Board responsibility	● Strategy	● ESG risk management
● Certification	● Reporting	● Supply chain monitoring

The maturity and implementation in the subsidiaries are reflected by the color of the bullet-points:

GOVERNANCE		
● Sustainability policy not in place	● Board responsibility in progress	● No certification in place
● Sustainability policy in place, little known	● Informal board-level responsibility	● Some certification in place
● Sustainability policy in place & implemented	● Board responsibility for ESG is part of mandate and regular reporting in place	● Multiple certificates obtained
IMPLEMENTATION		
● Targets/goals not in place	● Strategy process in progress	● No reporting in place
● Targets/goals in place, little known	● Informal strategy process in place	● Some reporting in place
● Targets/goals in place & used for continuous improvement	● Mature strategy process with mandate and regular reporting in place	● Mature strategy process with mandate and regular reporting in place
MANAGEMENT		
● No materiality assessment in place /in progress	● Risk & opportunity monitoring in progress	● Supplier monitoring in process
● Single materiality assessment	● Risk & opportunity assessment performed	● Some supplier monitoring in place
● Double materiality assessment, performed regularly	● Risk & opportunity monitoring as a regular part of management	● Mature systems for supplier monitoring, including supplier development

SCANA ASA

Scana ASA is a listed industrial owner company in the ocean industries creating value through active ownership our subsidiaries. Our vision is to accelerate decarbonisation of the maritime and offshore sector by being a driving force in electrification and emission reduction solutions. Scana ASA's subsidiaries have a solid innovation and commercialization history based on core competence in selected niches. Scana ASA is headquartered in Bergen and has around 500 employees.

PRIORITIZED SUSTAINABILITY GOALS



GOVERNANCE	IMPLEMENTATION	MANAGEMENT
● Sustainability policy	● Targets/goals	● Materiality assessment
● Board responsibility	● Strategy	● ESG Risk management
● Certification	● Reporting	● Supply chain monitoring

	SDG's	P	T	R	Indicator	2023
ENVIRONMENT						
Emissions		●	●	●	Scope 1 & 2 emissions (tonnes CO ₂)	-
Waste management		●	●	●	Zero waste* (all waste to be recycled or re-used)	-
Responsible production		●	●	●	Sustainable procurement practices	-
Energy		●	●	●	Energy from renewable sources	-
Green shift		●	●	●	Contributing to the green shift	yes
SOCIAL						
Equality		●	●	●	% of women in the workplace	20 %
Human Rights		●	●	●	Cases of discrimination	0
Health and safety		●	●	●	ZERO Loss Time Incidents	0
Skills for the future		●	●	●	Number of apprentices	0
Good health for all		●	●	●	Percentage of sick leave	2.17 %
GOVERNANCE						
Ethics and integrity		●	●	●	Code of ethics training for all	100 %
Compliance		●	●	●	Training portal implemented	yes

When established, the item is marked with a colored circle. When not established or in progress, the circle is left grey. P= Policy T= target R= Reporting
 *Zero waste = calculated as the proportion of sorted commercial waste and metal waste in the total waste stream, excluding any materials deemed hazardous or radioactive

PSW TECHNOLOGY

PSW Technology offers a wide range of services and solutions to the global drilling industry. Our state-of-the-art facilities, strategically located in close proximity to the Mongstad base, are purpose-built for safety, quality, delivery and cost optimization. The company is certified according to ISO 9001, 14001 and 45001 as well as 3834-2. PSW Technology has 276 employees.

PRIORITIZED SUSTAINABILITY GOALS



GOVERNANCE	IMPLEMENTATION	MANAGEMENT
● Sustainability policy	● Targets/goals	● Materiality assessment
● Board responsibility	● Strategy	● ESG Risk management
● Certification	● Reporting	● Supply chain monitoring

	SDG'S	P	T	R	Indicator	2023
ENVIRONMENT						
Emissions		●	●	●	Scope 1 & 2 emissions (tonnes CO ₂)	1720
Waste management		●	●	●	Zero waste* (all waste to be recycled or re-used)	93.1 %
Responsible production		●	●	●	Sustainable procurement practices	yes
Energy		●	●	●	Energy from renewable sources	100 %
Green shift		●	●	●	Contributing to the green shift	yes
SOCIAL						
Equality		●	●	●	% of women in the workplace	12 %
Human Rights		●	●	●	Cases of discrimination	0
Health and Safety		●	●	●	ZERO Loss Time Incidents	1
Skills for the future		●	●	●	Number of apprentices	14
Good health for all		●	●	●	Percentage of sick leave	5.52 %
GOVERNANCE						
Ethics and integrity		●	●	●	Code of ethics training for all	59 %
Compliance		●	●	●	Training portal implemented	yes

When established, the item is marked with a colored circle. When not established or in progress, the circle is left grey. P= Policy T= target R= Reporting
 *Zero waste = calculated as the proportion of sorted commercial waste and metal waste in the total waste stream, excluding any materials deemed hazardous or radioactive

PSW SOLUTIONS

PSW Solutions provides a unique expertise in the planning and execution all types of NDT services and provides surface treatment of all steel qualities in our modern facilities. PSW Solutions has a strong focus on recycling and reusing, a.o. through the cleaning, recycling and reuse of blasting sand and thinner. Industrial surface treatments are performed according to NORSOK M-501 and other original equipment manufacturer (OEM) procedures in our state-of-the-art facilities as well as on-site at our customers' premises. The company is certified according to ISO 9001, 14001 and 45001. PSW Solutions has 46 employees.

PRIORITIZED SUSTAINABILITY GOALS



GOVERNANCE	IMPLEMENTATION	MANAGEMENT
<ul style="list-style-type: none"> Sustainability policy Board responsibility Certification 	<ul style="list-style-type: none"> Targets/goals Strategy Reporting 	<ul style="list-style-type: none"> Materiality assessment ESG Risk management Supply chain monitoring

	SDG's	P	T	R	Indicator	2023
ENVIRONMENT						
Emissions		●	●	●	Scope 1 & 2 emissions (tonnes CO ₂)	793
Waste management		●	●	●	Zero waste* (all waste to be recycled or re-used)	79.9 %
Responsible production		●	●	●	Sustainable procurement practices	yes
Energy		●	●	●	Energy from renewable sources	100%
Green shift		●	●	●	Contributing to the green shift	yes
SOCIAL						
Equality		●	●	●	% of women in the workplace	4.09 %
Human Rights		●	●	●	Cases of discrimination	0
Health and Safety		●	●	●	ZERO Loss Time Incidents	0
Skills for the future		●	●	●	Number of apprentices	1
Good health for all		●	●	●	Percentage of sick leave	5.52 %
GOVERNANCE						
Ethics and integrity		●	●	●	Code of ethics training for all	100 %
Compliance		●	●	●	Training portal implemented	yes

When established, the item is marked with a colored circle. When not established or in progress, the circle is left grey. P= Policy T= target R= Reporting
 *Zero waste = calculated as the proportion of sorted commercial waste and metal waste in the total waste stream, excluding any materials deemed hazardous or radioactive

SUBSEATEC AB

Subseatec helps customers with choosing the correct materials and design for their products and services to maximize the benefit and value of the materials used. We do this through our processes for sales, contract management and product development. The manufacture of products is carried out by steel producing companies in Europe, together with established partners and vendors for services outside the group. Subseatec is certified according to ISO 9001:2015 and has 9 employees.

PRIORITIZED SUSTAINABILITY GOALS



GOVERNANCE	IMPLEMENTATION	MANAGEMENT
<ul style="list-style-type: none"> ● Sustainability Policy ● Board responsibility ● Certification 	<ul style="list-style-type: none"> ● Targets / goals ● Strategy ● Reporting 	<ul style="list-style-type: none"> ● Materiality assessment ● ESG Risk management ● Supply chain monitoring

	SDG's	P	T	R	Indicator	2023
ENVIRONMENT						
Emissions		●	●	●	Net-ZERO Emissions	-
Waste management		●	●	●	Zero waste* (all waste to be recycled or re-used)	-
Responsible production		●	●	●	Sustainable procurement practices	yes
Energy		●	●	●	Energy from renewable sources	-
Green shift		●	●	●	Contributing to the green shift	yes
SOCIAL						
Equality		●	●	●	% of women in the workplace	31 %
Human Rights		●	●	●	Cases of discrimination	0
Health and Safety		●	●	●	ZERO Loss Time Incidents	0
Skills for the future		●	●	●	Number of apprentices in Scana companies	0
Good health for all		●	●	●	Percentage of sick leave	0.45 %
GOVERNANCE						
Ethics and integrity		●	●	●	Code of ethics training for all	100 %
Compliance		●	●	●	Training portal implemented	yes

When established, the item is marked with a colored circle. When not established or in progress, the circle is left grey. P= Policy T= target R= Reporting
 *Zero waste = calculated as the proportion of sorted commercial waste and metal waste in the total waste stream, excluding any materials deemed hazardous or radioactive

PSW POWER & AUTOMATION

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. Our vision is to provide intelligent and sustainable solutions for the global energy transition. The company is certified according to ISO 9001, 14001 and 45001 and has 132 employees.

PRIORITIZED SUSTAINABILITY GOALS



GOVERNANCE	IMPLEMENTATION	MANAGEMENT
<ul style="list-style-type: none"> Sustainability Policy Board responsibility Certification 	<ul style="list-style-type: none"> Targets / goals Strategy Reporting 	<ul style="list-style-type: none"> Materiality assessment ESG Risk management Supply chain monitoring

	SDG's	P	T	R	Indicator	2023
ENVIRONMENT						
Emissions		●	●	●	Scope 1 & 2 emissions (tonnes CO ₂)	30
Waste management		●	●	●	Zero waste* (all waste to be recycled or re-used)	83 %
Responsible production		●	●	●	Sustainable procurement practices	yes
Energy		●	●	●	Energy from renewable sources	100 %
Green shift		●	●	●	Contributing to the green shift	yes
SOCIAL						
Equality		●	●	●	% of women in the workplace	9 %
Human Rights		●	●	●	Cases of discrimination	0
Health and Safety		●	●	●	ZERO Loss Time Incidents	0
Skills for the future		●	●	●	Number of apprentices	10
Good health for all		●	●	●	Percentage of sick leave	3.20 %
GOVERNANCE						
Ethics and integrity		●	●	●	Code of ethics training for all	50 %
Compliance		●	●	●	Training portal implemented	yes

When established, the item is marked with a colored circle. When not established or in progress, the circle is left grey. P= Policy T= target R= Reporting
 *Zero waste = calculated as the proportion of sorted commercial waste and metal waste in the total waste stream, excluding any materials deemed hazardous or radioactive

SEASYSTEMS AS

Seasystems is located at Vestby, about 40 kilometer south of Oslo City. The company delivers sophisticated and reliable mooring solutions to floating structures, including project management, engineering, fabrication, and installation. The company's vision is to develop flexible, high-quality solutions in close cooperation with our clients. The product development is based on customers' feedback, with a vision to develop smarter and more cost-effective solutions together with our customers. The company is certified according to ISO 9001:2015 and has 26 employees.

PRIORITIZED SUSTAINABILITY GOALS



GOVERNANCE	IMPLEMENTATION	MANAGEMENT
● Sustainability Policy	● Targets / goals	● Materiality assessment
● Board responsibility	● Strategy	● ESG Risk management
● Certification	● Reporting	● Supply chain monitoring

	SDG's	P	T	R	Indicator	2023
ENVIRONMENT						
Emissions		●	●	●	Scope 2 & 2 emissions (tonnes CO ₂)	-
Waste management		●	●	●	Zero waste* (all waste to be recycled or re-used)	-
Responsible production		●	●	●	Sustainable procurement practices	yes
Energy		●	●	●	Energy from renewable sources	-
Green shift		●	●	●	Contributing to the green shift	yes
SOCIAL						
Equality		●	●	●	% of women in the workplace	12 %
Human Rights		●	●	●	Cases of discrimination	0
Health and Safety		●	●	●	ZERO Loss Time Incidents	0
Skills for the future		●	●	●	Number of apprentices in Scana companies	0
Good health for all		●	●	●	Percentage of sick leave	1.69 %
GOVERNANCE						
Ethics and integrity		●	●	●	Code of ethics training for all	100 %
Compliance		●	●	●	Training portal implemented	yes

When established, the item is marked with a colored circle. When not established or in progress, the circle is left grey. P= Policy T= target R= Reporting
 *Zero waste = calculated as the proportion of sorted commercial waste and metal waste in the total waste stream, excluding any materials deemed hazardous or radioactive

SKARPENORD AS

Skarpenord is one of the world's leading suppliers 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. Skarpenord has two locations in Norway, the workshop (4500 m²) and administration at Rjukan, and the sales, technical and project department at Husnes. Our mission is to surpass our customers' expectations of quality and product lifespan through continuous development, with a vision to become the preferred supplier of valve remote control systems. The company is ISO certified according to ISO 9001:2015 and has 40 employees.

SUSTAINABILITY GOALS



GOVERNANCE	IMPLEMENTATION	MANAGEMENT
● Sustainability Policy	● Targets/goals	● Materiality assessment
● Board responsibility	● Strategy	● ESG Risk management
● Certification	● Reporting	● Supply chain monitoring

	SDG's	P	T	R	Indicator	2023
ENVIRONMENT						
Emissions		●	●	●	Scope 2 & 2 emissions (tonnes CO ₂)	-
Waste management		●	●	●	Zero waste* (all waste to be recycled or re-used)	12 %
Responsible production		●	●	●	Sustainable procurement practices	yes
Energy		●	●	●	Energy from renewable sources	-
Green shift		●	●	●	Contributing to the green shift	yes
SOCIAL						
Equality		●	●	●	% of women in the workplace	32 %
Human Rights		●	●	●	Cases of discrimination	0
Health and Safety		●	●	●	ZERO Loss Time Incidents	0
Skills for the future		●	●	●	Number of apprentices in Scana companies	0
Good health for all		●	●	●	Percentage of sick leave	10.91 %
GOVERNANCE						
Ethics and integrity		●	●	●	Code of ethics training for all	0 %
Compliance		●	●	●	Training portal implemented	yes

When established, the item is marked with a colored circle. When not established or in progress, the circle is left grey. P= Policy T= target R= Reporting
 *Zero waste = calculated as the proportion of sorted commercial waste and metal waste in the total waste stream, excluding any materials deemed hazardous or radioactive

STATEMENT FROM THE BOARD OF DIRECTORS AND CEO




Statement from the board of directors and CEO

We confirm to the best of our knowledge that the consolidated financial statements for the period from 1 January to 31 December 2023 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 from operations.

We confirm to the best of our knowledge that the separate financial statements for Scana ASA have been prepared in accordance with the Norwegian Accounting Act and Norwegian accounting standards as of December 31, 2023.

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, 19 April 2024

					
Gunnar Winther Eliassen CHAIRMAN OF THE BOARD	Ida Ianssen Lundh BOARD MEMBER	Morten Blix BOARD MEMBER	Birgitte Feginn Angelil BOARD MEMBER	Bjørn Gabriel Reed BOARD MEMBER	Pål Selvik 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

Scana ASA (the Company), which is the parent company in the Scana Group of companies (the Group), is established and registered in Norway and is governed by Norwegian law, including laws and regulations pertaining to companies and securities. 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, is appropriate for the company’s objectives, strategy and risk profile. The Scana Group had NOK 581 million in book equity as of 31 December 2023, corresponding to an equity ratio of 39 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 company has adopted a dividend policy targeting distribution of excess liquidity to shareholders. The dividend policy is based on the company’s financial position and re-investment opportunities. The dividend policy supports the company in balancing the target of dividends over time, while at the same time building financial robustness and maintaining a strong balance sheet with adequate liquidity reserves to support organic growth and pursue value creating M&A opportunities, ensuring it is constantly assessed and aligned with current conditions. Any dividend proposed by the board of directors will be presented to the general meeting for approval.

AUTHORIZATIONS FOR THE BOARD OF DIRECTORS

Authorization to acquire own shares

The company's general meeting held on August 30, 2023, authorized the board of directors to purchase own shares up to an aggregate nominal value of NOK 44.058.290. The resolution specified the purpose for utilization; transaction currency in connection with acquisitions, mergers, 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 2024, however, in no circumstances beyond June 30, 2024.

Authorization to increase the share capital

The company's general meeting held on August 30, 2023, authorized the board of directors to issue new shares up to an aggregate nominal value of NOK 88.116.580. The resolution specified four purposes for utilization; (i) transaction currency in connection with acquisitions, (ii) strengthening the company's capital structure, (iii) issue towards the company's senior employees and (iv) issue toward the company's board of directors and members of other corporate bodies. The board's authorization to increase the share capital is valid for the period until the date of the annual general meeting in 2024, however, in no circumstances beyond June 30, 2024.

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 prioritized 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 significant 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 CEO if they intend to buy or sell Scana shares.

FREELY TRANSFERABLE 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, 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 annual 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 chair of the election committee, and the auditor are in attendance. The management is represented by the CEO and CFO. The general meeting is opened and led 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.

NOMINATION COMMITTEE

The articles of association state that the company shall have a nomination committee. The committee must consist 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 Mr. Jonas Gade Christensen (chairman), Mr. Alexander Amundsen and Mr. Erling Astrup. 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 consist of 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 meeting. The composition of the board must reflect the competence that are relevant to the company's operations.

The board currently consists of 5 people. A more detailed presentation of the board members can be found on page 165 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.

The prevailing practice dictates that at least two of the shareholder-elected board members must be independent of the company's main shareholders, but not stated in the board instructions.

A majority of the 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 for extraordinary board meetings when deemed necessary. The CEO can call an extraordinary board meeting by agreement with the chairman of the board. In 2023, 17 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 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 discussion. Minutes must be taken for each board meeting, including a description of each case discussed, the decisions made by the board, and the rationale behind the decisions for each case.

AUDIT COMMITTEE

Scana ASA has an audit committee comprising of two of the members of the board of directors: Mr. Morten Blix (chairperson) and Mrs. Ida Ianssen Lundh (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. Mr. Blix has both corporate experience and investment experience. The committee held 5 meetings in 2023.

The audit committee participates in the quality assurance of guidelines, policies, and other governing instruments 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 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 expose risk 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 have 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 its own purposes, as well as available liquidity that can be added to the portfolio companies under given criteria's. 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 and/or interest risk at group level. 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 2023.

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 company. The company emphasizes 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, except that the Norwegian Code of Practice will have a normative function. There are no obstacles that limit the purchase of the company's shares. 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.

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 the same 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 sets 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 are split on auditing and other services, and 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 | STATEMENT OF PROFIT OR LOSS

PERIOD 1 JANUARY – 31 DECEMBER (million NOK)	Disclosures	2023	2022
OPERATING REVENUE			
Operational revenue	2/6/17	1 605.7	905.3
Other revenue	6	0.3	6.4
Total operating revenue		1 606.0	911.7
OPERATING EXPENSES			
Materials, goods and services	21/30	-881.3	-438.2
Payroll expenses	9/10	-441.9	-329.4
Other operating expenses	7/16/14	-101.6	-73.4
Total operating expenses		-1 424.8	-841.1
EBITDA		181.3	70.6
Depreciation, amortisation, impairment	12/13/14/15	-97.9	-89.6
Operating profit/loss (-)		83.3	-19.0
Income from interests in associated companies	5	4.8	4.3
FINANCIAL INCOME AND EXPENSES			
Interest income		3.2	1.0
Interest expense	14/24	-40.5	-41.7
Net currency gain/loss (-)	21	8.1	4.0
Other financial income/expenses (-)	8	-2.4	-4.5
Net financial income/expenses (-)		-31.6	-41.2
Profit/loss (-) before tax		56.5	-55.8
Income tax expense	11	15.0	11.3
Profit/loss (-)		71.6	-44.5
THE PROFIT/LOSS IS DISTRIBUTED AS FOLLOWS			
Owners of the company	28	71.6	-44.5
Profit/loss (-)		71.6	-44.5
Earnings per share	28	0.16	-0.12
Diluted earnings per share	28	0.15	-0.12

SCANA GROUP | STATEMENT OF OTHER COMPREHENSIVE INCOME

PERIOD 1 JANUARY – 31 DECEMBER (million NOK)	<i>Disclosures</i>	2023	2022
Profit/loss (-)		71.6	-44.5
OTHER COMPREHENSIVE INCOME			
Items that may be reclassified subsequently to profit or loss			
Exchange difference on translations of foreign operations		0.2	-0.6
Other comprehensive income, net of tax		0.2	-0.6
Total comprehensive income, net of tax		71.7	-45.1
THE OTHER COMPREHENSIVE INCOME IS DISTRIBUTED AS FOLLOWS			
Owners of the company		71.7	-45.1
Total comprehensive income, net of tax		71.7	-45.1

SCANA GROUP | STATEMENT OF FINANCIAL POSITION

(million NOK)	<i>Disclosures</i>	2023	2022
NON-CURRENT ASSETS			
Deferred tax assets	2/11	67.8	52.4
Goodwill	12	285.9	274.2
Intangible assets	12	71.4	71.6
Right of use assets	2/14/25	389.5	402.6
Property, plant and equipment	15/26	154.0	147.9
Investment in associated companies	5	1.1	36.3
Other non-current assets	9/18/23	15.0	4.9
Total non-current assets		984.7	989.8
CURRENT ASSETS			
Inventories	16/26	59.2	66.0
Trade receivables	17/21/22/26/30	252.6	160.8
Contract assets	2/17/21/26	99.4	125.3
Derivatives	21/22	6.4	2.3
Prepayments and other current receivables	18/21/22	56.6	31.5
Cash and cash equivalents	21/22/23	36.4	2.6
Total current assets		510.5	388.5
Total assets		1 495.2	1 378.4
EQUITY			
Paid-in capital	27/28/29	1 149.7	1 136.2
Other equity		-568.5	-643.5
Total equity		581.2	492.6
NON-CURRENT LIABILITIES			
Loans and borrowings	21/24/26	93.6	129.7
Lease liabilities	2/21/22/23/24/25	326.1	338.0
Pension obligations	9	2.2	1.9
Total non-current liabilities		422.0	469.6
CURRENT LIABILITIES			
Loans and borrowings	21/24/26	22.1	22.2
Lease liabilities	2/21/22/23/24/25	81.5	74.1
Trade payables	20/22/30	101.2	108.9
Contract liabilities	17	115.6	112.0
Derivatives	21/22	2.8	2.0
Other current liabilities	19	168.8	96.9
Total current liabilities		492.1	416.1
Total equity and liabilities		1 495.2	1 378.4

SCANA GROUP | STATEMENT OF CASH FLOW

(million NOK)	Disclosures	2023	2022
CASH FLOW FROM OPERATING ACTIVITIES			
Profit/loss (-) before tax		56.5	-55.8
Tax paid	11	0.1	0.0
Gain (-) / loss	12/13/14/15	0.1	-5.1
Gain (-) / loss on disposals of shares	5	-4.8	-4.3
Depreciation, amortisation, impairment	12/13/14/15	97.9	89.6
Non cash element	9	5.7	4.3
Interest income		-3.2	-1.0
Interest costs		40.5	41.7
Interests received		3.2	1.0
Change in net working capital	16/17/19/20/30	-38.3	-0.3
Net cash from operating activities		157.9	70.0
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from sales of property, plant, equipment and intangible assets	12/15	0.7	5.3
Acquisition of property, plants, equipment and intangible assets	12/15	-32.7	-19.4
Proceeds from sale of shares in associated companies	5	40.2	0.0
Cash acquisition/sales of subsidiaries		0.0	57.2
Acquisition of subsidiaries	3/7	-6.8	-246.6
Investments in shares and paid in equity	18	-2.5	-2.8
Investments in associates	5	-1.1	0.0
Dividend associated companies	5	1.8	1.0
Net cash from investing activities		-0.3	-205.3
Proceeds from LT borrowings	24	0.0	145.0
Payments of LT borrowings	24	-35.9	-15.0
Payments of lease liabilities	25	-59.2	-53.8
Proceeds from ST borrowings	24	0.0	20.0
Payments of ST borrowings	24	-0.3	-125.0
Proceeds from issue new share capital	29	13.5	176.3
Net cash other finance income/expenses		-2.6	-2.8
Interest paid	24/25	-40.4	-35.6
Net cash from financing activities		-124.8	109.1
Net cash flows		32.8	-26.2
Cash and cash equiv. at beg. of period		2.6	28.9
Exch. diff. in cash and cash equiv.		1.0	0.0
Cash and cash equiv. at end of period	23	36.4	2.6
Change in cash and cash equivalents		32.8	-26.2

SCANA GROUP | STATEMENT OF CHANGES IN EQUITY

(million NOK)	Disclosure	PAID-IN CAPITAL		OTHER EQUITY		Total
		Share capital	Share premium	Retained earnings	Translation reserve	
Equity as of 1 January 2023		440.6	695.6	-644.3	0.8	492.6
Profit/Loss		0.0	0.0	71.6	0.0	71.6
Other comprehensive income		0.0	0.0	0.0	0.2	0.2
Total comprehensive income		0.0	0.0	71.6	0.2	71.7
Share based payment	9	0.0	0.0	3.3	0.0	3.3
Capital increase	29	9.4	4.1	0.0	0.0	13.5
Equity as of 31 December 2023		450.0	699.7	-569.5	1.0	581.2

(million NOK)	Disclosure	PAID-IN CAPITAL		OTHER EQUITY		Total
		Share capital	Share premium	Retained earnings	Translation reserve	
Equity as of 1 January 2022		107.5	596.9	-603.7	1.4	102.1
Profit/Loss		0.0	0.0	-44.5	0.0	-44.5
Other comprehensive income		0.0	0.0	0.0	-0.6	-0.6
Total comprehensive income		0.0	0.0	-44.5	-0.6	-45.1
Share based payment		0.0	0.0	3.8	0.0	3.8
Capital increase		333.1	98.7	0.0	0.0	431.8
Equity as of 31 December 2022		440.6	695.6	-644.3	0.8	492.6

DISCLOSURE 1 | MATERIAL ACCOUNTING POLICY INFORMATION

CORPORATE INFORMATION

Scana ASA's registered office is at Wernersholmvegen 49, Bergen, in Norway. Scana ASA is listed on the Oslo Stock Exchange. The consolidated financial statements of the Scana Group for the fiscal year 2023 were approved in the board meeting on 18 April 2024.

BASIS OF PREPARATION

The Scana Group's consolidated financial statements are prepared in accordance with IFRS® Accounting Standards as adopted by the EU and are mandatory for financial years beginning on or after 1 January 2023, and Norwegian disclosure requirements listed in the Norwegian Accounting Act as of 31 December 2023. The presentation currency for the Group is Norwegian Kroner (NOK) which is also the functional currency for the parent company Scana ASA. All numbers are rounded and given to the nearest million ('000 000) except when otherwise stated. As a result of rounding adjustments, the figures in one or more rows or columns included in the financial statements may not add up to the total of that row or column.

The financial statements have been prepared under the assumption of going concern.

Annual accounts consist of statement of profit or loss, statement of other comprehensive income, statement of financial position, statement of cash flow, statement of changes in equity and disclosures to the accounts. The financial statements have been prepared on a historical cost basis except for certain assets, liabilities and financial instruments, which are measured at fair value.

BASIS OF CONSOLIDATION

The Scana Group's consolidated financial statements comprise the parent company Scana ASA and its subsidiaries as of 31 December 2023. An entity has been assessed as being controlled by the Group when the Scana 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.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognizes the related assets, liabilities, non-controlling interest and other components of equity, while any resulting gain or loss is recognized in profit or loss.

BUSINESS COMBINATIONS

The Scana Group accounts for business combinations by applying the acquisition method, meaning that the acquired set of activities and assets is transferred to the group when it meets the definition of a business and control. The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. Acquisition-related costs are expensed as incurred and included in administrative expenses.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. 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.

TRANSACTIONS ELIMINATED ON CONSOLIDATION

Intercompany transactions, balances and unrealized gains or losses in transactions between Scana Group companies are eliminated. Unrealized gains related to transactions with affiliated companies and joint ventures are eliminated with Scana 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.

REVENUE

REVENUE FROM CONTRACTS WITH CUSTOMER

All customer contracts are assessed using the five-step model. 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 customer contracts 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 nature of performance obligations for each of the major types of customer contracts are set out in disclosure 4.

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 Scana Group's right to an amount of consideration that is unconditional.

Contract liabilities: A receivable represents the Group's right to an amount of consideration that is for which the Scana 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 Scana Group fulfils the performance obligation(s) under the contract.

FOREIGN CURRENCIES

TRANSACTIONS 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 statement of profit or loss are converted to NOK using the weighted average exchange rate per month. Consolidation leads to translation differences which is presented as other comprehensive income.

INTANGIBLE ASSETS AND GOODWILL

Intangible assets with a definite economic life limit are amortized over their economic life and tested for impairment if there are any indications. The definite life is defined as the duration it contributes to the Scana Group's value. 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 recognized 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. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Scana Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

RESEARCH AND DEVELOPMENT

Expenses relating to research 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 Scana 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 Scana Group has sufficient resources to complete the development work.
- Expenses can be reliably measured.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete, and the asset is available for use. It is amortised over the period of expected future benefit. During the period of development, the asset is tested for impairment annually.

RIGHT OF USE ASSETS

The Scana 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 Scana 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.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are measured at 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.

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Scana Group.

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.

IMPAIRMENT OF NON-FINANCIAL ASSETS

At each reporting date, the Scana Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use, that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

INVESTMENT IN ASSOCIATED COMPANIES

Associated companies are entities over which the Scana Group has significant influence, but not control or joint control over the financial and operating management. (Normally ownership between 20 % and 50 %). Associated companies are accounted for using the equity method from the date when significant influence or joint control is achieved until such influence ceases. Investments in associated companies 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

Financial assets represent a contractual right by the Scana Group to receive cash or another financial asset in the future. Financial assets include financial derivatives, receivables and equity interests, as well as financial instruments used for cash-flow hedges.

On initial recognition, a financial asset is classified as measured at amortized cost, at fair value through other comprehensive income (FVOCI) or at fair value through profit or loss (FVTPL). Classification depends on the contractual terms, the business model and, for some instruments, the company's choice. Financial assets are derecognized when the rights to receive cash from the asset have expired or when the asset has been transferred.

FINANCIAL ASSETS AT AMORTIZED COST (DEBT INSTRUMENTS)

Debt instruments include trade receivables, bank deposits and all other monetary instruments with a maturity above three months at the date of purchase and certain other receivables.

These instruments are measured at amortized cost, with the exception of instruments where cash flows are not contractually fixed and/or consists of other elements in addition to interest and repayments; and thus required to be measured at FVTPL.

FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Derivative instruments and other equity investments in companies that are not consolidated or accounted for using the equity method are classified as FVTPL.

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 Scana 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 Scana 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 Scana 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 step 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

Financial liabilities represent a contractual obligation by the Scana Group to deliver cash in the future. Financial liabilities include financial derivatives, other financial liabilities as well as financial instruments used for cash-flow hedges. Financial liabilities, with the exception of derivatives, are initially recognized at fair value, including transaction costs directly attributable to the transaction, and are subsequently measured at amortized cost. Financial liabilities are derecognized when the obligation is discharged through payment,

when the Scana Group has irrevocably initiated payment, or when the Group is legally released from the primary responsibility for the liability.

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 labor, and a share of the indirect costs that can be allocated based on normal capacity utilization, including maintenance and depreciation.

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.

In the Scana 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.

LEASING

The Scana Group has entered into lease agreements relating to assets mentioned in disclosure 25. 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, Scana 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 Scana 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, Scana Group recognizes the lease payments as other operating expenses in the statement of profit or loss when they incur.

LEASE LIABILITIES

The Scana 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 Scana 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 Scana 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 Scana 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 Scana Group's pension plans consist of defined contribution pension and Contractual pension in the private sector (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 statement of financial position 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 statement of financial position, 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 statement of financial position is recognized 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 Scana Group where temporary differences have arisen. It is based on tax rates and tax rules that have been 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 statement of financial position at the amount that is expected to be paid from or paid into the tax authorities.

PROVISIONS

A provision is recognized when the Scana 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 the Scana Group and the general manager of the subsidiaries, which is being carried out 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 Scana 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 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.

CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES APPLICABLE FROM 2023:

The Scana Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2023.

IFRS 17 Insurance Contracts - The new standard had no impact on the Group's consolidated financial statements.

Definition of Accounting Estimates - Amendments to IAS 8 - The amendments had no impact on the Group's consolidated financial statements.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12 - The amendments have had an impact on the Group's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Group's financial statements.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12 - The amendments had no impact on the Group's consolidated financial statements.

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of Scana's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

Amendments to IFRS 16: Lease Liability in a Sale and Leaseback

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

The amendments are not expected to have a material impact on the Group's financial statements.

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 Scana 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 probably given present circumstances.

The Scana 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 item	Disclosure	Estimate/Assumptions	ACCOUNTING JUDGEMENTS	ESTIMATE UNCERTAINTY
			Carrying amount	Carrying amount
Deferred tax assets	11	Assessment of the ability to utilize tax positions in the future		67.8
Goodwill and intangible assets	12	Estimation of value in use		357.3
Right of use assets	14	Incremental borrowing rate and the exercise of options	389.5	
Contract assets	17	Revenue over time		99.4
Leasing liabilities	25	Assessment of the obligation related to interest and the exercise of options	407.6	

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. 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 13.

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 that 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 LIABILITIES/RIGHT OF USE – ACCOUNTING JUDGEMENT/ESTIMATE UNCERTAINTY**ESTIMATING THE INCREMENTAL BORROWING RATE**

The Scana 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 Scana 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 Scana 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 Scana 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 COMBINATIONS

ACQUISITION OF FUTURE ENERGY

On 1 December 2023, Scana-owned PSW Technology AS completed an agreement for a business transfer from Future Energy AS, involving the transfer of specific assets, rights, and obligations, including 58 employees.

If the acquisition had occurred on 1 January 2023, management estimates that consolidated revenue and loss for the year would not have changed significantly.

The purchase price allocation and the accounting for the acquisition is preliminary. Therefore there can be adjustments to the below amounts in subsequent accounting periods.

CONSIDERATION TRANSFERRED

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

	01/12/2023
Cash	6.5
Seller credit	0.3
Consideration transferred	6.8

IDENTIFIABLE ASSETS OF 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.

	01/12/2023
Inventories	0.5
Other current liabilities	-5.5
Total identifiable net assets acquired	-5.0

GOODWILL

Goodwill arising from the acquisition has been recognised as follows.

	01/12/2023
Goodwill	
Total consideration transferred	6.8
- Fair value of identifiable net assets acquired	5.0
Goodwill	11.7

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

DISCLOSURE 4 | SEGMENT INFORMATION & REVENUE

SEGMENT INFORMATION

The Scana Group 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, energy storage solutions and energy modules to various industries.

MARITIME delivers mooring solutions and valve control systems to the shipping, energy and aquaculture industry.

Scana HQ includes corporate costs. Inter-segment revenues are eliminated upon consolidation and reflected in the 'elimination' column.

OFFSHORE consists of: PSW Technology AS, PSW Solutions AS and Subseatec S AB.

ENERGY consists of: PSW Power & Automation AS.

MARITIME consists of: Seasystems AS and Skarpenord AS.

Scana HQ consists of: Scana ASA, Scana Trading 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, Seasystems AS and PSW Holding I AS.

Scana Trading AS owns 100 % of the shares at Scana Energy Holding AB, Skarpenord 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. PSW Technology AS owns 100 % of the shares in PSW Solutions and PSW Power & Automation AS.

During 2023 Scana Property AS and Scana Valve Control AS were merged into Scana Trading AS.

Trans Construction AS was merged into PSW Power & Automation 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 area and inter-segment pricing is determined on an arm's length basis. The following summary describes the operations of each reportable segment.

2023 (NOK million)	OFFSHORE	ENERGY	MARITIME	SCANA HQ	Elimination	Total
External revenue	758.8	558.8	288.4	0.0	0.0	1 606.0
Internal revenue	8.1	3.3	0.0	5.1	-16.5	0.0
Total operating revenue	767.0	562.1	288.4	5.1	-16.5	1 606.0
Total operating expenses	-646.5	-500.6	-244.0	-50.2	16.5	-1 424.8
EBITDA	120.5	61.5	44.3	-45.0	0.0	181.3
Depreciation	-68.7	-20.3	-6.2	-0.6	0.0	-95.8
Impairment	0.0	-2.1	0.0	0.0	0.0	-2.1
Operating profit/loss (-)	51.8	39.1	38.1	-45.6	0.0	83.3
EBIT margin	7%	7%	13%			5%
Income from interests in associated companies						4.8
Net Financial income / expense (-)						-31.6
Profit / (loss) before tax						56.5
Income tax expense						-15.0
Net profit / (loss)						71.6
BALANCE SHEET FIGURES						
Total assets	877.5	570.8	180.9	807.1	-941.2	1 495.2
Total non-current liabilities	-440.1	-87.5	-3.8	-83.0	192.3	-422.0
Total current liabilities	-243.9	-231.2	-108.0	-205.9	297.0	-492.1
OTHER SEGMENT INFORMATION						
Goodwill	79.5	206.4	0.0	0.0	0.0	285.9
Deferred tax assets	4.8	2.7	21.7	38.7	0.0	67.8
Intangible assets	30.0	41.4	0.0	0.0	0.0	71.4
Right of use assets	304.4	78.5	6.6	0.0	0.0	389.5
Property, plant and equipment	128.0	18.8	6.6	0.6	0.0	154.0
Inventories	20.6	18.6	20.0	0.0	0.0	59.2
Trade receivables	107.9	103.9	46.1	18.6	-23.9	252.6
Contract assets	29.6	67.4	2.5	0.0	0.0	99.4
Deferred tax liability	-8.7	-4.2	0.0	12.9	0.0	0.0
Contract liabilities	-60.8	-31.4	-23.4	0.0	0.0	-115.6
CASH FLOW						
Acquisition of property, plants, equipment and intangible assets	-12.1	-19.2	-1.3	-0.1	0.0	-32.7

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 operating revenue	367.3	354.6	200.9	3.2	-14.4	911.7
Total operating expenses	-317.4	-326.2	-180.6	-31.2	14.4	-841.1
EBITDA	49.9	28.4	20.3	-28.0	0.0	70.6
Depreciation	-64.3	-18.4	-6.4	-0.4	0.0	-89.6
Operating profit/loss (-)	-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 (-)						-41.2
Profit / (loss) before tax						-55.8
Income tax expense						-11.3
Net profit / (loss)						-44.5

BALANCE SHEET FIGURES

Total assets	828.1	499.7	230.6	717.6	-897.6	1 378.4
Total non-current liabilities	-438.2	-99.5	-2.1	-115.2	185.4	-469.6
Total current liabilities	-238.5	-155.7	-127.7	-211.2	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	17.7	0.5	52.4
Intangible assets	33.2	38.4	0.0	0.0	0.0	71.6
Right of use assets	316.3	81.6	4.6	0.0	0.0	402.6
Property, plant and equipment	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

Acquisition of property, plants, equipment and intangible assets	-7.2	-9.7	-0.6	-1.8	0.0	-19.4
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REVENUE

REVENUE DISTRIBUTED BY COUNTRY

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

<i>(NOK million)</i>	2023	2022
Norway	1 156.0	616.0
Other European countries	348.0	193.2
America	28.8	18.3
Asia	71.3	70.6
Africa and Oceania	1.6	7.2
Total operational revenue	1 605.7	905.3

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

2023 NOK million	OFFSHORE	ENERGY	MARITIME	SCANA HQ	Elimination	Total
TYPE OF GOODS OR SERVICE						
Service- and maintenance contracts	583.7		21.3		(5.1)	599.8
Power systems		562.1			(3.4)	558.8
Subsea and well control	57.9					57.9
Valve control systems			43.6			43.6
Mooring-solutions			179.5			179.5
Sale of equipment and spare-parts	99.1		43.6			142.6
Other	24.4		0.3		(1.2)	23.5
Total operational revenue	765.0	562.1	288.3	-	(9.7)	1 605.7
TIMING OF REVENUE RECOGNITION						
Products transferred at a point in time	110.2		95.7		(8.5)	197.4
Products and services transferred over time	654.9	562.1	192.6		(1.2)	1 408.6
Total operational revenue	765.1	562.1	288.3	-	(9.7)	1 605.7

No single customer represents more than 10 percent of total revenue in 2023.

PERFORMANCE OBLIGATIONS

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

SERVICE- AND MAINTENANCE CONTRACTS

Service and maintenance mainly related to rig and drilling equipment. These contracts can be both time- and material contracts and fixed-price contracts. Each individual contract is normally considered a separate performance obligation and revenue is recognized 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, energy storage systems and energy modules. These contracts are normally fixed-price contracts. Each individual contract is normally considered a separate performance obligation and revenue is recognized over time. 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 30-90 days.

SUBSEA AND WELL CONTROL

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. Invoices are issued according to contractual terms and are usually payable within 30 days.

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 are included in the project when it is signed. The customers pay advances based on milestones defined in the contract. Invoices are issued according to contractual terms and are usually payable within 30 days.

MOORING-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 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 recognized at that point in time.

DISCLOSURE 5 | INVESTMENT IN ASSOCIATED COMPANIES

SCANA KOREA HYDRAULIC LTD.

The Scana Group sold all shares in Scana Korea Hydraulic Ltd. through Scana Valve Control AS May 2023. The gain was NOK 4.8 million. 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 was a part of the MARITIME segment.

WEAR SOLUTIONS AS

The Group owns shares in Wear Solutions AS through Subseatec S AB. The associated company is a specialist in thermal spray coating for the offshore and process industry. The Group purchased 50 % of the shares in Wear Solutions AS in May 2023. The investment in Wear Solution AS is proceeding according to the business plan where a deficit in the start-up year 2023 was expected. The underlying value of the investment is considered to be intact. Wear Solutions AS is located at Vestby in Norway and is a part of the OFFSHORE segment.

ASSOCIATED COMPANY; FINANCIAL INFORMATION 2023	Wear Solutions AS
Sales revenues	16.6
Net profit/loss (-)	-1.0
Non-current assets	6.5
Current assets	5.2
Non-current liabilities	-7.2
Current liabilities	-5.7
Shareholder's equity	-1.3

ASSOCIATED COMPANY; FINANCIAL INFORMATION 2022	Scana Korea Hydraulic Ltd.
Sales revenues	138.9
Net profit/loss (-)	8.8
Non-current assets	55.1
Current assets	60.9
Non-current liabilities	-6.6
Current liabilities	-35.2
Shareholder's equity	74.1

BOOK VALUE ASSOCIATED COMPANY - MEASURED ACCORDING TO THE EQUITY METHOD	2023	2022
As of 1 January	36.3	31.4
Investments	1.1	0.0
Dividend	-1.8	-1.0
Income from interests in associated companies	4.8	4.3
Currency differences	0.9	1.6
Sales of shares	-40.2	0.0
Ending Balance	1.1	36.3

DISCLOSURE 6 | OTHER REVENUE

Other revenue	2023	2022
Gain - sale of fixed assets	0.1	5.1
Gain - sale of business	0.0	1.1
Invoiced refunds	0.0	0.0
Other revenue	0.2	0.2
Total other revenue	0.3	6.4

DISCLOSURE 7 | OTHER OPERATING EXPENSES

Other operating expenses	2023	2022
Operation and maintenance	18.5	5.0
Rental costs	20.1	21.1
Fees and consultancy services	27.6	20.9
Travel and marketing costs	19.2	14.4
Office and administration costs	9.4	7.8
Insurance costs	4.8	3.6
Other operating expenses	2.0	0.7
Total other operating expenses	101.6	73.4

Audit fees	2023	2022
Audit services	4.4	2.9
Equity transaction	0.2	0.0
Audit-related assistance and other assistance	0.2	0.1
Total audit fees	4.8	3.0

DISCLOSURE 8 | OTHER FINANCIAL INCOME/COSTS

OTHER FINANCIAL INCOME/COSTS (-)	2023	2022
Amortization costs	0.2	-1.3
Other financial expenses	-2.8	-3.2
Other financial income	0.2	0.1
Total other financial income/costs	-2.4	-4.5

DISCLOSURE 9 | PAYROLL EXPENSES

PAYROLL EXPENSES	2023	2022
Salary costs	352.6	264.5
Social security costs	54.7	37.6
Pension costs	21.4	14.6
Insurance costs	2.8	2.0
Option program	3.3	3.8
Other wages and personnel costs	7.1	6.9
Total payroll expenses	441.9	329.4

TOTAL AVERAGE NUMBER OF EMPLOYEES	2023	2022
Norway	426	291
Sweden	9	10

The Scana Group had 537 employees on 31 December 2023 (2022: 371 employees).

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 ASA's website.

REMUNERATION LEADING PERSONNEL

Name	Position	Year	Fixed remuneration		Extraordinary items	Pension expense	Total Remuneration		Proportion of fixed and variable remuneration	
			Base salary	Fringe benefits	Variable	Fixed	Fixed	Variable	Fixed	Variable
Pål Selvik	CEO	2023*	1 333	7		99	1 439	-	100%	0%
		2022					-	-	0%	0%
Torvald Ulland Reiestad	CFO	2023	1 805	18		62	1 886	-	100%	0%
		2022	1 622	15	-	85	1 722	-	100%	0%
Oddbjørn Haukøy	CBO	2023*	3 211	18		62	3 291	-	100%	0%
		2022**	2 750	13		77	2 841	-	100%	0%
Anette Netteland Dybvik	Head of Investor Relations & Communication	2023	1 145	22		52	1 218	-	100%	0%
		2022**	400	5		24	429	-	100%	0%
Baste Tveito	EVP Operations	2023*	1 678	35		55	1 768	-	100%	0%
		2022	-	-	-	-	-	-	0%	0%
Espen Brimsøe Thomassen	CCO	2023*	1 569	19		41	1 629	-	100%	0%
		2022	-	-	-	-	-	-	0%	0%
Styrk Bekkenes	Former CEO	2023*	1 808	60	6 827	37	1 905	6 827	22%	78%
		2022	3 100	124	-	84	3 308	-	100%	0%

* Executive Vice President (EVP) Operations was hired from March 2023, CCO was hired from April 2023, CEO hired in September 2023 and Former CEO resigned in January 2023. CBO did in period from January 2023 to end August 2023 serve as interim CEO.

** CBO was hired from February 2022, while Head of Investor Relation and Communication was hired from September 2022.

*** Former CFO received extraordinary variable remuneration in 2023 related to exercising of share-option program of 2019.

All numbers in the overview above are in thousand NOK.

The resignation period for key personnel is from 3–6 months. Key personnel may have severance agreements involving salary for six-month period. 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 2023. On the balance sheet date, no leading persons have loans. See disclosure 30 for further discussion according to related parties.

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					
Specification of plan	Performance period	Award date	Vesting Date	End of holding period	Exercise period	Strike price of the share	Opening balance	Closing balance				
							Share options awarded at the beginning of the year	Exercised 2023	Share options vested	Share options subject to a performance condition	Share options awarded and unvested	Share options at the end of the year
Plan 1a	21.06.2019 - 30.06.2020	21.06.2019	30.06.2020	2.4	30.06.2020	1.100	2.4					
Plan 1b	21.06.2019 - 30.06.2021	21.06.2019	30.06.2021	2.4	30.06.2021	1.210	2.4					
Plan 1c	21.06.2019 - 30.06.2022	21.06.2019	30.06.2022	2.4	30.06.2022	1.331	2.4					
Plan 1d		21.06.2019				1.464	0.0	-7.1				
Plan 1a	26.06.2020 - 30.06.2021	26.06.2020	30.06.2021	0.1	30.06.2021	1.100	0.1					0.1
Plan 1b	26.06.2020 - 30.06.2022	26.06.2020	30.06.2022	0.1	30.06.2022	1.210	0.1					0.1
Plan 1c	26.06.2020 - 30.06.2023	26.06.2020	30.06.2023	0.1	30.06.2023	1.331	0.1		0.1			0.1
Plan 1d		26.06.2020				1.464						
Total				7.6			7.6	-7.1	0.1	0.0	0.0	0.4

All numbers of options in the overview above are in million.

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 Flesjø 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. 7.1 million options have been exercised in 2023.

SHARE-BASED REMUNERATION FROM 2022

The main conditions of share option plans							Information regarding the reported financial year					
Specification of plan	Performance period	Award date	Vesting Date	End of holding period	Exercise period	Strike price of the share	Opening balance			Closing balance		
							Share options awarded at the beginning of the year	Excercised 2023	Share options vested	Share options subject to a performance condition	Share options awarded and unvested	Share options at the end of the year
Plan 1a	24.01.2022 - 30.06.2023	24.01.2022	30.06.2023	7.4	30.06.2023	1.400	7.4	-2.3	7.4			5.1
Plan 1b	24.01.2022 - 30.06.2024	24.01.2022	30.06.2024	7.4	30.06.2024	1.470	7.4			7.4	7.4	7.4
Plan 1c		24.01.2022				1.470						
Plan 1d	24.01.2022 - 30.06.2025	24.01.2022	30.06.2025	7.4	30.06.2025	1.544	7.4			7.4	7.4	7.4
Plan 1e						1.544						
Total				22.3			22.3	-2.3	7.4	14.8	14.8	20.0

All numbers of options in the overview above are in million.

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. 2.2 million options have been exercised in 2023.

CEO INCENTIVE SCHEME

The CEO has an incentive scheme where the intention is to turn this into an option scheme. This includes 2.5 million options divided into three tranches.

BOARD REMUNERATION

The board of Scana ASA was paid TNOK 1.058 in fees in 2023 and TNOK 31 to the election committee. Board remunerations are paid annually in arrears and apply for the period from the ordinary general meeting 2022 to the ordinary general meeting 2023. Fees in arrears for the board elected in May 2022 with a term of office until June 2023 are specified below. A new board was elected at an extraordinary general meeting in August 2023. In addition, one board member stepped down from the board in August 2023.

Name	Position	Active period	Remuneration paid out in 2022	Remuneration paid out in 2023
Morten Blix	Deputy Chair of the board / Board Member	Jan 2022 - Dec 2022 / Jun 2023-	90	115
Ida Ianssen Lundh	Board Member	Dec 2022 -		97
Bjørn Gabriel Reed	Board Member	Aug 2023 -		
Birgitte Feginn Angelil	Board Member	Dec 2022 -		97
Pål Selvik	Deputy chair of the board / Chairman of the board	Dec 2022 - Jan 2023 / Jan 2023 - Aug 2023		141
Vidar Rabben	Board Member	Dec 2022 - Aug 2023		97
Dag Schjerven	Former Chairman of the board	May 2018 - Jan 2023	300	174
Rune Magnus Lundetræ	Board Member	May 2021 - Jan 2023	200	116
Marianne Lie	Board Member	May 2016 - Jan 2023	200	116
	Former Board Member	May 2018 - Dec 2022	200	103
	Former Board Member	May 2020 - Jan 2022	135	0
Total remuneration			1 125	1 058

All numbers in the overview above are in thousand NOK.

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 2023, NOK 3.3 million was recognized as a cost the of option program in accordance with the vesting period which includes the existing incentive scheme to CEO started up in September 2023.

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 Scana Group are covered by an AFP scheme. The number of employees covered by the scheme is 520 people as of 31 December 2023 (2022: 368 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 accrue.

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 3.5–5 % 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 2023, there were 493 members of the schemes (2022: 361 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.

	2023	2022
Pensions funds	2.2	1.9
Pension liability	2.2	1.9

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 Scana 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 Scana Group's expected contribution to the benefit scheme in 2023 in Alecta is estimated by Alecta at NOK 0.3 million (estimate for 2022 was NOK 0.7 million). The multi-company benefit scheme covers 9 out of 9 employees (2022: 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 2023 was 158 % (2022: 172 %).

THE OVERVIEW BELOW SHOWS SCANA'S PARTICIPATION SHARE PER	2023	2022
The group's share of the total savings premium for ITP 2 in Alecta *	0.00187 %	0.00153 %
The group's share of the total number of assets insured in ITP 2 **	0.00251 %	0.00235 %

* 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.

	2023	2022
Pension costs related to defined contribution plans in Norway	20.0	13.4
Pension costs related to defined contribution and multi-employee plans in Sweden	1.3	1.2
Total pension cost	21.4	14.6

DISCLOSURE 11 | TAX

THE TAX EXPENSE FOR THE YEAR APPEARS AS FOLLOWS	2023	2022
Current tax	-0.3	0.0
Change in deferred tax / deferred tax assets	15.1	11.3
Currency differences foreign tax	0.1	0.1
Tax expenses	15.0	11.3
Foreign tax expenses	-1.4	-0.3
Effective tax rate	-27%	20%

RECONCILIATION OF TAX EXPENSE AGAINST ORDINARY PROFIT BEFORE TAX	2023	2022
Profit before tax	56.5	-55.8
22% of profit before tax	12.4	-12.3
Tax expense for the year	-15.0	-11.3
The differences; due to	27.5	-1.0
Permant differences	7.2	1.9
Change not capitalized deferred tax assets	20.2	-2.9
Effect of foreign activity due to different tax levels	0.1	0.0
Total	27.5	-1.0

SPECIFICATION OF NET DEFERRED TAX ASSETS	2023	2022
Fixed assets	25.4	28.8
Right of use assets/liabilities	-4.5	-2.1
Current assets	-4.8	-13.5
Liabilities	-2.3	-3.8
Taxable loss carried forward	-81.6	-82.0
Deferred tax assets off balance	0.0	20.2
Net deferred tax assets	67.8	52.4

RECONCILIATION OF NET DEFERRED TAX ASSETS	2023	2022
Opening balance, net deferred tax assets	52.4	57.4
Change in tax / deferred tax asset over the result	15.3	11.3
Deferred tax business combination	0.0	-22.0
Deferred tax assets capital expansion	0.0	5.7
Net deferred tax assets	67.8	52.4

As of 31 December 2023, the tax loss to be carried forward in Norway is NOK 361.5 million (2022: NOK 364.3 million). In Sweden, the tax loss carried forward is MNOK 9.5 as of December 2023 (2022: NOK 9.1 million). There are no restrictions on the right to carry forward tax losses.

As of 31 December 2023, the Deferred tax assets is NOK 67.8 million where NOK 67.2 million is allocated to business in Norway. The remaining part belongs to business in Sweden.

The business in Sweden and Norway delivers positive results. Management considers that tax losses will be used in connection with companies in Norway. This is based on expected future cash flows and builds on the same assumptions used in the impairment tests. This is also supported by the order backlog and with new contracts together with the outlook within the markets where the companies operate. The management expects that the running business will contribute with increased future taxable income. All taxable losses in the Group are recognized in the statement of financial position as deferred tax assets. In 2023, deferred tax assets were recognized in the statement of financial position, which positively affects the income statement in the Scana Group of NOK 20.2 million.

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. Also mentioned in disclosures 2 and 13 relating to impairment test.

DISCLOSURE 12 | INTANGIBLE ASSETS

INTANGIBLE ASSETS AS OF 31.12.23	GOODWILL	DEVELOPMENT COSTS	CUSTOMER RELATIONSHIPS	TOTAL
ACCUMULATIVE COSTS				
Opening balance	284.8	47.6	46.9	379.3
Additions	0.0	9.3	0.0	9.3
Disposals	0.0	-1.0	0.0	-1.0
Acquisitions	11.7	0.0	0.0	11.7
Translation difference	0.0	0.4	0.0	0.4
Accumulated as of 31.12.	296.6	56.2	46.9	399.7
DEPRECIATION/AMORTISATION/WRITEDOWNS				
Opening balance	-10.7	-18.2	-4.7	-33.5
Amortisation	0.0	-2.7	-4.7	-7.4
Impairment	0.0	-2.1	0.0	-2.1
Disposals	0.0	1.0	0.0	1.0
Translation difference	0.0	-0.3	0.0	-0.3
Accumulated as of 31.12.	-10.7	-22.3	-9.4	-42.4
Book value as of 31.12	285.9	33.9	37.5	357.3
The linear depreciation method is used				
Depreciation/amortisation period in number of years	No amortisation	5-10	10	

PSW Power & Automation has capitalized development costs corresponding to NOK 19.9 million in connection with product development of an Electric Valve Actuator, mobile battery solutions and software for shorepower. In 2023 an impairment of NOK 2.1 million has been recognized regarding product development of the Electric Valve Actuator. PSW Technology has capitalized development costs of NOK 13.1 million connected to well control systems and solutions for a dry dock. Subseatec has capitalized development costs related to welding procedures amounting to NOK 0.9 million. Development costs are amortized over the product's expected lifetime. Goodwill at CGU-ENERGY is NOK 206.4 million and NOK 79.5 million at CGU-OFFSHORE.

INTANGIBLE ASSETS AS OF 31.12.22	GOODWILL	DEVELOPMENT COSTS	CUSTOMER RELATIONSHIPS	TOTAL
ACCUMULATIVE COSTS				
Opening balance	10.7	12.1	0.0	22.8
Additions	0.0	9.8	0.0	9.8
Acquisitions	274.2	25.8	46.9	346.9
Translation difference	0.0	-0.2	0.0	-0.2
Accumulated as of 31.12.	284.8	47.6	46.9	379.3
DEPRECIATION/AMORTISATION/WRITEDOWNS				
Opening balance	-10.7	-10.4	0.0	-21.0
Amortisation	0.0	-2.8	-4.7	-7.5
Acquisitions	0.0	-5.2	0.0	-5.2
Translation difference	0.0	0.1	0.0	0.1
Accumulated as of 31.12.	-10.7	-18.2	-4.7	-33.5
Book value as of 31.12	274.2	29.4	42.2	345.8
The linear depreciation method is used				
Depreciation/amortisation period in number of years	No amortisation	5-10	10	

DISCLOSURE 13 | IMPAIRMENT

IMPAIRMENT TESTS

For impairment testing, goodwill acquired through business combinations are allocated to the Offshore and Energy CGUs.

Scana tests 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 2023, the market value of the company is higher than the book value of the equity, which does not indicate impairment of goodwill or other assets in the various CGUs.

CGU-OFFSHORE

CGU-OFFSHORE consists of PSW Technology and PSW Solutions. The carrying amount of goodwill allocated to this CGU as of 31.12.2023 is MNOK 79.5. The recoverable amount of this CGU was based on its value in use, determined by discounting the future cash flows to be generated from the continuing use of the CGU. 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 business plan covering a five-year period. The cash flows are based on the managements and the board's best estimate.

Per end of December 2023 estimated recoverable amount exceeds the carrying amount of the CGU, and management did not identify an impairment for this CGU.

CGU-ENERGY

CGU-ENERGY consists of PSW Power & Automation. The carrying amount of goodwill allocated to this CGU as of 31.12.2023 is MNOK 206.4. The recoverable amount of this CGU was based on its value in use, determined by discounting the future cash flows to be generated from the continuing use of the CGU. 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 business plan covering a five-year period. The cash flows are based on the managements and the board's best estimate.

Per end of December 2023 estimated recoverable amount exceeds the carrying amount of the CGU, and management did not identify an impairment for this CGU.

KEY ASSUMPTIONS

The values assigned to the key assumptions represent management's conservative assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources. The calculation of value in use for CGU-ENERGY and CGU-OFFSHORE is most sensitive to the following assumptions:

KEY ASSUMPTIONS	ENERGY	OFFSHORE
Average operating margin for the next five years	7.0 %	7.0 %
Discount rate (nominal before tax)	11.5 %	13.9 %
Average growth rate per year next five years	4.8 %	3.4 %
Growth rate per year after next five year (nominal)	2.0 %	2.0 %
Value in use	356.8	214.8
Headroom	101.6	104.9

Operating margins – Estimated taking into account past experience.

Discount rates – Discount rates represent the current market assessment of the risks specific to each CGU. The discount rate calculation is based on the specific circumstances of the Scana Group and its GGU's and is derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest-bearing borrowings the Scana Group is obliged to service. Segment-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data.

Revenue growth – Revenue growth projections include specific estimates for the next five years and a terminal growth rate that reflects long-term inflation expectations. The revenue estimate is based on concluded contracts, information about the potential for new contracts and an assumption about the development of the price in the market.

Climate-related matters – the Scana Group monitors climate-related risks when measuring the recoverable amount. The value-in-use may be impacted by transition risk, such as climate-related legislation, climate-related regulations and changes in demand for the Group's products and services. The Group has not incorporated any significant costs in the future cash flows expectations. Regarding CGU-ENERGY the products and services offered are mainly linked to electrification and is considered to be part of the solution of a carbon neutral feature. Regarding the CGU-OFFSHORE the majority of the revenues are related to the oil and gas industries. There are limited long term assets related to product-sales and rental equipment that could be exposed. The material revenue streams are related to services and engineering capacities which contribute to reducing the carbon footprint of the oil and gas industry, therefore no significant cost or negative impact related to climate is factored in.

SENSITIVITY ANALYSIS

The following table shows the effect of the recoverable amount by changes to specific key assumptions.

SENSITIVITY	CHANGES	ENERGY	OFFSHORE
Operating margin for the next five years	1.0 %	68.9	62.7
Operating margin for the next five years	-1.0 %	-68.9	-62.7
Growth rate per year next five years	1.0 %	23.5	37.1
Growth rate in terminal	1.0 %	52.0	43.5
Discount rate (nominal before tax)	1.0 %	-56.3	-47.8
Discount rate (nominal before tax)	-1.0 %	73.9	58.1

DISCLOSURE 14 | 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 2023, the Scana 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 31.12.23	PROPERTY	MACHINERY	VEHICLE	Total
ACCUMULATIVE COSTS				
Opening balance	449.7	9.9	12.7	472.3
Additions	36.4	6.6	11.4	54.4
Disposals	-6.4	-0.9	-1.2	-8.5
Reclassification	0.0	1.9	-1.9	0.0
Translation difference	0.1	0.1	0.0	0.3
Accumulated as of 31.12.	479.9	17.6	21.1	518.5
DEPRECIATION/AMORTISATION/WRITEDOWNS				
Opening balance	-62.6	-2.8	-4.3	-69.7
Depreciation	-58.8	-4.6	-4.4	-67.8
Disposals	6.5	0.9	1.2	8.6
Reclassification	0.0	-1.2	1.2	0.0
Translation difference	0.0	0.0	0.0	0.0
Accumulated as of 31.12.	-115.0	-7.6	-6.3	-128.9
Book value as of 31.12.	364.9	10.0	14.7	389.6
The linear depreciation method is used				
Depreciation/amortisation period in number of years	1-10	1-10	1-5	

RIGHT OF USE AS OF 31.12.22	PROPERTY	MACHINERY	VEHICLE	Total
ACCUMULATIVE COSTS				
Opening balance	13.2	0.7	0.5	14.4
Additions	16.3	1.4	3.2	20.9
Disposals	0.0	-0.1	0.0	-0.1
Acquisitions	420.3	7.8	9.0	437.1
Translation difference	0.0	0.0	0.0	-0.1
Accumulated as of 31.12.	449.7	9.9	12.7	472.3
DEPRECIATION/AMORTISATION/WRITEDOWNS				
Opening balance	-6.3	-0.3	-0.2	-6.9
Depreciation	-56.3	-2.6	-4.1	-62.9
Disposals	0.0	0.1	0.0	0.1
Translation difference	0.0	0.0	0.0	0.0
Accumulated as of 31.12.	-62.6	-2.8	-4.3	-69.7
Book value as of 31.12.	387.1	7.1	8.4	402.6
The linear depreciation method is used				
Depreciation/amortisation period in number of years	1-10	1-10	1-5	

DISCLOSURE 15 | PROPERTY, PLANT AND EQUIPMENT

PROPERTY, PLANT AND EQUIPMENT AS OF 31.12.23	MACHINES, FIXTURES, ETC.	CONSTRUCTION AND REAL ESTATE	TOTAL
ACCUMULATIVE COSTS			
Opening balance	262.1	0.3	262.3
Additions	23.4	0.0	23.4
Disposals	-4.6	0.0	-4.6
Reclassification	3.1	0.0	3.1
Translation difference	0.2	0.0	0.2
Accumulated as of 31.12.	284.1	0.3	284.3
DEPRECIATION/AMORTISATION/WRITEDOWNS			
Opening balance	-114.3	-0.1	-114.5
Depreciation	-20.6	0.0	-20.6
Disposals	3.8	0.0	3.8
Reclassification	0.9	0.0	0.9
Translation difference	-0.1	0.0	-0.1
Accumulated as of 31.12.	-130.2	-0.1	-130.4
Book value as of 31.12.	153.8	0.1	154.0
The linear depreciation method is used			
Depreciation/amortisation period in number of years	3-5		

PROPERTY, PLANT AND EQUIPMENT AS OF 31.12.22	MACHINES, FIXTURES, ETC.	CONSTRUCTION AND REAL ESTATE	TOTAL
ACCUMULATIVE COSTS			
Opening balance	71.0	0.0	71.0
Additions	9.6	0.0	9.6
Disposals	-0.2	0.0	-0.2
Reclassification	-0.1	0.1	0.0
Acquisitions	181.8	0.1	182.0
Translation difference	0.0	0.0	0.0
Accumulated as of 31.12.	262.1	0.3	262.3
DEPRECIATION/AMORTISATION/WRITEDOWNS			
Opening balance	-59.2	0.0	-59.2
Depreciation	-19.2	0.0	-19.2
Disposals	0.1	0.0	0.1
Reclassification	0.0	-0.1	-0.1
Acquisitions	-36.0	0.0	-36.0
Translation difference	0.0	0.0	0.0
Accumulated as of 31.12.	-114.3	-0.1	-114.5
Book value as of 31.12.	147.7	0.1	147.9
The linear depreciation method is used			
Depreciation/amortisation period in number of years	3-5		

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 153.9 million as of 31 December 2023 (31.12.22: NOK 143.7 million). See disclosure 25 relating to the mention of lease agreements and disclosure 14 right of use assets.

The calculation of the recoverable amount for the write-down is assessed at level 3 according to the valuation hierarchy.

DISCLOSURE 16 | INVENTORIES

	2023	2022
Raw materials	24.3	25.3
Semi-finished products and work in progress	29.8	37.5
Finished goods	5.1	3.1
Total inventories end balance 31.12.	59.2	66.0
Provision for obsolescence as of 31.12.	7.8	6.8
This year's change in provision for obsolescence	1.0	3.0
Total pledged inventories	59.2	66.0

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

DISCLOSURE 17 | TRADE RECEIVABLES AND CONTRACT BALANCES

	2023	2022
Trade receivables - denomination	248.7	159.4
Trade receivables associated companies	4.3	1.8
Provision for losses on trade receivables	-0.5	-0.4
Total	252.6	160.8
Loss recognized in profit and loss on receivables	-0.4	
Loss recognized in profit and loss on receivables, including changes in provisions	0.0	-0.4

AGING SUMMARY	2023	2022
Trade receivables not due	198.9	123.6
0-30 days	20.1	14.6
31-60 days	29.1	6.4
61-90 days	3.4	0.6
More than 90 days	1.5	16.1
Total trade receivables	253.0	161.2

Provision for potential losses on receivables is based on individual assessments of each individual item. See disclosure 21 related to changes in loss provisions.

CONTRACTS

The following table provides information about contract assets and contract liabilities from contracts with customers.

	2023	2022
Contract assets	99.4	125.3
Contract liabilities	115.6	112.0

The contract assets primarily relate to the Scana Group's rights to consideration for work completed but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Scana companies issues an invoice to the customer. The contract liabilities primarily relate to milestone invoicing and advance consideration received from customers.

The amount of NOK 112 million included in contract liabilities on 31 December 2022 has been recognized as revenue in 2023. No revenue is recognized in 2023 from performance obligations satisfied (or partially satisfied) in previous periods.

The transaction price allocated to remaining performance obligations (unsatisfied or partially unsatisfied) as of 31 December 2023 is NOK 801.3 million (2022: NOK 532.9 million). 95 % of the performance obligations are expected to be satisfied during 2024/2025. All ongoing projects in the beginning of 2023 have been delivered.

DISCLOSURE 18 | PREPAYMENTS, OTHER CURRENT RECEIVABLES, OTHER NON-CURRENT ASSETS

PREPAYMENTS AND OTHER CURRENT RECEIVABLES	2023	2022
Prepaid to suppliers	24.2	24.7
Prepaid tax	0.4	0.4
Prepaid costs	29.8	4.8
VAT	0.3	1.3
Other current receivables	1.9	0.4
Total prepayments and other current receivables	56.6	31.5

OTHER NON-CURRENT ASSETS	2023	2022
Investments in shares	5.3	2.8
Long-term interest-bearing receivables	6.9	0.3
Long-term interest-free receivables	0.5	0.0
Pensions funds	2.2	1.9
Total other non-current assets	15.0	4.9

DISCLOSURE 19 | OTHER CURRENT LIABILITIES

OTHER CURRENT LIABILITIES	2023	2022
Provision - Warranty	4.4	1.4
Wages, holiday pay, VAT etc.	99.3	68.0
Accrued cost non-invoiced expenses	58.5	23.6
Other current liabilities	6.7	4.0
Total other current liabilities	168.8	96.9

DISCLOSURE 20 | TRADE PAYABLES

	2023	2022
Trade payables	100.8	108.6
Trade payables associated companies	0.4	0.4
Total trade payables	101.2	108.9

AGING SUMMARY	2023	2022
Trade payables not due	90.6	58.3
0-30 days	9.5	40.3
31-60 days	0.0	7.0
61-90 days	0.0	0.9
More than 90 days	1.0	2.4
Total trade payables	101.2	108.9

DISCLOSURE 21 | FINANCIAL RISK

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

The Group is exposed to market risk, liquidity risk and credit risk. The Scana Group's senior management oversees the management of these risks. The board of directors has overall responsibility for establishing and monitoring The Group's risk management framework. Risk management principles have been established to identify and analyse the risks to which the Scana 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 optimizing the risk-adjusted return.

CURRENCY RISK

Currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Scana Group's operating activities (when revenue or expense is denominated in a foreign currency) and the Group's net investments in foreign subsidiaries.

The Scana Group's management continuously monitors and reports on the Group's currency positions. The Scana Group's risk management policy is to hedge material estimated foreign currency exposure in respect of forecast sales and purchases within a 12-month period. 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 following table demonstrates the sensitivity to a reasonably possible change in exchange rates, with all other variables held constant. 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. The analysis does not include the effect on future transactions (not invoiced as of December 31) or any effect from translation of subsidiaries

	Changes in currency NOK	Impact result before tax	Impact on net equity before tax
2023	5%	-7.9	-7.9
2023	-5%	7.9	7.9
2022	5%	7.3	7.3
2022	-5%	-7.3	-7.3

INTEREST RATE RISK

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Scana Group's exposure to the risk of changes in market interest rates relates primarily to Scana Group's long-term interest-bearing debt with floating interest rates. The Scana Group's objective is to secure and counteract major effects from changes in the market interest rate. The Group has no interest rate hedges on the balance sheet date.

SENSITIVITY ANALYSIS – INTEREST RATE

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, with all other variables held constant. 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.

	Changes in interest rate	Impact result before tax	Impact on net equity before tax
2023	1%	-0.8	-0.8
2023	-1%	0.8	0.8

LIQUIDITY RISK

Liquidity risk is the risk that the Scana Group will not be able to meet its financial obligations as they fall due. Scana Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities.

The Scana Group works continuously to reduce liquidity risk through monitoring and active dialogue with the subsidiaries.

See disclosure 24 for more information on the Group's bank loans as of 31.12.2023. See disclosure 23 for more information on the Group's cash and cash equivalents as of 31.12.2023.

The Scana Group has a bank balance as of 31.12.23 of NOK 36.4 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 31.12.23	2024 Q1	2024 Q2	2024 Q3	2024 Q4	2024	2025	2026
Leasing liabilities	407.6	21.1	21.1	21.1	21.1	84.3	78.8	75.4
Bank loan - DNB	115.0	5.0	5.0	5.0	5.0	20.0	20.0	20.0
Trade payables	101.2	101.2				101.2		
Financial instruments	2.8	0.0						
Interests payments	2.1	2.3	2.3	2.3	2.3	9.2	9.2	
Total outflow (payments)	628.7	129.7	28.4	28.4	28.4	214.7	108.0	95.4

CREDIT RISK

Credit risk is the risk of financial losses if 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 Scana 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.

Customer credit risk is managed by each business unit subject to the Scana Group's established policy and guidelines relating to customer credit risk management. Credit quality of a customer is assessed based on credit rating and individual credit limits can be defined in accordance with this assessment. Outstanding customer receivables and contract assets are regularly monitored. The Scana Group enters into larger customer contracts with advance payments (20 %–30 %) or milestone invoicing throughout the entire project progress.

The Scana 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 31.12.23	Disclosure	Gross assets	Expected loss within 12 months	Expected loss portfolio	Expected loss individual	Provision for loss on receivables	Net assets
Trade receivable	17	253.0	-0.4	-0.4		-0.5	252.5
Contract assets	17	100.9	-1.0	-1.0		-1.5	99.4
Total		353.9	-1.5	-1.5	0.0	-2.0	351.9

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	17	161.2	-0.4	-0.4		-0.4	160.8
Contract assets	17	126.4	-1.1	-1.1		-1.1	125.3
Total		287.7	-1.6	-1.6	0.0	-1.6	286.1

CHANGES IN PROVISIONS – LOSS	Disclosure	Opening balance provision loss	Realized losses	Changes in provision	Agio	Ending balance provision loss
Trade receivable	17	-0.4	0.0	0.0		-0.5
Contract assets	17	-1.1		-0.4		-1.5
Total		-1.6	0.0	-0.4	0.0	-2.0

DISCLOSURE 22 | FINANCIAL INSTRUMENTS

HEDGING CURRENCY RISK

As a proportion of the Scana Group's sales take place in foreign currency, the Group 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 the Scana 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.

Listed below is a summary of all open currency contracts as of 31.12.23:

Currency contracts	Net	Denomination	Maturity period	Unrealized gain / loss (-)
EUR	sale	-2.2	2024	-0.1
SEK	sale	-45.6	2024	-1.0
SEK	sale	-10.5	2025	-0.2
USD	sale	-3.5	2024	3.2
USD	sale	-2.3	2025	1.8
Total				3.6

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

Currency contracts	Net	Denomination	Maturity period	Unrealized gain / loss (-)
USD	sale	-5.0	2023	-2.0
SEK	sale	-49.4	2023	1.6
SEK	sale	-17.6	2024	0.6
Total				0.3

CLASSIFICATION OF FINANCIAL ASSETS

In accordance with IFRS 9, the Scana 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 Scana 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 2023.

						2023	2022
Financial instruments	Disclosure	Fair value hierarchy	Fair value profit & loss	Fair value - other comprehensive income	Amortized cost	Total	Total
FINANCIAL ASSETS							
Other non-current financial assets	18	Level 3	5.3		7.5	12.8	3.0
Trade receivable	17				252.6	252.6	160.8
Financial instruments	22	Level 2	6.4			6.4	2.3
Prepayments and other current receivables	18				56.6	56.6	31.5
Bank deposits	23				36.4	36.4	2.6
Total			11.7		353.0	364.7	200.3
FINANCIAL LIABILITIES							
Leasing liabilities	25				407.6	407.6	412.1
Loans and borrowings	24				115.8	115.8	151.9
Trade payables	20				101.2	101.2	108.9
Financial instruments	22	Level 2	2.8			2.8	2.0
Other current liabilities	19				168.8	168.8	96.9
Total			2.8		793.4	796.2	771.8

FAIR VALUE – VALUE HIERARCHY

The Scana Group 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 on the previous page shows the valuation hierarchy for fair value disclosures for assets and liabilities. In 2023, 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 Scana Group's composition and management of debt and equity is to ensure sufficient and competitive funding of the Scana Group's activities and create value for the shareholders. Scana Group should have a reasonable credit rating, and thus competitive borrowing conditions. Through good capital management of equity and debt, the Scana Group will support the business that is run, and thus contribute to increasing shareholder value.

The Scana Group must have sufficient liquid funds and access to credit facilities for financing operational activities. This takes place through targets for ongoing operations and capital management. The Group manages the capital structure and makes 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 24. Reference is made to the section liquidity risk in disclosure 21 related to the company's financial position.

DISCLOSURE 23 | CASH AND CASH EQUIVALENTS

BANK DEPOSITS	2023	2022
Ordinary bank deposits	36.4	2.6
Restricted funds	0.0	0.0
Total	36.4	2.6

RECONCILIATION BETWEEN BANK DEPOSITS AND LIQUIDITY IN THE CASH FLOW STATEMENT	2023	2022
Ordinary bank deposits	36.4	2.6
Cash and cash equiv. at end of period	36.4	2.6

The Scana Group has a bank deposit as of 31 December 2023 which amounts to NOK 36.4 million. In the table above relating to liquidity, cash withdrawals are included as mentioned in disclosure 24. The Group has an unused overdraft facility of NOK 110 million as of 31 December 2023. The total liquidity reserve was as of 31 December 2023 NOK 146.4 million (31 December 2022: NOK 112.6 million). The Scana Group has a cash pool arrangement.

The Scana Group has no restricted funds as of December 2023 and all disclosed cash and cash equivalents are available.

Bank guarantees have been issued according to tax deductions, which as of 31 December 2023 was NOK 18.6 million.

DISCLOSURE 24 | LOANS AND BORROWINGS

2023	Nominal interest rate	Current	Non-current	Maturity date
Bank loan	3.5	20.0	95.0	Jan - 2027
Amortisation costs			-1.4	
Accrued interests		2.1		
Total loans and borrowings		22.1	93.6	

2022	Nominal interest rate	Current	Non-current	Maturity date
Bank loan	3.5	20.0	130.0	
Other loan			0.9	
Amortisation costs			-1.2	
Accrued interests		2.2		
Total loans and borrowings		22.2	129.7	

LOANS AND 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 next time on 09.10.2024.

Bank loans as of 31 December 2023 amounting to NOK 115 million are linked to two loans. The first loan is a bullet loan of NOK 50 million and has a due date in January 2027. The second is a term loan and amounted to NOK 65 million with NOK 20 million in installments per year.

COVENANTS

There are certain financial covenants to the loan agreement. These are covenant equity ratio 30 %, borrowing base 70 % and covenant NIBD / EBITDA on 12 month bases less than 2.5.

Capital expenditure should not exceed NOK 29 million, measured annually from 2024. 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 Scana Group was in compliance with the loan terms as of 31 December 2023.

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 2023 and where the changes take effect.

	CASH FLOW STATEMENT				Profit and loss	Proceeds from issue of new share capital	Net New leasing liabilities and disposals	Translation differences	Currency differences	31.12.23
	01.01.2023	Proceeds from LT and ST borrowings	Payments of borrowings	Interests						
Leasing liabilities	412.2	0.0	-59.1	0.0	0.0	0.0	0.0	54.5	0.0	407.6
Bank loan LT	129.7	0.0	-35.9	0.0	0.0	-0.2	0.0	0.0	0.0	93.6
Bank loan ST	20.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	20.0
Accrued interests	2.2	0.0	0.0	-40.4	0.0	40.3	0.0	0.0	0.0	2.1
Total liabilities connected to financing activities	564.1	0.0	-95.0	-40.4	0.0	40.1	0.0	54.5	0.0	523.4

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

	CASH FLOW STATEMENT				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
	01.01.2022	Proceeds from LT and ST borrowings	Payments of borrowings	Interests						
Leasing liabilities	8.0	0.0	-53.8	0.0	0.0	0.0	0.0	458.0	0.0	412.1
Bank overdraft	0.1	0.0	0.0	0.0	-0.1	0.0	0.0	0.0	0.0	0.0
Bank loan LT	0.0	145.0	-15.0	0.0	0.0	-0.3	0.0	0.0	0.0	129.7
Bank loan ST	0.0	20.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	20.0
Shareholders loan	37.6	0.0	-25.7	0.0	0.0	0.0	-12.0	0.0	0.0	0.0
Accrued interests	0.5	0.0	0.0	-35.6	0.0	41.7	-4.9	0.5	0.0	2.2
Total liabilities connected to financing activities	46.2	165.0	-94.4	-35.6	-0.1	41.4	-16.9	458.5	0.0	564.1

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

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 shareholder's loan.

DISCLOSURE 25 | LEASE LIABILITIES

The Scana ASA and subsidiaries leases premises for all business activities. 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 Scana Group'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 Scana Group has used a weighted average linked to the marginal interest rate for each of the leasing groups at the time of recognition. The following marginal interest rate is used for lease liabilities signed in 2023; for machinery and equipment 7–8 %, for cars 7 % and premises 7 %. For lease liabilities established before January 1, 2023, the marginal interest remains unchanged; otherwise, the leasing period is adjusted. 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 Scana 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.

CHANGE IN LEASING LIABILITIES	2023	2022
Opening balance leasing liabilities 01.01.	412.1	8.0
New leasing liabilities	54.4	458.1
Payments	-83.5	-78.5
Interests	24.5	24.7
Ending balance leasing liabilities 31.12.	407.6	412.1

New leasing liabilities amounted to NOK 54.4 million and is connected to additions NOK 21.6 million, price index adjustments NOK 33.9 million and termination by NOK 1.1 million.

PROFIT AND LOSS ITEMS RELATED TO LEASE AGREEMENTS	2023	2022
Depreciation for the year continued operations	67.8	62.9
Net gain/loss assets (IFRS 16)	0.1	1.9
Interests costs	24.5	24.7
Short-term / low value leases	1.1	0.9
Total profit items	93.5	90.4

LEASING LIABILITIES CASH FLOW	2023	2022
Payments related to leasing liabilities - installments	-59.0	-53.8
Payments related to leasing liabilities - interests	-24.5	-24.7
Short-term / low value leases	-1.1	-0.9
Total outflow cash for all leasing liabilities	-84.5	-79.4

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 2023.

MATURITY ANALYSIS COMMENCED LEASES	2023	2022
Within one year	84.3	76.2
Between one and two years	78.8	70.4
Between two and three years	75.4	66.8
Between three and four years	70.6	65.6
Between four and five years	66.8	62.6
More than five years	115.7	167.8
Total payments leasing liabilities	491.6	509.3

The payments linked to the lease agreements are fixed. The variable part is considered 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 2023.

	Within five years	More than five years	Total
Extension of lease agreements (options) is not expected to be exercised	44.8	643.1	687.9
Total	44.8	643.1	687.9

The Scana Group is a lessor and subleases property. All these leases are classified as operating leases from a lessor perspective. Rental revenue is therefore classified operating revenue in the income statement. Refer to disclosure 4.

DISCLOSURE 26 | GUARANTEES AND PLEDGE

MORTGAGE ENCUMBRANCES	2023	2022
Of the group's book debts, the following were secured by pledge	115.0	150.9
Total pledges	115.0	150.9

BOOK VALUE OF PLEDGED OBJECTS		
Machinery	153.8	143.6
Buildings	0.1	0.1
Inventories	59.2	66.0
Trade receivables	252.6	160.8
Contract assets	99.4	125.3
Total	565.1	495.9

WARRANTY LIABILITY	2023	2022
Warranty and surety liability	210.2	162.1

Of the bank guarantees, approx. 41 % (2022: 27 %) 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 42 % (2022: 32 %) of the bank and parent company guarantees are demand guarantees ("on demand" guarantees) and includes tax deductions. Approximately 17 % (2022: 41 %) of the guarantees are linked to the lease agreements. In the event of non-payment, the creditor can call on the guarantee.

DISCLOSURE 27 | SHARES AND SHAREHOLDERS

Scana ASA had 4 816 shareholders as of 31.12.2023. Foreign shareholders owned shares that together made up 4.6 % of the share capital.

NUMBER OF SHARES OWNED BY BOARD MEMBERS AND SENIOR MANAGEMENT

CBO, Oddbjørn Haukøy (Ownership is exercised through the companies No Surrender AS and Subsea Independent AS)	38 187 747
CFO, Torvald Ulland Reiestad	178 660
EVPO, Baste Tveito (Ownership is exercised through the company Mebas AS)	390 006
Board Member, Morten Blix (Ownership is exercised through the company Spiralen Holding AS)	8 571 428

LARGEST SHAREHOLDERS

THE 20 LARGEST SHAREHOLDERS AS OF 31.12.23	Number of shares	Percentage
RIEBER & SØN AS	42 798 921	9.5 %
NO SURRENDER AS	34 187 143	7.6 %
SIRENA II AS	25 000 000	5.6 %
PERESTROIKA AS	21 808 854	4.8 %
MAKRELLA HOLDING AS	20 285 714	4.5 %
KREFTING AS	19 083 715	4.2 %
KLK INVESTMENT AS	15 000 000	3.3 %
WERGELAND HOLDING AS	10 000 000	2.2 %
OSAKONGEN DRIFT AS	9 835 000	2.2 %
JEKTEVIKA HOLDING AS	9 835 000	2.2 %
SPIRALEN HOLDING AS	8 571 428	1.9 %
TRIKO AS	7 897 428	1.8 %
NORDNET LIVSFORSIKRING AS	7 754 982	1.7 %
LILJE AS	7 142 857	1.6 %
WEST COAST INVEST AS	7 142 857	1.6 %
INTERNATIONAL OILFIELD SERVICES AS	5 198 852	1.2 %
STOLEN AS	5 159 132	1.1 %
INTER SEA AS	4 500 000	1.0 %
HOLCK	4 458 023	1.0 %
Skandinaviska Enskilda Banken AB	4 017 198	0.9 %
Total holdings 20 largest shareholders	269 677 104	59.9 %
Other	180 295 796	40.1 %
Total number of shares	449 972 900	100.0 %

DISTRIBUTION OF SHAREHOLDERS BY HOLDINGS

Number of shares	Number of shareholders	Number of shares	Percentage
1 - 1 000	2 078	558 424	0.1 %
1 001 - 10 000	1 429	6 521 795	1.4 %
10 001 - 100 000	977	33 485 835	7.4 %
100 001 - 1 000 000	283	81 709 977	18.2 %
Over 1 000 000	49	327 696 869	72.8 %
Total	4 816	449 972 900	100.0 %

SHARE PRICE PER QUARTER IN 2023

Amount in NOK	4th quarter 2023	3rd quarter 2023	2nd quarter 2023	1st quarter 2023
Start price	2.34	2.02	1.40	1.04
Closing price	2.08	2.30	1.97	1.40
Return in the period	-11%	14%	41%	35%
Highest closing price	2.36	2.50	2.25	1.57
Lowest closing price	1.90	1.86	1.39	1.02
Volume (in 1000 shares)	93 054	106 864	175 013	171 747

DISCLOSURE 28 | EARNINGS PER SHARE AND OWN SHARES

	2023	2022
Net profit / loss - Equity holders of the parent	71.6	-44.5
Weighted average number of shares *)	442 685 974	386 348 745
Effect of dilution:		
Options / Subscription rights	27 700 463	0
Weighted average number of shares adjusted for the effect of extraction	470 386 437	386 348 745
Earnings per share - continuing operation	0.16	-0.12
Earnings per diluted share - continuing operation	0.15	-0.12
Earnings per share	0.16	-0.12
Earnings per diluted share	0.15	-0.12
	2023	2022
Shares in market from previous year	440 582 901	107 511 831
Issue of shares January 2022		277 292 850
Conversion of Seller credit Dec 2022		1 550 525
Own shares	-6 461	-6 461
Exercised options September 2023	2 109 534	
Weighted average number of shares	442 685 974	386 348 745

OWN SHARES

Scana ASA has 6 461 own shares as of 31 December 2023, which is unchanged from 31 December 2022. At the ordinary general meeting on 8 June 2023, the board was authorized to acquire the company's own shares for a nominal value of up to NOK 44.1 million. The authorization is valid until the 2024 ordinary general meeting, under no circumstances valid beyond 30 June 2024.

DISCLOSURE 29 | SHARE CAPITAL

Issue of new share capital in 2023 is connected to exercised options in September 2023 registered in October 2023 by issuing 9,390,000 new shares each with a nominal value of NOK 1.00.

On 31 December 2023, the share capital of Scana ASA was NOK 449 972 901, divided into 449 972 901 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 from previous years	440 582 901	440.6
Issue of new share capital	9 390 000	9.4
Number of outstanding ordinary shares as of 31.12.	449 972 901	450.0

DISCLOSURE 30 | RELATED PARTIES

ASSOCIATED COMPANY	2023	2022
Sales	6.3	6.1
Purchase	3.6	1.2
Receivables	4.3	1.8
Payables	0.4	0.4

During 2023 the Scana Group had transactions with two associated companies, Wear Solutions AS and Scana Korea Hydraulic Ltd. Refer to disclosure 5 for more information.

DISCLOSURE 31 | SUBSEQUENT EVENTS

- Scana Group awarded a 10-year contract for operation and maintenance of strategically important properties associated with coastal bases along the Norwegian coastline. West Asset Management AS, a PSW Technology AS subsidiary Newco, will manage the contract.
- PSW Technology AS divests well control preparedness equipment, releasing NOK 116 million in cash and a profit of approx. NOK 55 million to be recognized in Q1 2024.
- PSW Power & Automation AS has signed a contract for a series of E-house modules to be part of emergency power systems for several data center terminals.
- Reintroduction of dividend to Scana shareholders with NOK 0.05 per share paid out April 3rd, 2024. the first dividend to the Scana ASA shareholders since 2010.

Bergen, 19 April 2024

Gunnar Winther Eliassen CHAIRMAN OF THE BOARD	Ida Ianssen Lundh BOARD MEMBER	Morten Blix BOARD MEMBER	Birgitte Feginn Angelil BOARD MEMBER	Bjørn Gabriel Reed BOARD MEMBER	Pål Selvik 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 the Scana Group to provide additional information. Alternative performance targets are intended to improve the comparability of the results from period to period. It is the Group's experience that these are often used by analysts, investors, and other parties. Alternative performance measures are not a substitute for measuring results in accordance with IFRS.

EBITDA	Operating profit before depreciation.
EBIT	Operating profit after depreciation and write-downs.
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.
Rolling EBITDA	EBITDA for the last twelve months.
Covenant EBITDA	Rolling EBITDA adjusted for financial lease and transaction cost related to acquisitions in 2022 and normalization for one off effects + result from associated company.
NIBD	Net interest-bearing debt (Interest-bearing debt – cash).
Covenant NIBD/EBITDA	Covenant EBITDA/NIBD excluding financial lease.
Covenant equity ratio	Booked equity/ (total assets – financial lease related to acquisitions in 2022).

NOK million	31.12.2023
EBITDA	36.9
Effect leasing - IFRS 16	-20.0
Transaction costs	0.0
Other events - one off	4.3
Covenant EBITDA	21.2
Covenant EBITDA (12 months rolling)	117.8

NOK million	Facilities	31.12.2023
Interest-bearing liabilities	NOK 110m WC facility	-
Interest-bearing liabilities	NOK 65m term loan	65.0
Interest-bearing liabilities	NOK 50m bullet	50.0
Interest-bearing liabilities	Amortized cost	-1.4
Interest-bearing liabilities	Accrued interests	2.1
Cash and cash equivalents		-36.4
Net interest bearing debt		79.4

STATUTORY ACCOUNTS - SCANA ASA



SCANA ASA | INCOME STATEMENT

PERIOD 1 JANUARY – 31 DECEMBER (NOK million)	Disclosures	2023	2022
OPERATING REVENUE			
Operational revenue	2	22.9	15.8
Total operating revenue		22.9	15.8
OPERATING EXPENSES			
Payroll expenses	3	-32.1	-17.2
Other operating expenses	3/4	-17.8	-14.8
Depreciation, amortisation, impairment	4	-1.4	-0.3
Total operating expenses		-51.3	-32.3
Operating profit/loss (-)		-28.4	-16.5
FINANCIAL INCOME AND EXPENSES			
Income from investments in subsidiaries	5	67.1	11.8
Interest income	2	10.8	6.0
Interest expense	2	-9.3	-9.8
Reversal and write-down of receivables in subsidiaries	5/7	50.6	-7.4
Other financial income/expenses (-)	6/8	-2.2	0.7
Net financial income/expenses (-)		117.0	1.2
Profit/loss (-) before tax		88.6	-15.2
Income tax (expense)/benefit	9	17.1	0.0
Profit/loss (-)		105.7	-15.2
Net income (loss) for the period distributed as follows:			
Dividend		22.6	0.0
Retained earnings		83.1	-15.2
Net income (loss)		105.7	-15.2

SCANA ASA | STATEMENT OF FINANCIAL POSITION

(million NOK)	Disclosures	31.12.2023	31.12.2022
NON-CURRENT ASSETS			
Deferred tax assets	9	51.3	34.2
Property, plant and equipment	4/14	0.6	1.9
Shares in subsidiaries	5/14	799.2	764.6
Other non current receivables	10	2.2	1.9
Intercompany receivables	7	169.6	155.2
Total non-current assets		1 022.9	957.8
CURRENT ASSETS			
Intercompany receivables	7	98.7	105.6
Prepaid expenses and other current receivables	8	12.4	6.8
Cash and cash equivalents	11	36.2	0.0
Total current assets		147.3	112.3
Total assets		1 170.2	1 070.2
EQUITY			
Share capital	12	450.0	440.6
Share premium		102.8	98.7
Retained earnings		227.9	141.5
Total equity	13	780.7	680.8
NON-CURRENT LIABILITIES			
Loans and borrowings	14/15	93.6	129.7
Pension obligations		2.2	1.9
Total non-current liabilities		95.9	131.6
CURRENT LIABILITIES			
Loans and borrowings	14/15	22.1	24.3
Trade payables		1.1	2.3
Dividend		22.6	0.0
Intercompany liabilities	7	237.4	228.0
Other current liabilities	8/16	10.5	3.2
Total current liabilities		293.7	257.8
Total equity and liabilities		1 170.2	1 070.2

SCANA ASA | STATEMENT OF CASH FLOW

PERIOD 1 JANUARY – 31 DECEMBER (NOK million)	Disclosures	2023	2022
CASH FLOW FROM OPERATING ACTIVITIES			
Profit/loss (-) before tax		88.6	-15.2
Income from investments in subsidiaries		-77.5	-9.9
Reversal of impairment		-34.6	0.0
Provision for losses on receivables		-5.6	5.6
Depreciation, amortisation, impairment		1.4	0.3
Change in other current assets		0.0	-7.8
Change in trade payable		-1.2	2.0
Change in other current liabilities		10.4	5.4
Net cash from operating activities		-18.6	-19.7
CASH FLOW FROM INVESTING ACTIVITIES			
Proceed from non-current receivables		39.5	-86.2
Acquisition of property, plants, equipment and intangible assets		-0.1	-1.8
Dividend received		40.0	0.0
Acquisition of subsidiaries		0.0	-234.1
Net cash from investing activities		79.4	-322.1
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from non-current borrowings		0.0	145.0
Payments of non-current borrowings		-35.0	-15.0
Proceeds from current borrowings		0.0	20.0
Payments of current borrowings		-3.2	-10.3
Net interest payment/finance costs		0.1	-0.9
Proceeds from issue of new share capital		13.5	176.3
Net cash from financing activities		-24.6	315.0
Net cash flows		36.2	-26.8
Cash and cash equiv. at beg. of period		0.0	26.8
Cash and cash equiv. at end of period (*)		36.2	0.0
Change in cash and cash equivalents		36.2	-26.8

DISCLOSURE 1 | ACCOUNTING PRINCIPLES

The presented Scana ASA 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 million 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 LIABILITIES IN FOREIGN CURRENCY

Transactions in foreign currency are accounted for at the rates at the time of the transaction. Scana ASA'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

Scana ASA uses various financial instruments in the management of the Scana 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 | TRANSACTIONS WITH RELATED PARTIES

Operating income of NOK 22.9 million applies to subsidiaries including the Scana Group assistance. Interest income intra-Group items, NOK 7.9 million is interest income from the Group companies. There has been no other transaction with related parties during 2023 except for disclosed information. Refer to disclosure 30 of the consolidated accounts for mention of related parties.

DISCLOSURE 3 | PAYROLL EXPENSES

	2023	2022
Wages	21.6	9.7
Fee to Board	2.1	1.2
Social security	4.5	1.6
Pension costs	0.5	0.4
Option program	3.3	3.8
Other wages and personall costs	0.1	0.4
Total Payroll expenses	32.1	17.2

Scana ASA had eight employees at the end of the year, of which one was a woman. The average number of employees in 2023 was approx. eight employees. Scana ASA'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: *)	2023	2022
Statutory audit	2.4	1.0
Other attestation services	0.0	0.0
Audit-related assistance and other assistance	0.0	0.1
Total audit fee	2.4	1.0

*) The numbers are presented excluded VAT.

DISCLOSURE 4 | PROPERTY, PLANT AND EQUIPMENT

Accumulative costs (Machines, fixtures, etc.)	
Accumulated 01.01.	9.2
Additions at cost	0.1
Disposal at cost	0.0
Accumulative costs as of 31.12.23	9.3

Depreciation/amortisation	
Accumulated 01.01.	7.3
Depreciation for the year	1.4
Disposal continued operations	0.0
Accumulated as of 31.12.23	8.7
Book value as of 31.12.23	0.6

Depreciation/amortisation period in number of years 0

The rental cost related to office (not recognized in the balance sheet) in 2023 was NOK 1.1 million (2022: NOK 0.5 million).

The rental cost related to office (not recognized in the balance sheet) in 2023 was NOK 1.1 million (2022: NOK 0.5 million).

DISCLOSURE 5 | SHARES

Shares in subsidiaries	Located	Acquired/ Established	Ownership share	Vote share	Number of shares	Booked value as of 31.12.23
Scana Trading AS (subgroup)	Bergen, Norway	1987	100%	100%	78 000	176.2
Seasystems AS	Vestby, Norway	2006	100%	100%	2 600	178.4
PSW Holding I AS	Bergen, Norway	2022	100%	100%	1 941 595	444.6
Total shares in subsidiaries						799.2

Shares owned by subsidiaries	Located	Acquired/ Established	Ownership share	Vote share	Number of shares	Currency
Scana Energy Holding AB	Kristinehamn, Sweden	2013	100%	100%	100 000	SEK
Subseatec S AB	Kristinehamn, Sweden	2011	100%	100%	100	SEK
Scana do Brasil Industias Ltd.	Rio de Janeiro, Brazil	2009	100%	100%	10 000	BRL
Skarpenord AS	Rjukan, Norway	1989	100%	100%	16 532	NOK
PSW Technology AS	Mongstad, Norway	2022	100%	100%	39 500	NOK
PSW Solutions AS	Mongstad, Norway	2022	100%	100%	100	NOK
PSW Power & Automation AS	Ågotnes, Norway	2022	100%	100%	13 720	NOK
Wear Solutions AS	Vestby, Norway	2023	50%	50%	15 000	NOK
Stepwise AS	Stavanger, Norway	2022	5%	5%	14 806 705	NOK

Scana ASA 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 2024–2028. The estimates are based on the approved budget 2024 and forecasts for 2025–2028 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. 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.

Seasystems still makes solid profit. The management consider the outlook for Seasystems is good. Seasystems has shown a good performance in the last years. This is the basis for the consideration of the booked value at the end of 2023.

Scana Trading AS owns operating companies in Norway and Sweden. This operating business shows a positive profit in the current year. The group management expects the cash flow will continue to improve in the next years. There was a reversal of impairment amounted NOK 45 million.

Skarpenord AS has paid the receivables to Scana ASA amounted to NOK 5.6 million. Previous year Scana ASA made a provision of bad debt according to the receivables. Current year this provision is reversed in profit and loss statement.

During 2023 Scana Property AS was merged with Scana Trading AS.

DISCLOSURE 6 | OTHER FINANCE INCOME AND EXPENSES

Net other financial items amount to NOK -2.2 million (2022: NOK 0.7 million), of which share capital income NOK 21.9 million (2022: NOK 15.0 million), capital loss NOK 23.4 million (2022: NOK 11.5 million) and finance cost NOK 0.7 million (2022: NOK 2.8 million). The numbers include financial instruments which had a profit and loss impact of NOK -15.6 million (2022: NOK -3.1 million).

DISCLOSURE 7 | LENDING, BORROWING AND RECEIVABLES FROM GROUP COMPANIES

Scana ASA has lending agreements and borrowing agreements with subsidiaries. The Company has intercompany current debt to subsidiaries on NOK 237.4 million. In addition Scana ASA has intercompany non current receivables of NOK 169.6 million and intercompany current receivables of NOK 98.7 million. Intra - Group loans maturity date is due in the period up to 31 December 2025.

DISCLOSURE 8 | FINANCIAL INSTRUMENTS

CURRENCY CONTRACTS

Below is a list of all currency contracts as of 31 December 23.

CURRENCY	Net	Maturity period	Unrealized gain/loss (-)
USD	Sale	2024	5.5
USD	Sale	2025	1.8
USD	Buy	2024	-7.6
USD	Buy	2025	-1.9
SEK	Sale	2024	-1.0
SEK	Sale	2025	-0.2
SEK	Buy	2024	1.6
EUR	Sale	2024	2.1
EUR	Sale	2025	0.6
EUR	Buy	2024	-2.1
Total value of open currency contracts as of 31 December 23			-1.3

The futures currency contracts are included as part of Scana Group's management of currency risk. See discussion in disclosure 21 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 7.9 million. In 2022 NOK 3.3 million is expensed as labor costs linked to the option program. See further discussion in disclosure 9 in the Scana Group accounts.

DISCLOSURE 9 | TAX

	2023	2022
BASIS FOR TAX PAYABLES		
Profit and loss (-) before tax	88.6	-15.2
Permanent/Other differences	-76.4	-26.2
Change temporary differences	2.8	-3.3
Change temporary differences tax loss carry forward	-14.9	44.8
Basis for tax payables	0.0	0.0

TAXES		
Tax payables	0.0	0.0
Changes in deferred tax assets	-17.1	-5.7
Tax - equity	0.0	5.7
Taxes	-17.1	0.0

	2023	2022
RECONCILIATION OF TAX EXPENSES TOWARDS ORDINARY PROFIT BEFORE TAX		
Current tax expenses	-17.1	0.0
22% of profit and loss (-) before tax	19.5	-3.4
Difference due to;	-36.6	3.4
Permanent/Other differences	-16.8	-5.8
Result investment subsidiary, tax - equity	0.0	5.7
Tax issue cost accounted for directly against equity	0.0	0.0
Change not recognized in the balance sheet/deferred tax benefit	-19.8	3.4
Changed tax rate	0.0	0.0

	2023	2022
SPECIFICATION OF BASIS OF DEFERRED TAX		
Fixed assets	-0.3	0.1
Receivables	0.0	-73.4
Derivates	-1.3	1.3
Gain and loss	0.0	0.0
Other liabilities	1.4	1.2
Taxables loss carry forward	-233.1	-174.7
Total of temporary differences	-233.3	-245.5
Deferred tax assets	-51.3	-54.0
Hereby recognized in the balance sheet deferred tax assets	51.3	34.2
Deferred tax assets no recognized in the balance	0.0	19.8

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 10 | OTHER NON-CURRENT RECEIVABLES

Other non-current receivables of NOK 2.2 million relates to pension premium fund.

DISCLOSURE 11 | BANK DEPOSIT

Bank deposits and cash amount to NOK 36.2 million. The company has issued a guarantee related to employee tax deduction.

DISCLOSURE 12 | SHARE CAPITAL

As of 31 December 2023, Scana ASA's share capital amounted to NOK 449 972 901 divided into 449 972 901 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 2022	440 582 901	440 583
Issue of new share capital	9 390 000	9 390
As of 31 Desember 2023	449 972 901	449 973

During 2023 there has been one share capital expansion. It took place in October 2023 connected to exercise of options. The share premium fund has increased by NOK 4.1 million in 2023 connected to the share issues.

DISCLOSURE 13 | EQUITY

	Share capital	Treasury shares	Share premium	Retained earnings	Equity
Equity as of 31 December 2022	440.6	0.0	98.7	141.5	680.8
Net income				105.7	105.7
Dividend				-22.6	-22.6
Issue of new share capital	9.4		4.1		13.5
Option program				3.3	3.3
Equity as of 31 December 2023	450.0	0.0	102.8	227.9	780.7

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

**) The extraordinary general meeting of Scana ASA was held on 20 March 2024 and decided to pay an extraordinary dividend of 0.05 per share.

DISCLOSURE 14 | LOANS AND BORROWINGS

		2023	2022
Bank overdraft	0	2.0	2.0
Accrued interests	2	2.2	2.2
Bank loan	20	20.0	20.0
Shareholder loan	0	0.0	0.0
Total current loans and borrowings	22	24.3	24.3

		2023	2022
Bank loan	95	130.9	130.9
Amortization	-1	-1.2	-1.2
Shareholder loan	0	0.0	0.0
Total non current loans and borrowings	94	129.7	129.7

In January 2022 Scana ASA entered into a new financing agreement with a bank loan of NOK 150 million. In addition Scana entered into a bank overdraft facility of NOK 110 million and a bank guarantee framework of NOK 60 million. During 2023 Scana ASA has repaid NOK 35 million. At the end of December 2023 the bank loan is NOK 95 million. Refer to disclosure 24 in the financial statements for further discussion of loans and borrowings.

DISCLOSURE 15 | MORTGAGES

	2023	2022
Of the company's interest-bearing debt, the following was secured by mortgage	115.8	184.2
BOOK VALUE OF MORTGAGES OBJECTS		
Shares in subsidiaries	799.2	764.6
Machines, fixtures, etc.	0.6	1.9
Total	799.8	766.5

DISCLOSURE 16 | OTHER CURRENT LIABILITIES

Other current liabilities consists of, taxes, social security and VAT amount to NOK 3.5 million (2022: NOK 1.4 million).

DISCLOSURE 17 | GUARANTEES

	2023	2022
Parent company guarantees and surety liability	275.3	179.8

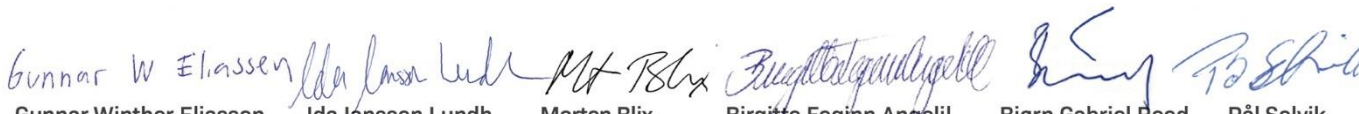
Approximately 41 % of all guarantees are connected to performance guarantees, linked to product and service deliveries to the Scana Group's businesses. 33 % are connected to advanced payment guarantees, 17 % are linked to rental guarantees and 9 % are on demand guaranties related to tax deductions.

Scana ASA guarantees amount to NOK 65.1 million on the balance sheet date. For further details read disclosure 26 in the Scana Group accounts.

DISCLOSURE 18 | SUBSEQUENT EVENT

Refers to the consolidated accounts disclosure 31.

Bergen, 19 April 2024



Gunnar Winther Eliassen **Ida Ianssen Lundh** **Morten Blix** **Birgitte Feginn Angeli** **Bjørn Gabriel Reed** **Pål Selvik**
 CHAIRMAN OF THE BOARD BOARD MEMBER BOARD MEMBER BOARD MEMBER BOARD MEMBER CEO

AUDITOR'S REPORT





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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 statement of financial position as at 31 December 2023 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 statement of financial position as at 31 December 2023, the statement of profit and loss, statement of other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and notes to the financial statements, including material accounting policy information.

In our opinion

- the financial statements comply with applicable legal requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2023 and its financial performance and 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 2023 and its financial performance and cash flows for the year then ended in accordance with IFRS Accounting 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 2 years from the election by the general meeting of the shareholders on 22 June 2022 for the accounting year 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 2023. 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.

Revenue recognition, project accounting

Basis for the key audit matter

A majority part of the Group's revenues are from contracts with customers recognized over time. Project revenue from contracts with customers are recognized over time based on incurred costs compared to the estimated total cost to fulfill the performance obligation. The estimates that have most impact on the recognition of revenue over time are estimated total project costs and projected revenues. Due to the complexity and the significant management estimates and judgment required to measure progress, revenue recognition from projects are considered as a key audit matter.

Our audit response

We assessed the application of accounting policies and the process for measuring the projects' progress and total consideration. For a sample of contracts we compared the estimated total project revenue to the contract and any change orders, performed testing of costs charged to the projects against invoices and assessed the determination of estimated total project costs. Further, we conducted interviews with project leaders and management to gain an understanding of the estimates and assumptions used. In addition, we analyzed the development of margins and assessed the historical accuracy of estimates versus actual project margins. We refer to note 2 and 4 in the consolidated financial statement.

Impairment assessment of goodwill and intangible assets

Basis for the key audit matter

At 31 December 2023, the carrying amount of the group's goodwill and intangible assets amounted to NOK 357 million. The goodwill and intangible assets are tested at least on an annual basis, or whenever there is an indication of impairment, based on changes in key assumptions. 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 value in use model, management's estimates relating to the future cash flows, and management's sensitivity analysis. 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 of the financial statements of the Company that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation of the consolidated financial statements of the Group that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU. Management is responsible for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern 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 5967007LIEEXZXI6WO83-2023-12-31-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

Independent auditor's report - Scana ASA 2023

A member firm of Ernst & Young Global Limited



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, 19 April 2024
ERNST & YOUNG AS

A handwritten signature in blue ink that reads 'Jørn Knutsen'.

Jørn Knutsen
State Authorised Public Accountant (Norway)

REPORT ON REMUNERATION FOR LEADING PERSONNEL

REPORT ON SALARY AND OTHER REMUNERATION TO LEADING PERSONNEL IN SCANA ASA FOR THE FINANCIAL YEAR 2023

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.

The Scana Group management’s remuneration in 2023 has followed the guidelines for remuneration adopted by the general meeting in 2021. The original guidelines for remuneration published in Norwegian 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 2023 Annual Report Guidelines for salary and other remuneration.

1.2 TOTAL REMUNERATION FOR LEADING PERSONNEL

Name	Position	Year	Fixed remuneration		Extraordinary items	Pension expense	Total Remuneration		Proportion of fixed and variable remuneration	
			Base salary	Fringe benefits	Variable	Fixed	Fixed	Variable	Fixed	Variable
Pål Selvik	CEO	2023*	1 333	7		99	1 439	-	100%	0%
		2022					-	-	0%	0%
Torvald Ulland Reiestad	CFO	2023	1 805	18		62	1 886	-	100%	0%
		2022	1 622	15	-	85	1 722	-	100%	0%
Oddbjørn Haukøy	CBO	2023*	3 211	18		62	3 291	-	100%	0%
		2022**	2 750	13		77	2 841	-	100%	0%
Anette Nettelund Dybvik	Head of Investor Relations & Communication	2023	1 145	22		52	1 218	-	100%	0%
		2022**	400	5		24	429	-	100%	0%
Baste Tveito	EVP Operations	2023*	1 678	35		55	1 768	-	100%	0%
		2022	-	-	-	-	-	-	0%	0%
Espen Brimsøe Thomassen	Former CCO	2023*	1 569	19		41	1 629	-	100%	0%
		2022	-	-	-	-	-	-	0%	0%
Styrk Bekkenes	Former CEO	2023*	1 808	60	6 827	37	1 905	6 827	22%	78%
		2022	3 100	124	-	84	3 308	-	100%	0%

* EVP Operations was hired from March 2023, CCO was hired from April 2023, CEO hired in September 2023 and Former CEO resigned in January 2023. CBO did in period from January 2023 to end August 2023 serve as interim CEO.

** CBO was hired from February 2022, while Head of Investor Relations and Communication was hired from September 2022.

*** Former CFO received extraordinary variable remuneration in 2023 related to exercising of share-option program of 393.

The resignation period for key personnel is from 3–6 months. Key personnel may have severance agreements involving salary for six-month period. Refers to disclosure 10 for description of pensions. The pension scheme for senior executives is contribution-based.

No loans, advance payments or collateral have been given to leading persons during 2023. On the balance sheet date, no leading persons have loans.

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. In 2023, fringe benefits include former CEOs' redemption of options as part of resignation.

VARIABLE REMUNERATION

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

EXTRAORDINARY ITEMS

An extraordinary payout was made as severance pay to former CEO as part of resignation. No extraordinary items were 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 Scana Group.

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			
				Share options awarded at the beginning of the year	Share options awarded	Exercised in 2023	Deducted in 2023	Share options vested	Share options subject to a performance condition	Share options awarded and unvested	Share options subject to a holding period						
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	Exercised in 2023	Deducted in 2023	Share options vested	Share options subject to a performance condition	Share options awarded and unvested	Share options subject to a holding period	
Torvald Ulland Reiestad	CFO - Scana ASA	Plan 1a	26.06.20 - 30.06.21	26.06.20	30.06.21	140 000	30.06.21	1.100	140 000							140 000	
		Plan 1b	26.06.20 - 30.06.22	26.06.20	30.06.22	140 000	30.06.22	1.210	140 000							140 000	
		Plan 1c	26.06.20 - 30.06.23	26.06.20	30.06.23	140 000	30.06.23	1.331	140 000				140 000			140 000	
		Plan 1d		26.06.20					1.464								
Torkjell Lisland	Managing Director - Seasystems AS	Plan 1a	21.06.19 - 30.06.20	21.06.19	30.06.20	140 000	30.06.20	1.100	140 000								
		Plan 1b	21.06.19 - 30.06.21	21.06.19	30.06.21	140 000	30.06.21	1.210	140 000								
		Plan 1c	21.06.19 - 30.06.22	21.06.19	30.06.22	140 000	30.06.22	1.331	140 000								
		Plan 1d		21.06.19					1.464			-420 000					
Styrk Bekkenes	Former CEO - Scana ASA	Plan 1a	21.06.19 - 30.06.20	21.06.19	30.06.20	2 100 000	30.06.20	1.100	2 100 000								
		Plan 1b	21.06.19 - 30.06.21	21.06.19	30.06.21	2 100 000	30.06.21	1.210	2 100 000								
		Plan 1c	21.06.19 - 30.06.22	21.06.19	30.06.22	2 100 000	30.06.22	1.331	2 100 000								
		Plan 1d		21.06.19					1.464	0		-6 300 000					
Kjetil Flesjå	Former CFO - Scana ASA	Plan 1a	21.06.19 - 30.06.20	21.06.19	30.06.20	140 000	30.06.20	1.100	140 000								
		Plan 1b	21.06.19 - 30.06.21	21.06.19	30.06.21	140 000	30.06.21	1.210	140 000								
		Plan 1c	21.06.19 - 30.06.22	21.06.19	30.06.22	140 000	30.06.22	1.331	140 000								
		Plan 1d		21.06.19					1.464			-420 000					
Total amount									7 560 000	7 560 000	0	-7 140 000	0	140 000	0	0	420 000

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.

Former CFO left the Scana Group with effect from 30 November 2020. He has retained his allocated options with associated rights. Former CEO left the company with effect from 12 January 2023. He has retained his allocated options with associated rights. In September 2023 options were exercised by options owners, not including CFO who exercised his options in January 2024.

The CEO has an incentive scheme where the intention is to turn this into an option scheme. This includes 2.5 million options divided into three tranches.

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

SHARE-BASED REMUNERATION FROM 2022

Name	Position	The main conditions of share option plans							Information regarding the reported financial year							
		Specification of plan	Performance period	Award date	Vesting Date	End of holding period	Exercise period	Strike price of the share	Opening balance	During the year			Closing balance			
									Share options awarded at the beginning of the year	Share options awarded	Exercised in 2023	Deducted in 2023	Share options vested	Share options subject to a performance condition	Share options awarded and unvested	Share options at the end of the year
Oddbjørn Haukøy*	CBO - Scana ASA	Plan 1a	24.01.22 - 30.06.23	24.01.22	30.06.23	2 000 000	30.06.23	1.400	2 000 000	0			2 000 000			2 000 000
		Plan 1b	24.01.22 - 30.06.24	24.01.22	30.06.24	2 000 000	30.06.24	1.470	2 000 000	0				2 000 000	2 000 000	2 000 000
		Plan 1c		24.01.22					1.470		0					
		Plan 1d	24.01.22 - 30.06.25	24.01.22	30.06.25	2 000 000	30.06.25	1.544	2 000 000	0				2 000 000	2 000 000	2 000 000
		Plan 1e		24.01.22					1.544	0	0					
Torvald Ulland Reiestad	CFO - Scana ASA	Plan 1a	24.01.22 - 30.06.23	24.01.22	30.06.23	333 333	30.06.23	1.400	333 333	0			333 333			333 333
		Plan 1b	24.01.22 - 30.06.24	24.01.22	30.06.24	333 333	30.06.24	1.470	333 333	0				333 333	333 333	333 333
		Plan 1c		24.01.22					1.470		0					
		Plan 1d	24.01.22 - 30.06.25	24.01.22	30.06.25	333 334	30.06.25	1.544	333 334	0				333 334	333 334	333 334
		Plan 1e		24.01.22					1.544	0	0					
Eirik Sørensen	Managing Director - PSW Power & Automation AS	Plan 1a	24.01.22 - 30.06.23	24.01.22	30.06.23	833 333	30.06.23	1.400	833 333	0	-833 333		833 333			
		Plan 1b	24.01.22 - 30.06.24	24.01.22	30.06.24	833 333	30.06.24	1.470	833 333	0				833 333	833 333	833 333
		Plan 1c		24.01.22					1.470	0	0					
		Plan 1d	24.01.22 - 30.06.25	24.01.22	30.06.25	833 334	30.06.25	1.544	833 334	0				833 334	833 334	833 334
		Plan 1e		24.01.22					1.544	0	0					
Erlend Einevoll	Managing Director - PSW Solutions AS	Plan 1a	24.01.22 - 30.06.23	24.01.22	30.06.23	833 333	30.06.23	1.400	833 333	0	-833 333		833 333			
		Plan 1b	24.01.22 - 30.06.24	24.01.22	30.06.24	833 333	30.06.24	1.470	833 333	0				833 333	833 333	833 333
		Plan 1c		24.01.22					1.470		0					
		Plan 1d	24.01.22 - 30.06.25	24.01.22	30.06.25	833 334	30.06.25	1.544	833 334	0				833 334	833 334	833 334
		Plan 1e		24.01.22					1.544	0	0					
Trond Ottar Bø	Managing Director - Skarpenord AS	Plan 1a	24.01.22 - 30.06.23	24.01.22	30.06.23	333 333	30.06.23	1.400	333 333	0			333 333			333 333
		Plan 1b	24.01.22 - 30.06.24	24.01.22	30.06.24	333 333	30.06.24	1.470	333 333	0				333 333	333 333	333 333
		Plan 1c		24.01.22					1.470	0	0					
		Plan 1d	24.01.22 - 30.06.25	24.01.22	30.06.25	333 334	30.06.25	1.544	333 334	0				333 334	333 334	333 334
		Plan 1e		24.01.22					1.544	0	0					

Name	Position	The main conditions of share option plans							Information regarding the reported financial year							
		Specification of plan	Performance period	Award date	Vesting Date	End of holding period	Exercise period	Strike price of the share	Opening balance	During the year			Closing balance			
									Share options awarded at the beginning of the year	Share options awarded	Exercised in 2023	Deducted in 2023	Share options vested	Share options subject to a performance condition	Share options awarded and unvested	Share options at the end of the year
Peter Jansson	Managing Director - Subseatec AB	Plan 1a	24.01.22 - 30.06.23	24.01.22	30.06.23	333 333	30.06.23	1.400	333 333	0	-333 333		333 333			
		Plan 1b	24.01.22 - 30.06.24	24.01.22	30.06.24	333 333	30.06.24	1.470	333 333	0			333 333	333 333	333 333	
		Plan 1c		24.01.22					1.470	0	0					
		Plan 1d	24.01.22 - 30.06.25	24.01.22	30.06.25	333 334	30.06.25	1.544	333 334	0			333 334	333 334	333 334	
		Plan 1e		24.01.22					1.544	0	0					
Anette Netteland Dybvik	Head of Investor Relations and Communication - Scana ASA	Plan 1a	24.01.22 - 30.06.23	07.06.22	30.06.23	250 000	30.06.23	1.400	250 000	0			250 000		250 000	
		Plan 1b	24.01.22 - 30.06.24	07.06.22	30.06.24	250 000	30.06.24	1.470	250 000	0			250 000	250 000	250 000	
		Plan 1c		07.06.22					1.470	0	0					
		Plan 1d	24.01.22 - 30.06.25	07.06.22	30.06.25	250 000	30.06.25	1.544	250 000	0			250 000	250 000	250 000	
		Plan 1e		07.06.22					1.544	0	0					
Morten Riiser	VP Finance - Scana ASA	Plan 1a	24.01.22 - 30.06.23	30.06.22	30.06.23	250 000	30.06.23	1.400	250 000	0			250 000		250 000	
		Plan 1b	24.01.22 - 30.06.24	30.06.22	30.06.24	250 000	30.06.24	1.470	250 000	0			250 000	250 000	250 000	
		Plan 1c		30.06.22					1.470	0	0					
		Plan 1d	24.01.22 - 30.06.25	30.06.22	30.06.25	250 000	30.06.25	1.544	250 000	0			250 000	250 000	250 000	
		Plan 1e		30.06.22					1.544	0	0					
Håvard Kallestad	SVP Operations & Business Development - PSW Technology AS	Plan 1a	24.01.22 - 30.06.23	24.01.22	30.06.23	250 000	30.06.23	1.400	250 000	0	-250 000		250 000			
		Plan 1b	24.01.22 - 30.06.24	24.01.22	30.06.24	250 000	30.06.24	1.470	250 000	0			250 000	250 000	250 000	
		Plan 1c		24.01.22					1.470	0	0					
		Plan 1d	24.01.22 - 30.06.25	24.01.22	30.06.25	250 000	30.06.25	1.544	250 000	0			250 000	250 000	250 000	
		Plan 1e		24.01.22					1.544	0	0					
Styrk Bekkenes	Former CEO - Scana ASA	Plan 1a	24.01.22 - 30.06.23	24.01.22	30.06.23	2 000 000	30.06.23	1.400	2 000 000	0			2 000 000		2 000 000	
		Plan 1b	24.01.22 - 30.06.24	24.01.22	30.06.24	2 000 000	30.06.24	1.470	2 000 000	0			2 000 000	2 000 000	2 000 000	
		Plan 1c		24.01.22					1.470	0	0					
		Plan 1d	24.01.22 - 30.06.25	24.01.23	30.06.25	2 000 000	30.06.25	1.544	2 000 000	0			2 000 000	2 000 000	2 000 000	
		Plan 1e		24.01.22					1.544	0	0					
Total amount						22 250 000		22 250 000	0	-2 249 999	0	7 416 665	14 833 335	14 833 335	20 000 001	

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.

Former CEO left the company with effect from 12 January 2023. He has retained his allocated options with associated rights. In September 2023 options were exercised by options owners, not including CBO Oddbjørn Haukøy who exercised his options in January 2024.

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 Scana 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

In 2023 the Scana 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 of these extraordinary circumstances is the event of a change of CEO. The deviation from the guidelines is limited to severance pay not having deductions for income from other sources and an own pension scheme for CEO not perfectly aligned with Scana ASA. See additional information in the group disclosure 10.

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 do 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		2018	2019	2020	2021	2022	2023
Name	Position						
Pål Selvik	CEO					-	1 439
Torvald Ulland Reiestad	CFO			529	1 817	1 722	1 886
Oddbjørn Haukøy	CBO					2 841	3 291
Anette Netteland Dybvik	Head of Investor Relations and Communication					429	1 218
Baste Tveito	EVP Operations					-	1 768
Espen Brimsøe Thomassen	CCO					-	1 629
	Former CEO (1)		1 652	2 086	3 568	3 308	1 905
	Former CFO	2 183	2 440	2 151	175	-	-
	Former CEO (2)	5 252				-	-
	Former Chairman of the Board	582	599	72	3	-	-
Remuneration for leading personnel		8 017	4 691	4 838	5 563	8 300	13 137
Average FTEs		97	104	102	91	301	435
Total remuneration for all employees		77 967	77 608	76 550	74 106	281 120	376 800
Remuneration - not leading personnel		69 950	72 917	71 712	68 543	272 820	363 663
Average FTE- not leading personnell		95	102	100	89	298	430
Average remuneration not leading personnel		736	715	717	774	916	846
EBITDA		- 12 706	10 636	34 593	16 655	70 627	184 259

YEARLY CHANGE- REMUNERATION FOR LEADING PERSONNEL

Remuneration for leading personnel		RFY-4 vs. RFY-5	RFY-3 vs. RFY-4	RFY-2 vs. RFY-3	RFY-1 vs. RFY-2	RFY vs. RFY-1	Information regarding Financial Year
Name	Position						
Pål Selvik	CEO					1 439	1 439
Torvald Ulland Reiestad	CFO		529	1 288	- 95	164	1 886
Oddbjørn Haukøy	CBO				2 841	450	3 291
Anette Netteland Dybvik	Head of Investor Relations and Communication				429	789	1 218
Baste Tveito	EVP Operations					1 768	1 768
Espen Brimsøe Thomassen	Former CCO					1 629	1 629
	Former CEO (1)	1 652	434	1 482	- 260	- 1 403	1 905
	Former CFO	257	- 289	-1 976	- 175		
	Former CEO (2)	-5 252					
	Former Chairman of the Board	17	- 527	- 69	- 3		
Total yearly change remuneration for leading personnel		-3 326	147	725	2 737	4 837	13 137
Yearly average change in remuneration for not leading personnel		- 21	2	57	142	- 70	846

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. Former CEO resigned in January 2023 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 Scana ASA'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 Directors of Scana ASA was paid TNOK 1,058 in fees in 2023 and TNOK 75 to the election committee. Board remunerations are paid annually in arrears and apply for the period from the ordinary general meeting 2022 to the Ordinary General Meeting 2023. Fees in arrears for the board elected in May 2022 with a term of office until June 2023 are specified below. In January, three out of seven board members stepped down, and one new board member was elected at the ordinary General Meeting in June 2023. The board was supplemented with new members elected at an extraordinary General meeting in September 2023. The supplementation was prompted by the former Chairman of the Board being hired as the new CEO for Scana ASA, leading to a vacancy, and another board member resigning.

Name	Position	Active period	Remuneration paid out in 2022	Remuneration paid out in 2023
Gunnar Eliassen	Chairman of the board	Aug 2023 -		
Morten Blix	Deputy Chair of the board /Board Member	Jan 2022 - Dec 2022 /Jun 2023-	90	115
Ida Ianssen Lundh	Board Member	Dec 2022 -		97
Bjørn Gabriel Reed	Board Member	Aug 2023 -		
Birgitte Feginn Angelil	Board Member	Dec 2022 -		97
Pål Selvik	Deputy chair of the board /Chairman of the board	Dec 2022 - Jan 2023 /Jan 2023 - Aug 2023		141
Vidar Rabben	Board Member	Dec 2022 - Aug 2023		97
Dag Schjerven	Former Chairman of the board	May 2018 - Jan 2023	300	174
Rune Magnus Lundetræ	Board Member	May 2021- Jan 2023	200	116
Marianne Lie	Board Member	May 2016 - Jan 2023	200	116
	Former Board Member	May 2018 - Dec 2022	200	103
	Former Board Member	May 2020 - Jan 2022	135	0
Total remuneration			1 125	1 058

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

Yearly change- Remuneration for leading personnel	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	Information regarding Financial Year
Gunnar Eliassen	Chairman of the board						
Morten Blix	Deputy Chair of the board /Board Member				90	25	115
Ida Ianssen Lundh	Board Member					97	97
Bjørn Gabriel Reed	Board Member						
Birgitte Feginn Angelil	Board Member					97	97
Pål Selvik	Deputy chair of the board /Chairman of the board					141	141
Vidar Rabben	Board Member					97	97
Dag Schjerven	Chairman of the board					-126	174
Rune Magnus Lundetræ	Board Member				200	-84	116
Marianne Lie	Board Member					-84	116
	Former Board Member					-97	103
	Former Board Member				-90	-135	
Total remuneration					200	-67	1 058

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

Bergen, 19 April 2024

					
Gunnar Winther Eliassen CHAIRMAN OF THE BOARD	Ida Ianssen Lundh BOARD MEMBER	Morten Blix BOARD MEMBER	Birgitte Feginn Angelil BOARD MEMBER	Bjørn Gabriel Reed BOARD MEMBER	Pål Selvik CEO



Statsautoriserte revisorer
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INDEPENDENT AUDITOR'S ASSURANCE REPORT ON REPORT ON REMUNERATION FOR SENIOR EXECUTIVES IN SCANA ASA FOR THE FINANCIAL YEAR 2023

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 2023 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. The firm applies International Standard on Quality Management, which requires the firm to design, implement and operate a system of quality management including policies or 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, 19 April 2024
ERNST & YOUNG AS

Jørn Knutsen
State Authorised Public Accountant (Norway)

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 annual general meeting in 2021 and shall apply until the Group’s annual general meeting in 2025, unless the guidelines are amended or replaced earlier.

2. PERSONNEL COVERED BY THE GUIDELINES

The Scana Group 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 Scana 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 annual general meeting at least every fourth year. The annual 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 Scana 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, the Scana Group 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 Scana 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 Scana 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 Scana 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 Scana ASA or other companies in the Scana 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 Scana Group. Pension schemes must be based on customary schemes and current legislation.

SHARE-BASED PROGRAM

On 24 June 2019, the Scana 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, Scana Group announced that leading personnel have been awarded a new share-based option program together with the General Managers of the subsidiaries. The options were vested by 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 of director's statement on the determination of remuneration for leading personnel will be sent out or made available to shareholders on Scana ASA's website, together with a notice of the Scana Group's annual general meeting, as well as the Scana Group's Annual Report.

BOARD AND MANAGEMENT

Board



Gunnar Winther Eliassen

Chairman of the board

Gunnar Winther Eliassen (b. 1985) has extensive experience from a wide range of different energy sectors having served as Investment Director for Seatankers Services (UK) LLP and as Partner at Pareto Securities Inc. Eliassen currently serves as a Director of KLX Energy Services and Vantage Ltd. Eliassen has previously held board positions at Valaris Ltd, Noram Drilling AS, Seadrill Ltd, Seadrill Partners Ltd, Quintana Energy Services, and Northern Drilling Ltd as well as executive rolls as CEO of ST Energy Transition Ltd and CEO of Northern Drilling. Eliassen holds a Master in Finance from Norwegian School of Economics, is Norwegian citizen and resides in the UK.



Ida Lanssen Lundh

Board member

Ida Lanssen Lundh (b. 1987) currently works as Senior Vice President Subsurface in OKEA ASA, previously VP Business Development and 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.



Morten Blix

Board member

Morten Blix (b. 1961) co-founded Herkules Private Equity Fund in 2003, and the responsible partner for the investments in PTC and Scana. Mr. Blix has an extensive investment experience from 14 years in the the Financial Investments division at Orkla from 1987 to 2001. Blix has been involved in a broad range of investment activities including private equity investments recent years.



Bjørn Gabriel Reed

Board member

Bjørn Gabriel Reed (b 1958) has been practicing as a business lawyer in Oslo since 1984, primarily as a Partner, Managing Partner, and Senior Partner at the law firm BÅHR; he now works as an independent trusted advisor and arbitrator for Norwegian and international assignments. Over the years, Reed has held board positions in industrial, financial, and commercial listed and unlisted companies.

Management



Pål Selvik

Chief executive officer

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).



Torvald Ulland Reiestad

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

Head of Investor Relations and Communication

Anette Netteland Dybvik (b. 1991) joined Scana ASA 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.



Oddbjørn Haukøy

Chief business 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.



Baste Tveito

Executive Vice President Operations

Baste Tveito (b. 1964) has broad experience from senior management positions within oil & gas, systems industry, and several business organizations. He has international sales and negotiation experience and has built up and commercialized several products from research and development to finished system solutions.

Scana[★]

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