Scana

Powering the ocean industries

# Interim report

2nd quarter and
first half year 2022

Bergen, 24 August 2022

# Scana wins pivotal contracts with new electrification offerings

- The revenue for Q2 was NOK 206 million, which is an increase of 128 % from last year. For 1HY the revenue was NOK 413 million, which is an increase of 127 % from last year.
- EBITDA for Q2 was NOK 20 million, which is an increase of 142 % from last year. For 1HY EBITDA was NOK 36 million, which is an increase of 141 % from last year.
- The order backlog at the end of the quarter was NOK 444 million, a new record high.
- The record high order intake of NOK 270 million gives a book to bill of 1.3x.
- Scana wins pivotal contracts and enters new markets with an expanded product portfolio, including fast charging systems for electric ferries and mobile battery systems for industrial use.

## SUBSEQUENT EVENTS:

- PSW Power & Automation has entered into the market of mobile battery systems for industrial use with contracts for the European rental companies Zeppelin Rental GmbH and Energyst Rental Solutions.
- PSW Power & Automation has signed a contract for the design, assembly, and testing of a topside E-House module for an international subsea company
- Subseatec has signed a contract with an international energy company for the delivery of riser joints.

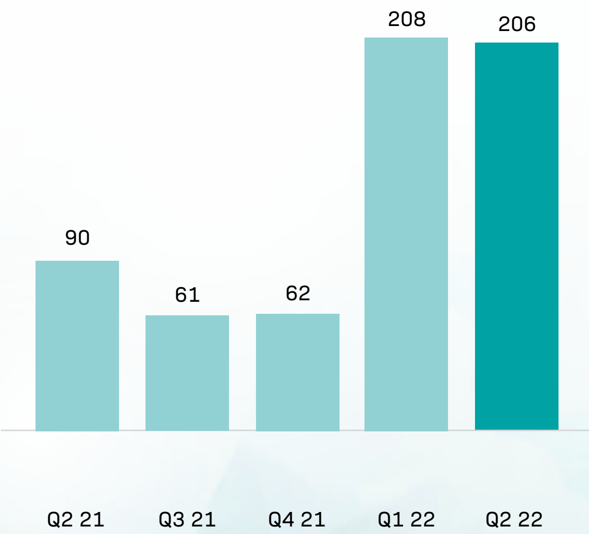
# KEY FIGURES | GROUP

| | QUARTER | | YEAR TO DATE | |
|---|---|---|---|---|
| **NOK million** | **Q2 22** | **Q2 21** | **2022** | **2021** |
| Revenue | 206 | 90 | 413 | 182 |
| EBITDA | 20 | 8 | 36 | 15 |
| Order intake | 270 | 33 | 518 | 91 |
| Order backlog | 444 | 126 | 444 | 126 |
| NIBD | 227 | -2 | 227 | -2 |
| Lease liabilities | 405 | 9 | 405 | 9 |

PSW consolidated from 1 January 2022 and ATC from 1 February 2022.

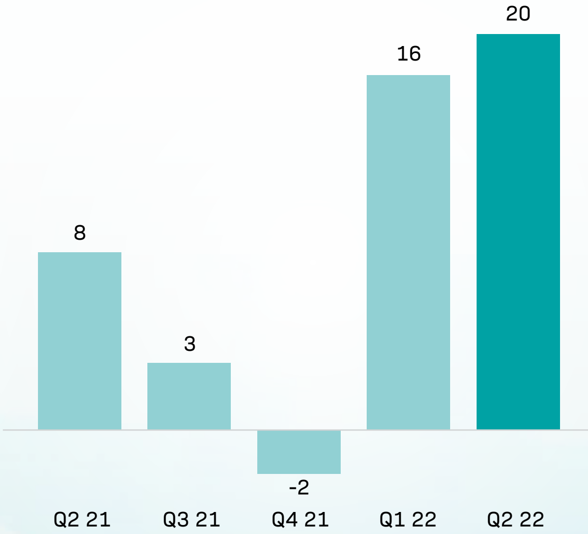
## REVENUE

**NOK million**



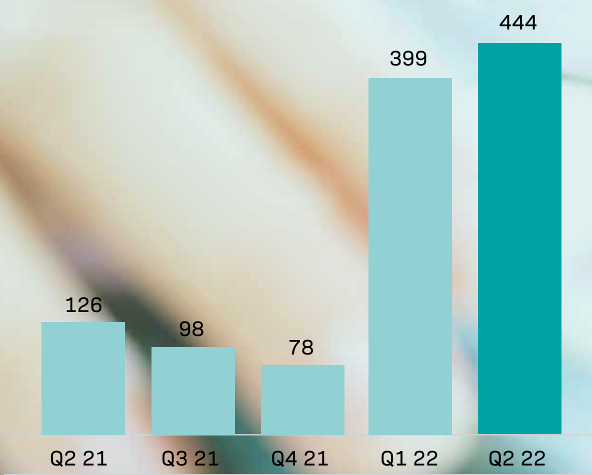

## EBITDA

**NOK million**



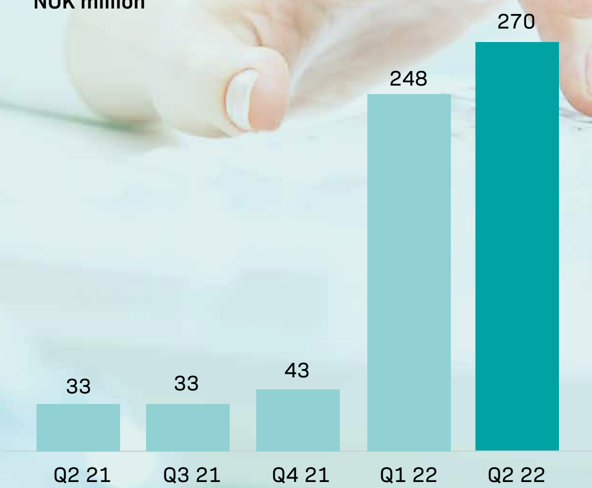

## ORDER BACKLOG

**NOK million**




## ORDER INTAKE

**NOK million**

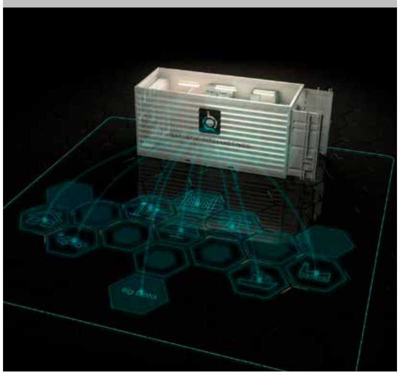


# Powering the ocean industries

The first half of 2022 is marked by the launch of our strategy to Power the ocean industries. From a strong base in the Bergen area Scana will support electrification and decarbonisation of maritime and energy sectors through our business areas OFFSHORE, ENERGY and MARITIME.

OFFSHORE

ENERGY



MARITIME

During the quarter Scana entered into new markets and expanded its product offering within electrification with fast charging systems to electric ferries and mobile battery systems for industrial use. Sizeable contracts for the new and existing product offerings were won in Sweden, Iceland, Germany and Netherlands, and the European expansion for the ENERGY business area is gaining speed.

In the OFFSHORE business area, tendering activities remain at a high level with capacity constraints expected to be an issue for rig owners in the short to medium term. The expected uptick in OFFSHORE is, however, somewhat delayed, partly due to timing of large tenders and pending rig contracts.

Within MARITIME, the positive trend continued for mooring solutions and a substantial contract for mooring solutions to Brazil was added to the order backlog.

High energy prices and the green transition are increasingly driving demand for our service offerings. On the other hand, high energy prices drive cost which has a negative impact on profitability. Component shortage and freight constraints have been, and may continue to be, an issue and cause delays in project and product deliveries. To secure competitiveness in upcoming tenders, certain key components with long lead times have been ordered. Delayed project deliveries have a negative short-term impact on working capital as milestone payments are delayed.

The tendering activities are strong across our business areas with several contracts expected to be decided in second half year.

## ORDER INTAKE AND BACKLOG

The order intake for the quarter was NOK 270 million, compared to NOK 33 million last year (+725 %), of which NOK 153 million is derived from the acquisitions of PSW and ATC. The order intake represents a book to bill ratio of 1.3x. The order backlog was NOK 444 million at the end of the quarter compared to NOK 126 million last year (+251 %), of which NOK 273 million relates to PSW and ATC.
The business area ENERGY constituted NOK 180 million of the order backlog, emphasising Scana's transition towards the electrification megatrend.

## REVENUE AND RESULTS

In the second quarter revenue for the group was NOK 206 million, compared to NOK 90 million second quarter 2021 (+128 %), of which NOK 149 million is related to acquisitions. The EBITDA of the quarter was NOK 20 million, compared to NOK 8 million (+142 %) one year earlier, of which the contributions from PSW and ATC were NOK 21 million.

The underlying decline in revenue excluding acquisitions is mainly related to fewer mooring projects in Q2 2022 compared to last year. A strong order intake will improve this going forward.

Increased energy prices and challenges in the supply chain has a negative impact on profitability compared to last year.  Furthermore HQ cost has increased due to strengthening organisation with CCO from February 22 and one off cost related to strategy of MNOK 3.

Year to date group revenue was NOK 413 million, compared to NOK 182 million (127 %) in the prior-year period, of which PSW and ATC represented NOK 308 million. The group achieved NOK 36 million in EBITDA year to date compared to NOK 15 million in the same period last year, of which the contributions from PSW and ATC were NOK 39 million.

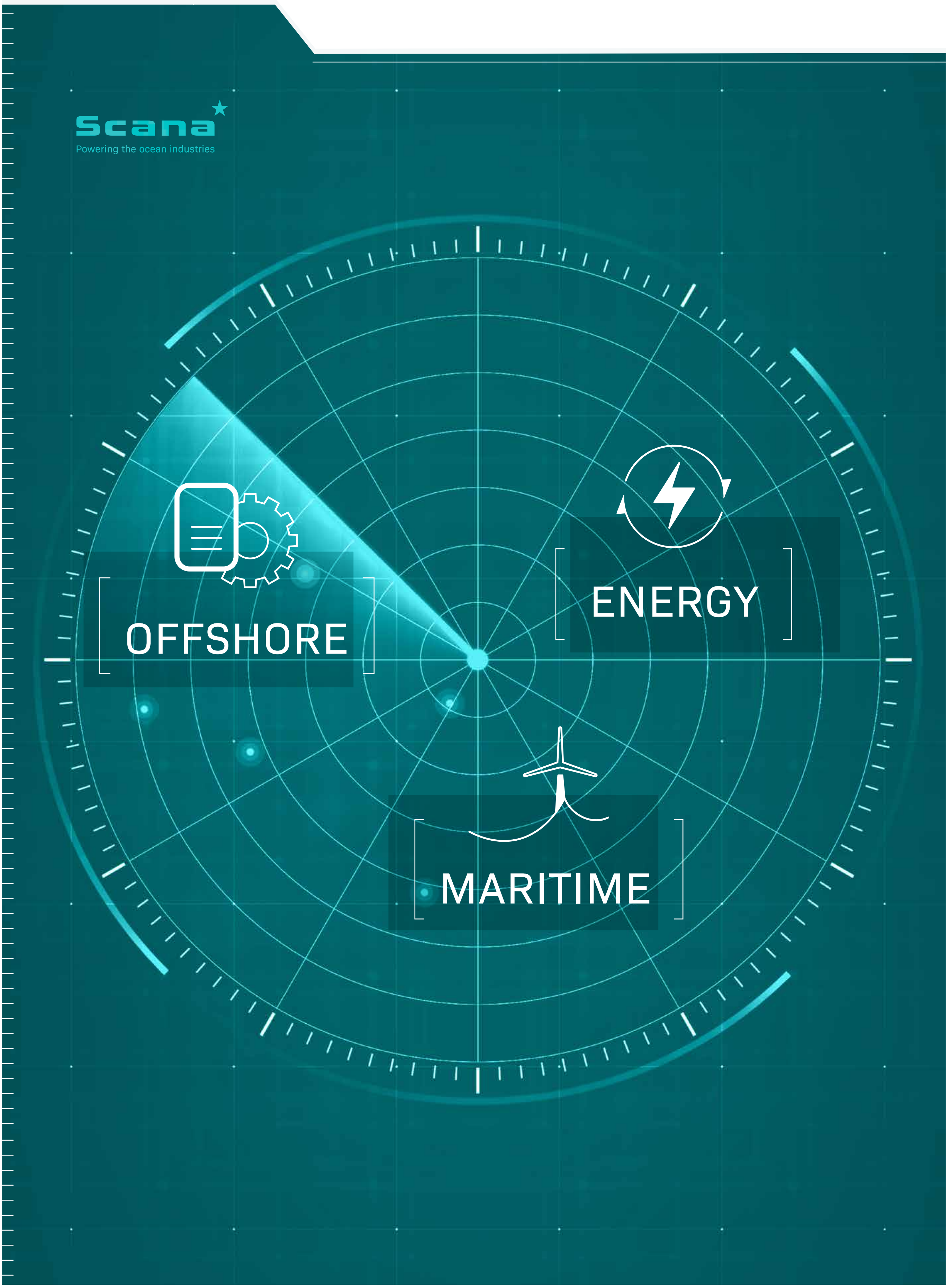
## FINANCING AND LIQUIDITY

Scana had an available liquidity reserve at the end of the quarter of NOK 104 million, of which NOK 104 million were undrawn credit-facility. Bank financing consists of NOK 163 million with MNOK 5 in quarterly instalments. In addition, seller credits constitute NOK 60 million, of which NOK 13 million is short-term. The equity was NOK 456 million at the end of the quarter, compared with NOK 102 million at year-end 2021, corresponding to an equity ratio of 34 %. The increase was mainly a consequence of the issuance of 285 909 295 shares related to the PSW transaction completed 11 January 2022.

The cash flow from operation was negative NOK 26 million in the second quarter compared to NOK 19 million in the second quarter 2021 due to working capital build up and growth. Project delays has caused increase in both trade receivables and contract assets. Net cash flow from investing activities was negative NOK 1 million in the second quarter versus NOK 1 million in the comparable quarter last year. Year to date net cash flow from investing activities was negative NOK 431 million driven by the acquisitions of PSW and ATC. The cash flow from financing activities was NOK 26 million in the current quarter and year to date NOK 412 million driven by the private placement and the new financing agreement related to the acquisition of PSW.

Due to the negative cashflow in the quarter Scana has a strong focus on improving cashflow and financial flexibility going forward.

As of June 30 2022 Scana is compliant with covenants.


Powering the ocean industries
OFFSHORE
ENERGY
MARITIME

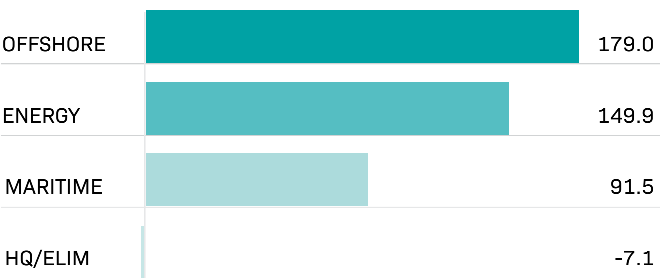
# Overview business areas

Scana ASA is a listed industrial owner in the ocean industries creating value through active ownership in market-leading portfolio companies. The company is headquartered in Bergen. The group consists of the three business areas OFFSHORE, ENERGY and MARITIME, where each portfolio company has its own organization, management, and board with full responsibility for its own operation and development.

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

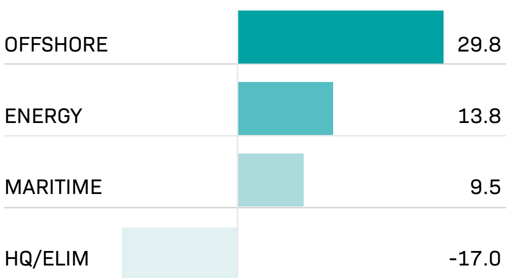
REVENUE YEAR TO DATE 2022

**NOK million** **GROUP 413.3**




EBITDA YEAR TO DATE 2022

**NOK million** **GROUP 36.1**

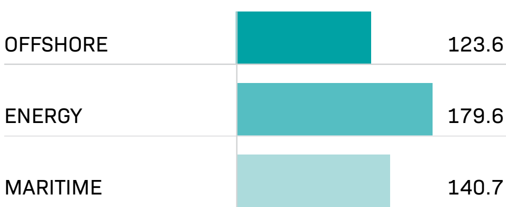



ORDER INTAKE YEAR TO DATE 2022

**NOK million** **GROUP 517.6**


ORDER BACKLOG YEAR TO DATE 2022

**NOK million** **GROUP 444.0**



# 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.

# OFFSHORE

PORTFOLIO COMPANIES:

- PSW TECHNOLOGY
- PSW SOLUTIONS
- SUBSEATEC

Our OFFSHORE business area consists of PSW Technology, PSW Solutions and Subseatec. They provide high end products and services to the offshore industries.

The business area had an order backlog of NOK 124 million at the end of the quarter. A strong backlog within surface treatment resulted in an increase of NOK 81 million (+193 %) from the same quarter last year, where the main driver was the acquisition of PSW. The order intake was NOK 107 million, giving a book to bill of 1.1x and an increase of NOK 107 million from Q2 last year with a sizeable contract for marine risers to a rig company being a key signing in June.

The revenue in the quarter was NOK 95 million, up from NOK 14 million (+574 %) from Q2 last year. The increase is driven by the purchase of PSW. EBITDA was NOK 16 million in the quarter, compared to NOK 1 million last year. While the surface treatment business delivered strong results in Q2, low utilization in the well control business impacted profits negatively. Short term measures to reduce capacity cost have been implemented and are being closely monitored. Currently, maintaining capacity for expected uptick is prioritised over significant cost cuts as tender activities are high.

While continuous high energy prices provide a good macro environment for Offshore, improvement in revenue and profitability is pending on timing and success-rate on ongoing tenders.

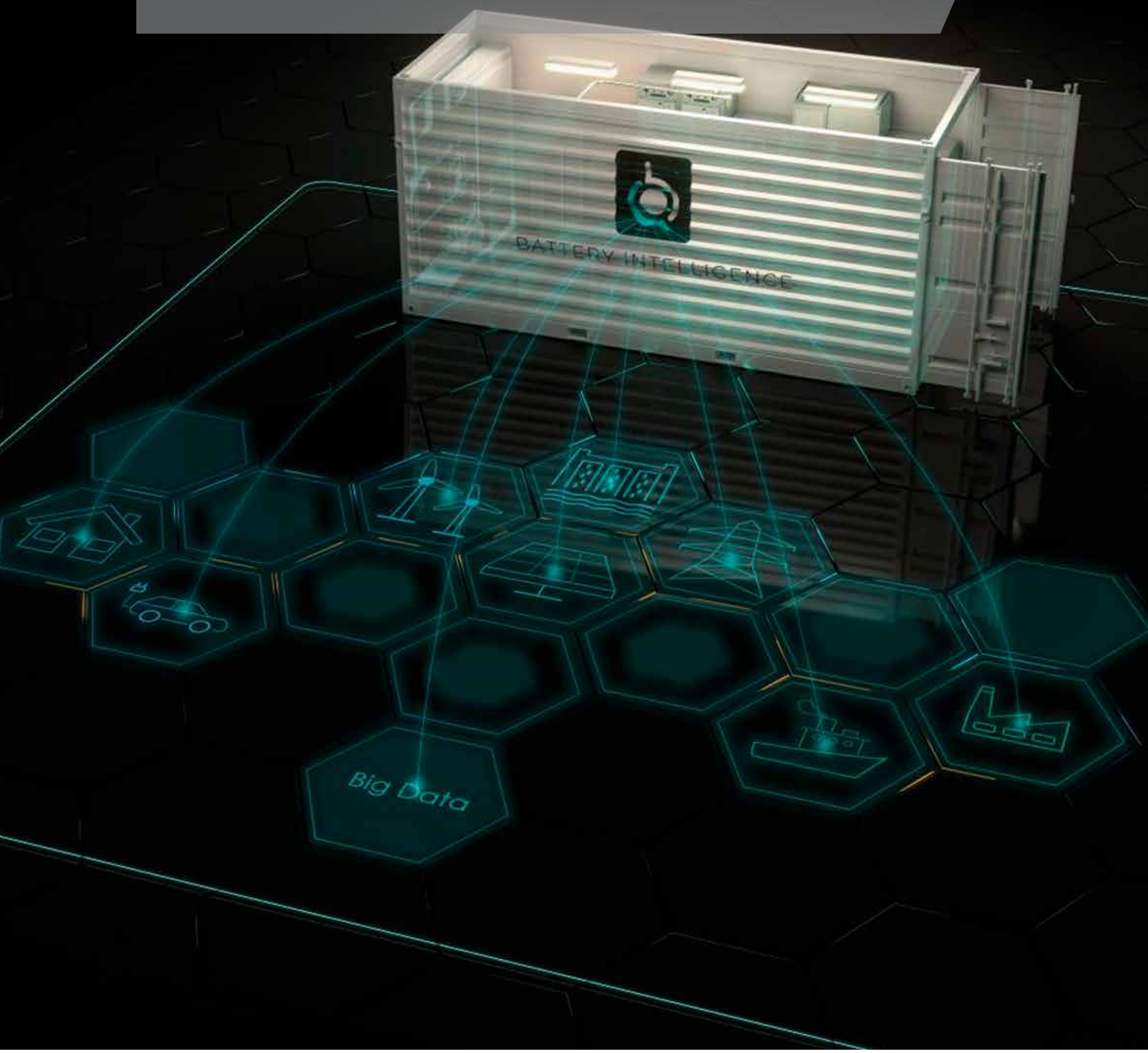
| | QUARTER | | YEAR TO DATE | |
|---|---|---|---|---|
| **NOK million** | **Q2 22** | **Q2 21** | **2022** | **2021** |
| Revenue | 94.7 | 14.0 | 179.0 | 44.2 |
| EBITDA | 16.0 | 1.0 | 29.8 | 5.9 |
| EBIT | 0.3 | 0.9 | (0.8) | 5.7 |
| EBT | (6.4) | 0.7 | (15.5) | 1.9 |
| Investments*) | 2.5 | 0.2 | 3.6 | 0.2 |
| Order intake | 107.4 | 0.6 | 197.6 | 21.1 |
| Order backlog | 123.6 | 42.2 | 123.6 | 42.2 |

**) Investments ex business combinations.*

PSW Technology and PSW Solutions included from January 1 2022. YTD 2021 only includes Subseatec.

# ENERGY

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



# ENERGY

PORTFOLIO COMPANIES:

- PSW POWER & AUTOMATION
- TRANS CONSTRUCTION (ATC)

ENERGY consists of PSW Power & Automation and ATC and is a leading player within electrification of the ocean industries with shore power systems, energy storage systems and e-house modules as key offerings.

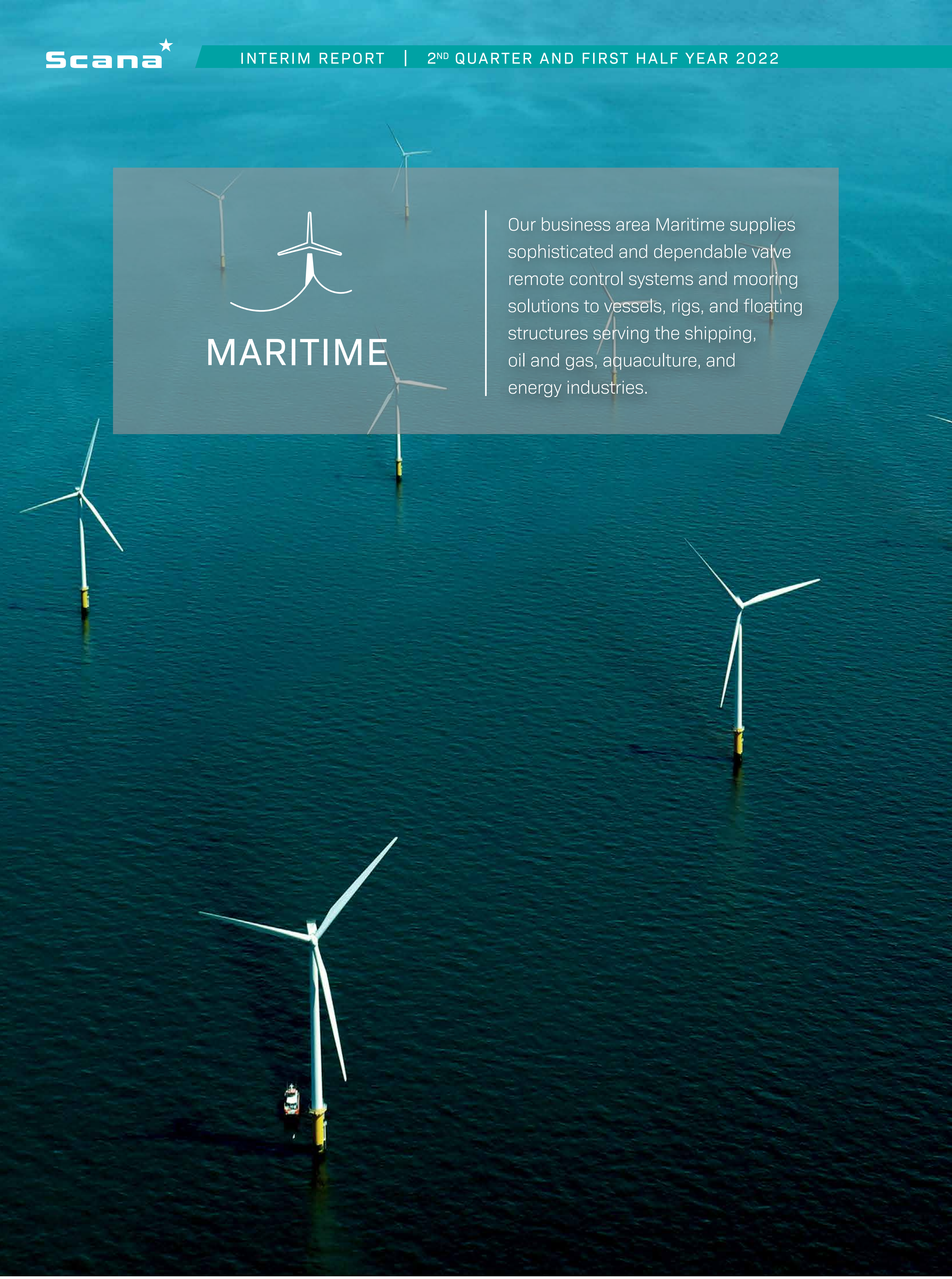
ENERGY had an order backlog of NOK 180 million at the end of Q2. Shore power systems make up most of these orders. The order intake in the quarter was NOK 67 million, giving a book to bill of 1.0x. The European expansion has continued with a new shore power system to Iceland and a fast-charging system for ferries to Sweden. In July, the product portfolio was expanded with mobile battery systems for industrial use with contracts for Energyst and Zeppelin, two large European players within industrial rental. Furthermore, the signing of an e-house contract in July is a materialisation of the expected synergies from the ATC acquisition.

The revenue for the quarter was NOK 65 million, with the deliveries of shore power systems to Ålesund and Bodø entering the final phase. EBITDA was NOK 8 million with margins being negatively affected with delays caused by component shortage impacting project deliveries.

The growing attention to high energy prices and decarbonisation attracts interest both for current product offerings and for spin-off products where mobile battery systems were added to our product portfolio this quarter. The electrification of European shores will continue to drive demand for our services, and we also see a strong demand for e-house modules to support offshore decarbonisation.

| | QUARTER | | YEAR TO DATE | |
|---|---|---|---|---|
| **NOK million** | **Q2 22** | **Q2 21** | **2022** | **2021** |
| Revenue | 64.8 | - | 149.9 | - |
| EBITDA | 7.7 | - | 13.8 | - |
| EBIT | 2.9 | - | 4.2 | - |
| EBT | 0.3 | - | (0.6) | - |
| Investments*) | 1.1 | - | 5.1 | - |
| Order intake | 66.9 | - | 142.7 | - |
| Order backlog | 179.6 | - | 179.6 | - |

**) Investments ex business combinations.*



# MARITIME

Our business area Maritime supplies 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

PORTFOLIO COMPANIES:

- SKARPENORD
- SEASYSTEMS

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.

MARITIME had a revenue of NOK 53 million in the quarter, down from NOK 76 million (-31 %) in the same quarter last year due to reduced project activities in Seasystems. EBITDA was NOK 6 million in the quarter, compared to NOK 15 million (-60 %) last year. While the mooring business continue to deliver good profit margins, the valve control business is negatively impacted by one larger project and challenges in the supply chain delaying aftermarket deliveries.

The order intake for the quarter was NOK 95 million, compared to NOK 32 million (+197 %) in the corresponding quarter last year. A mooring contract with delivery in Brazil was the most significant order this quarter. The order intake represents a book to bill of 1.8x.

The order backlog was NOK 141 million, compared to NOK 84 million (+67 %) same quarter last year.

With a market exposure towards all the main ocean industries there are several interesting opportunities to pursue in the coming quarters. Tender activities have increased in the FSRU and FPSO segments. In the medium term the energy crisis is likely to accelerate offshore wind projects, where we are well positioned with our mooring solutions on Hywind Tampen being an important reference in the market. While rising energy prices are expected to drive demand for our offering to the energy market, the rise in steel prices and other input factors increase project cost and may postpone investment decisions in e.g. aquaculture.

For Seasystems, which has few and large contracts with a typical development phase of 2–5 years, significant fluctuations in sales and order intake from quarter to quarter can be expected.

| | QUARTER | | YEAR TO DATE | |
|---|---|---|---|---|
| **NOK million** | **Q2 22** | **Q2 21** | **2022** | **2021** |
| Revenue | 52.6 | 75.8 | 91.5 | 137.5 |
| EBITDA | 6.1 | 15.4 | 9.5 | 20.6 |
| EBIT | 4.6 | 13.9 | 6.4 | 17.6 |
| EBT | (0.8) | 10.8 | 0.6 | 13.9 |
| Investments*) | 0.6 | 0.7 | 1.0 | 0.7 |
| Order intake | 95.2 | 32.1 | 177.4 | 69.6 |
| Order backlog | 140.7 | 84.1 | 140.7 | 84.1 |

**) Investments ex business combinations.*

# Financial statements second quarter and first half 2022

## INCOME STATEMENT | GROUP

| | | QUARTER | | YEAR TO DATE | | FULL YEAR |
|---|---|---|---|---|---|---|
| **NOK million** | *Disclosure* | **Q2 22** | **Q2 21** | **2022** | **2021** | **2021** |
| **Revenues** | *2/11* | **205.5** | **90.1** | **413.3** | **182.0** | **304.7** |
| Cost of goods | | (83.2) | (47.7) | (177.1) | (106.0) | (169.8) |
| Payroll expenses | *12* | (79.9) | (23.9) | (160.8) | (45.5) | (87.6) |
| Other operating expenses | | (22.6) | (10.3) | (39.3) | (15.6) | (30.7) |
| **EBITDA** | *2* | **19.8** | **8.2** | **36.1** | **15.0** | **16.7** |
| Depreciation/amortization/impairment | *2/7/10* | (22.2) | (1.7) | (43.4) | (3.5) | (8.2) |
| **Operating profit / (loss) - EBIT** | *2* | **(2.3)** | **6.5** | **(7.3)** | **11.5** | **8.4** |
| Net interest expense | | (9.8) | (1.5) | (19.2) | (2.8) | (5.7) |
| Net currency gain / loss (-) | | (1.9) | (0.9) | (1.2) | (0.9) | (2.0) |
| Other financial income / expense (-) | *8* | (1.0) | (1.2) | (0.4) | (1.9) | 1.3 |
| Net financial income / expense (-) | | (12.7) | (3.6) | (20.8) | (5.6) | (6.4) |
| | | | | | | |
| **Profit / (loss) before tax - continuing operations** | | **(15.0)** | **2.9** | **(28.1)** | **5.9** | **2.0** |
| Income tax expense | *9* | 0.0 | 0.0 | 0.0 | 0.0 | (24.3) |
| **Net profit / (loss) - continued operation** | *2* | **(15.0)** | **2.9** | **(28.1)** | **5.9** | **26.3** |
| | | | | | | |
| Net profit / (loss) - discontinued operations | *2* | 0.0 | 0.0 | 0.0 | 0.4 | 0.4 |
| **Net profit / (loss)** | | **(15.0)** | **2.9** | **(28.1)** | **6.3** | **26.8** |
| | | | | | | |
| Earnings per share - continued operations | | (0.04) | 0.03 | (0.07) | 0.06 | 0.25 |
| | | | | | | |
| **Other comprehensive income** | | | | | | |
| Exchange difference on translations of foreign operations | | (0.0) | (0.7) | (0.6) | (0.6) | (0.7) |
| Other comprehensive income | | (0.0) | (0.7) | (0.6) | (0.6) | (0.7) |
| **Total comprehensive income** | | **(15.0)** | **2.2** | **(28.7)** | **5.7** | **26.1** |

# BALANCE SHEET | GROUP

| NOK million | *Disclosure* | 30.06.22 | 30.06.21 | 31.12.21 |
|---|---|---|---|---|
| Deferred tax assets | *9* | 66.4 | 36.8 | 60.3 |
| Goodwill | | 210.8 | 0.0 | 0.0 |
| Intangible assets | *7* | 126.2 | 1.2 | 1.8 |
| Right-of-use assets | *7/10* | 399.1 | 14.4 | 7.5 |
| Property, plant and equipment | *7* | 131.1 | 8.3 | 11.8 |
| Investments in associates | *8* | 31.4 | 29.1 | 31.4 |
| Other non-current assets | *5* | 38.6 | 1.9 | 2.0 |
| **Total non-current assets** | | **1 003.6** | **91.7** | **114.8** |
| Inventories | | 55.3 | 10.8 | 13.4 |
| Trade receivables | *4/5* | 186.0 | 31.4 | 39.7 |
| Contract assets | *13* | 84.4 | 24.7 | 18.8 |
| Derivatives | *4/5* | 0.7 | 2.6 | 0.1 |
| Other current receivables | *5* | 0.6 | 4.1 | 0.0 |
| Prepaid expenses | *5* | 13.9 | 6.2 | 7.6 |
| Cash and cash equivalents | *5/6* | 0.0 | 38.4 | 29.0 |
| **Total current assets** | | **341.1** | **118.2** | **108.6** |
| **Total assets** | ***2*** | **1 344.7** | **209.9** | **223.4** |
| | | | | |
| Paid-in capital | | 1 086.7 | 704.4 | 704.4 |
| Retained earnings | | (630.9) | (623.6) | (602.3) |
| **Total shareholders' equity** | | **455.7** | **80.9** | **102.1** |
| Interest-bearing non-current liabilities | *3/4/5/6* | 184.7 | 0.0 | 0.0 |
| Non-current lease liabilities | *3/4/5/10* | 335.4 | 5.5 | 4.4 |
| Deferred tax liabilities | *9* | 34.1 | 4.2 | 2.9 |
| Other non-current liabilities | | 2.0 | 1.9 | 2.0 |
| **Total non-current liabilities** | ***2*** | **556.3** | **11.5** | **9.3** |
| Interest-bearing current liabilities | *3/4/5/6* | 42.0 | 36.0 | 38.3 |
| Current lease liabilities | *3/4/5/10* | 69.4 | 3.8 | 3.5 |
| Trade payables | *4/5* | 78.1 | 16.8 | 20.4 |
| Contract liabilties | *13* | 32.1 | 15.4 | 15.7 |
| Derivatives | *4/5* | 8.0 | 0.6 | 1.0 |
| Other current liabilities | *5* | 103.1 | 45.0 | 33.0 |
| **Total current liabilities** | ***2*** | **332.6** | **117.5** | **111.9** |
| **Total liabilities and shareholders' equity** | | **1 344.7** | **209.9** | **223.4** |

## STATEMENT OF CASH FLOW | GROUP

| | | QUARTER | | YEAR TO DATE | | FULL YEAR |
|---|---|---|---|---|---|---|
| **NOK million** | *Disclosure* | **Q2 22** | **Q2 21** | **2022** | **2021** | **2021** |
| Profit / (loss) before tax - continuing operations | | (15.0) | 2.9 | (28.1) | 5.9 | 2.0 |
| Taxes paid | | (0.3) | (0.1) | (0.6) | (0.2) | (0.5) |
| Gain / loss - continued operations | | (3.1) | 0.7 | (4.2) | 0.7 | (3.3) |
| Currency exchange differences and non cash element | *5* | 8.8 | 1.1 | 8.9 | 5.5 | 12.9 |
| Depreciation/amortization/impairment | *2/7/10* | 22.2 | 1.7 | 43.4 | 3.5 | 8.2 |
| Net interest costs | | 9.8 | 1.5 | 19.2 | 2.8 | 5.7 |
| Interest received | | 0.2 | 0.0 | 0.5 | 0.0 | 0.0 |
| Change in net working capital | | (48.0) | 11.2 | (54.8) | 10.1 | 0.0 |
| **Net cash flow from operating activities** | | **(25.5)** | **19.0** | **(15.7)** | **28.3** | **25.1** |
| Proceeds from sale of property. plant and equipment | | 3.1 | 0.0 | 3.2 | 0.0 | 0.3 |
| Purchase of property. plant and equipment | | (3.8) | (0.1) | (9.4) | (0.1) | (1.8) |
| Proceeds from sale of shares | | 0.0 | 0.1 | 0.0 | 0.1 | 0.1 |
| Liquidity bought/sold business | | 0.0 | (0.1) | 57.2 | (0.1) | (0.1) |
| Investments in business / Received dividend | | 0.0 | 0.9 | (481.8) | 0.9 | 0.9 |
| **Net cash flow from investing activities** | | **(0.7)** | **0.9** | **(430.9)** | **0.8** | **(0.6)** |
| Proceeds from new interest-bearing non-current liabilities | | 0.0 | 0.0 | 147.0 | 0.0 | 0.0 |
| Repayment interest-bearing non-current liabilities | *3* | (5.0) | 0.0 | (58.5) | 0.0 | 0.0 |
| Repayment of lease liabilities | *10* | (11.9) | 0.8 | (22.7) | (0.3) | (3.7) |
| Proceeds from seller credit | | 0.0 | 0.0 | 12.5 | 0.0 | 0.0 |
| Repayment of current interest-bearing debt | | 0.0 | 0.0 | (21.7) | 0.0 | 0.0 |
| Proceeds from issue of shares | | 0.0 | 0.0 | 374.3 | 0.0 | 0.0 |
| Paid other finance expenses | | (0.1) | (0.1) | (2.1) | (0.1) | (0.2) |
| Paid interest | | (8.7) | (0.5) | (16.8) | (1.0) | (1.7) |
| **Net cash flow from financing activities** | | **(25.7)** | **0.2** | **412.0** | **(1.3)** | **(5.6)** |
| **Net cash flow** | | **(51.9)** | **20.1** | **(34.5)** | **27.8** | **18.9** |
| Cash and cash equivalents at beginning of period | | 45.7 | 17.6 | 28.9 | 11.1 | 11.1 |
| Net foreign exchange difference | | 0.6 | 0.6 | 0.1 | (0.6) | (1.2) |
| **Cash and cash equivalents at end of period** | *6* | **(5.6)** | **38.3** | **(5.6)** | **38.3** | **28.9** |

## STATEMENT OF CHANGE IN EQUITY | GROUP

| NOK million | Issued capital | Paid-in capital | Retained earnings | Total equity ex. minority interests | Non-controlling interests | Total equity |
|---|---|---|---|---|---|---|
| Equity as at 1 January 2021 | 107.5 | 596.9 | (630.1) | 74.3 | 0.0 | 74.3 |
| Total comprehensive income current period | | | 26.1 | 26.1 | 0.0 | 26.1 |
| Option program / incentive scheme | | | 1.7 | 1.7 | | 1.7 |
| **Equity as at 31 December 2021** | **107.5** | **596.9** | **(602.3)** | **102.1** | **0.0** | **102.1** |

| NOK million | Issued capital | Paid-in capital | Retained earnings | Total equity ex. minority interests | Non-controlling interests | Total equity |
|---|---|---|---|---|---|---|
| Equity as at 1 January 2022 | 107.5 | 596.9 | (602.3) | 102.1 | 0.0 | 102.1 |
| Total comprehensive income current period | | | (28.7) | (28.7) | 0.0 | (28.7) |
| Option program / incentive scheme | | | 2.3 | 2.3 | | 2.3 |
| Changes - paid in capital | 285.9 | 94.1 | | 380.0 | 0.0 | 380.0 |
| **Equity as at 30 June 2022** | **393.4** | **691.0** | **(628.7)** | **455.7** | **0.0** | **455.7** |

## DISCLOSURE 1 | OVERALL INFORMATION

The consolidated financial statements for Scana ASA for the second quarter of 2022 were approved by the Board of Directors on 24 August 2022. The interim report has been prepared in accordance with IAS 34 Interim Financial Reporting. The condensed interim report does not include all disclosure information required in the financial statements. The interim report should be read in connection with the annual accounts 2021, which contain a full overview of applied accounting principles. The group has used the same accounting principles and calculation methods as in the last annual accounts. All figures are given in NOK million. The accounting figures have not been audited.

The financial statements have been prepared on the assumption of going concern and the Board confirms the assumption in accordance with the Accounting Act § 3-3a.

Scana has currently seen limited effects in the profit and loss statement due to Russia's invasion of Ukraine. Higher prices from our supplier and challenges in global supply chains will affect the group, but in the short term we do not have the total picture of the effects. Scana will monitor this matter closely. See page four for more information.

## DISCLOSURE 2 | SEGMENT

Scana has three business areas being Energy, Offshore and Maritime.

ENERGY delivers shore power and energy storage solutions to the ocean industries. OFFSHORE delivers products, services, and lifetime extensions to several segments of the offshore industries. MARITIME delivers mooring solutions to floating structures across the ocean industries and valve control systems to the shipping and offshore industry.

"Scana HQ" includes Scana ASA, some holding companies and Scana Property AS. The column «Eliminations» applies to eliminations between the segments.

The presentation coincides with the internal reporting to the board. Revenues from sales to external customers and transactions with other segments are reported in each of the business areas and internal deliveries are booked at estimated market value. The structure of segments is based on the company's core business.

| **2022 year to date** *(NOK million)* | **OFFSHORE** | **ENERGY** | **MARITIME** | **Scana HQ** | **Elimination** | **Group** |
|---|---|---|---|---|---|---|
| External revenue | 172.8 | 149.0 | 91.5 | 0.0 | 0.0 | 413.3 |
| Internal revenue | 6.2 | 0.9 | 0.0 | 0.8 | (7.9) | 0.0 |
| Total revenue | 179.0 | 149.9 | 91.5 | 0.8 | (7.9) | 413.3 |
| Operating expenses | 149.2 | 136.1 | 82.0 | 17.8 | (7.9) | 377.2 |
| EBITDA | 29.8 | 13.8 | 9.5 | (17.0) | 0.0 | 36.1 |
| Depreciation | 30.6 | 9.6 | 3.1 | 0.2 | 0.0 | 43.4 |
| Impairments | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Operating profit/loss (EBIT) | (0.8) | 4.2 | 6.4 | (17.1) | 0.0 | (7.3) |
| EBIT margin | 0 % | 3 % | 7% | | | -2 % |
| Net financial income/expense ( - ) | | | | | | (20.8) |
| Profit/loss before tax - continued operations | | | | | | (28.1) |
| Income tax expense | | | | | | 0.0 |
| Profit/loss for the year - continued operations | | | | | | (28.1) |
| | | | | | | |
| ***BALANCE SHEET FIGURES*** | | | | | | |
| Assets | 736.3 | 472.9 | 214.9 | 363.7 | (443.0) | 1 344.7 |
| Non-current liabilities | 467.6 | 88.7 | 3.4 | 189.7 | (193.1) | 556.3 |
| Current liabilities | 147.5 | 128.2 | 122.0 | 184.9 | (249.9) | 332.6 |
| | | | | | | |
| ***KEY FIGURES*** | | | | | | |
| Order inflow | 197.6 | 142.7 | 177.4 | 0.0 | 0.0 | 517.6 |
| Order Backlog | 123,6 | 179,6 | 140,7 | 0,0 | 0,0 | 444,0 |

| **2021 year to date** *(NOK million)* | **OFFSHORE** | **ENERGY** | **MARITIME** | **Scana HQ** | **Elimination** | **Group** |
|---|---|---|---|---|---|---|
| External revenue | 44.2 | 0.0 | 137.5 | 0.3 | 0.0 | 182.0 |
| Internal revenue | 0.0 | 0.0 | 0.0 | 0.6 | (0.6) | 0.0 |
| Total revenue | 44.2 | 0.0 | 137.5 | 0.9 | (0.6) | 182.0 |
| Operating expenses | 38.3 | 0.0 | 116.9 | 12.4 | (0.6) | 167.0 |
| EBITDA | 5.9 | 0.0 | 20.6 | (11.5) | 0.0 | 15.0 |
| Depreciation | 0.2 | 0.0 | 3.0 | 0.3 | 0.0 | 3.5 |
| Impairments | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Operating profit/loss (EBIT) | 5.7 | 0.0 | 17.6 | (11.8) | 0.0 | 11.5 |
| EBIT margin | 13 % | #DIV/0! | 13 % | | | 6 % |
| Net financial income/expense ( - ) | | | | | | (5.6) |
| Profit/loss before tax - continued operations | | | | | | 5.9 |
| Income tax expense | | | | | | 0.0 |
| Profit/loss for the year - continued operations | | | | | | 5.9 |
| | | | | | | |
| ***BALANCE SHEET FIGURES*** | | | | | | |
| Assets | 38.4 | 0.0 | 201.6 | 104.7 | (134.7) | 209.9 |
| Non-current liabilities | 1.2 | 0.0 | 5.1 | 5.2 | 0.0 | 11.5 |
| Current liabilities | 16.7 | 0.0 | 106.8 | 128.7 | (134.7) | 117.5 |
| | | | | | | |
| ***KEY FIGURES*** | | | | | | |
| Order Intake | 21.1 | 0.0 | 69.6 | 0.0 | 0.0 | 90.8 |
| Order Backlog | 42.2 | 0.0 | 84.1 | 0.0 | 0.0 | 126.3 |

## DISCLOSURE 3 | INTEREST BEARING DEBT

| As at 30 June 2022 | Current liabilities | Non-current liabilities |
|---|---|---|
| Bank overdraft | 5.6 | |
| Seller credits | 12.5 | 47.0 |
| Loan DNB | 20.0 | 140.0 |
| Amortized cost | 0.0 | -2.3 |
| Accrued interests | 3.9 | |
| Total interest-bearing debt | 42.0 | 184.7 |

| As at 30 June 2021 | Current liabilities | Non-current liabilities |
|---|---|---|
| Bank overdraft | 0.1 | |
| Shareholder loan | 33.4 | |
| Amortized cost | -0.7 | |
| Accrued interests | 3.1 | |
| Total interest-bearing debt | 36.0 | 0.0 |

On 10 January 2022 the group entered into a new financing agreement with DNB as a part of the acquisition of PSW. The financing is an overdraft facility of NOK 110 million, which is a rolling overdraft facility.

The term loans were NOK 165 million with an instalment profile of NOK 5 million per quarter and maturity after 5 years.

The financing agreement with DNB has certain financial covenants which are all in compliance as of second quarter 2022.

As a part of the acquisition of PSW the group entered into a seller credit agreement of NOK 47 million to Herkules Private Equity with 5-year maturity. In addition, the group has entered into a seller credit agreement of NOK 12.5 million connected to the acquisition of Trans Construction AS, which has been settled in July 2022.

## DISCLOSURE 4 | MATURITY ANALYSIS – FINANCIAL LIABILITIES

The table on next page shows the maturity structure for financial liabilities as of 30 June 2022. Future maturities over the next 12 months are broken down quarterly and thereafter on an annual basis. Columns 2022, 2023 and 2024 apply throughout the year.

As of 30 June 2022, the group had a total outstanding accounts receivable of NOK 196.3 million, which are due and expected to be paid during the third quarter of 2022. The group's interest payments are based on the existing financing solution and terms on closing date.

The group's liquidity reserve as of 30 June 2022 was NOK 104.4 million. See disclosure 6 for further information.

| | As at 30 June 2022 | 2022.3Q | 2023.4Q | 2023.1Q | 2023.2Q | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|---|---|
| Lease liabilities | -404.9 | -17.6 | -17.6 | -17.3 | -17.2 | -35.2 | -67.7 | -65.5 |
| Bank overdraft | -5.6 | | | | | | | |
| Seller Credits | -59.5 | -12.5 | | | | -12.5 | | |
| Loan DNB | -160.0 | -5.0 | -5.0 | -5.0 | -5.0 | -10.0 | -20.0 | -20.0 |
| Derivates | -7.3 | | | | | | | |
| Interest payments | -3.9 | -2.2 | -2.1 | -2.0 | -2.0 | -4.3 | -10.9 | -12.7 |
| Trade payables | -78.1 | -78.1 | | | | -78.1 | | |
| Total payments | | -115.4 | -24.7 | -24.3 | -24.2 | -140.0 | -98.6 | -98.2 |

## DISCLOSURE 5 | FINANCIAL INSTRUMENTS

The fair value of forward exchange contracts is determined by using the closing exchange rate on the balance sheet date, adjusted for the interest rate differential between the respective currencies. Amortized cost of accounts receivable, contract assets cash, overdrafts, and other interest-bearing debt, etc. is considered to be approximately equal to the book value, 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.

Below is a list of book value and fair value for the group's financial instruments. Fair value is approximately equal to the book value, resulting from a short maturity of all items, and the values are shown in the column for June 2022 in the table below. In addition, the overview below shows the valuation hierarchy for assets and liabilities together with how the various financial instruments are categorized.

| | | Fair value – value hierarchy | | | | 30.06.22 | 30.06.21 |
|---|---|---|---|---|---|---|---|
| | *Disclosure* | Level | Change in value through profit and loss | Change in value through other comprehencive income | At amortised cost | Total | Total |
| ***FINANCIAL ASSETS*** | | | | | | | |
| Long term receivables | | | | | 36.6 | 36.6 | 0.0 |
| Trade receivables | | | | | 186.0 | 186.0 | 31.4 |
| Other receivables | | | | | 0.6 | 0.6 | 4.1 |
| Prepaid expenses | | | | | 13.9 | 13.9 | 6.2 |
| Forward currency contracts | *4* | Level 2 | 0.7 | | | 0.7 | 2.6 |
| Bank deposits | *6* | | | | 0.0 | 0.0 | 38.4 |
| Total | | | 0.7 | 0.0 | 237.2 | 237.9 | 82.7 |
| ***FINANCIAL LIABILITIES*** | | | | | | | |
| Bank overdraft | *3/4* | | | | 5.6 | 5.6 | 0.1 |
| Lease liabilities | *4/10* | | | | 404.9 | 404.9 | 9.3 |
| Interest bearing loans | *3/4* | | | | 221.2 | 221.2 | 35.8 |
| Trade payables | *4* | | | | 78.1 | 78.1 | 16.8 |
| Forward currency contracts | *4* | Level 2 | 8.0 | | | 8.0 | 0.6 |
| Other liabilities | | | | | 102.4 | 102.4 | 44.9 |
| Total | | | 8.0 | 0.0 | 812.1 | 820.1 | 107.6 |

**FAIR VALUE – VALUE HIERARCHY**

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

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

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

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

In the second quarter of 2022, no transfers were made between the various value hierarchy levels or a change in the assessment of fair value.

## DISCLOSURE 6 | CASH & EQUIVALENTS

As of 30 June 2022, the group has a bank overdraft amounted to NOK 5.6 million. As of 30 June 2022, the total liquidity reserve was NOK 104.4 million, which consisted of an unused overdraft facility of NOK 104.4 million. Reference is also made to disclosure 4 for future information regarding financial liabilities.

## DISCLOSURE 7 | VALUATION RELATED TO IMPAIRMENT

Reference is made to the annual accounts 2021 notes 1, 8, 9 and 20 related to principles and methods for valuations of intangible assets, fixed assets and right of use.

Impairment assessments have been carried out in the group based on identified impairment indicators related to the cash-generating unit Skarpenord. Skarpenord has delivered an operating profit which is less than estimates prepared in the impairment test the end of 2021. The main reason is less profit connected to one significant project delivered. New impairment test is prepared where the main assumption is to improve the profit connected to new projects and continue to the development related to spareparts and service activities. No impairment has been made in the second quarter of 2022.

## DISCLOSURE 8 | INVESTMENT IN ASSOCIATED COMPANIES

Scana ASA recognizes the value of associated companies according to the equity method. At the end of the second quarter the booked value of the associated company is NOK 31.4 million – based on accounts as of 31 March 2022 from Scana Korea Hydraulic Ltd.

## DISCLOSURE 9 | TAX

At year-end 2021, management made new assessments related to the recognition of deferred tax assets, which are based on new tax calculations at the end of 2021. It is considered that covid-19 has a limited effect on the estimates. See also the annual report for 2021. These assessments were continued at the end of the second quarter of 2022.

## DISCLOSURE 10 | LEASING LIABILITIES

In second quarter the group has added increased lease obligations by NOK 17.1 million, due to an adjustment connected to consumer price index related to buildings and land areas. Further one lease agreement has been extended by one year and increased lease obligation by NOK 0.6 million.

| **NOK million** | |
|---|---|
| Lease liabilities as at 31 December 2021 | 8.0 |
| New leasing agreements/extensions | 419.6 |
| Payments | (35.1) |
| Interests | 12.4 |
| **Lease liabilities as at 30 June 2022** | **404.9** |

Right of use has increased due to acquisitions and have been depreciated by NOK 28.1 million.

| **NOK million** | |
|---|---|
| Right of use as at 31 December 2021 | 7.5 |
| New leasing agreements/extensions | 419.6 |
| Depreciation/amortization/impairments | (28.1) |
| **Right of use as at 30 June 2022** | **399.1** |

End of June 2022 the booked value connected to right of use is NOK 399.1 million, which is specified as follows:

| **NOK million** | |
|---|---|
| Right of use as at 30 June 2022 | |
| Buildings | 392.1 |
| Machinery | 6.7 |
| Cars | 0.2 |
| **Total** | **399.1** |

## DISCLOSURE 11 | ONGOING PROJECTS

The overview below shows income and expenses that are recognized over time in connection with contracts that have not been completed and delivered at closing date. The contracts can have a completion period of more than one year.

| | YEAR TO DATE | | FULL YEAR |
|---|---|---|---|
| **NOK million** | **Q2 22** | **Q2 21** | **2021** |
| Revenue recognized over time related to contracts | 518.2 | 221.7 | 258.8 |
| Costs recognized over time related to contracts | 409.5 | 192.0 | 207.8 |
| Gross margin in kroner | 108.7 | 29.7 | 51.0 |
| Gross margin in percent | 21 % | 13 % | 20 % |
| | | | |
| Invoiced income related to contracts (milestones) | 529.5 | 220.6 | 257.2 |
| Contract assets | 84.4 | 24.7 | 18.8 |
| Contract liabilties | 32.1 | 15.4 | 15.7 |

Based on progress plans, ongoing projects are expected to be completed at the end of 2022 and during 2023. Remaining income related to the ongoing projects amounts to NOK 385.2 million.

Ongoing assessments are made in connection with loss of provisions in the projects.

At the end of the second quarter of 2022, loss provisions amounting to NOK 1.2 million are not changed from previous quarter. These provisions, related to Seasystems, reduce contract assets and are expensed in the result. The loss provision is based on updated calculations and management's assessment.

## DISCLOSURE 12 | OPTION PROGRAM

The overview below shows income and expenses that are recognized over time in connection with contracts that have not been completed and delivered at closing date. The contracts can have a completion period of more than one year.

The option program from 2019 shows an estimated value of a total of NOK 5.2 million. During first quarter, the group announced a new option program from January 2022 which shows an estimated value of a total NOK 9.8 million. A binomial option pricing model has been used to determine the value. The calculation is based on settlement in shares. The value of granted options is accrued over the agreed period that the employees acquire the right to receive the options. In the second quarter of 2022, the result is charged with NOK 1.1 million related to the option programs.

## DISCLOSURE 13 | EVENTS AFTER THE BALANCE SHEET DATE

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

PSW Power & Automation has signed a contract 7 July 2022 for the design, assembly, and testing of a topside E-House module for an international subsea company. The module will be designed according to ABS regulations for offshore placement (US & Brazil) and will be equipped with electrical equipment as well as HVAC, passive/active fire protection, fire and gas monitoring, etc.

8 July 2022 PSW Power & Automation has signed a contract for the delivery of mobile battery systems, with Energyst Rental Solutions. Battery solutions like this are of great importance for the decarbonization of the industry because they can replace or optimize the use of traditional diesel generators. This is a sizeable contract for the company.

As one of the Europe`s largest players, Energyst offers turnkey rental solutions for temperature control and power projects. The BQ Battery will be part of Energyst's rental fleet and will be used for peak-shaving and back-up power in hybrid energy solutions or as a standalone off grid solution.

Scana-owned Subseatec has 9 August signed a contract with an international energy company for the delivery of riser joints. The high-strength joints are intended for an offshore field development. This contract has a significant size for the company. Manufacturing is planned to start immediately, and the deliveries will commence during 2023.

Subseatec's scope is a delivery of ready to use riser joints in low alloyed steel, including engineering, manufacturing, procurement, and documentation.

This order is a strong recognition of the company's capability to deliver advanced products to the industry and the continuous development of long joints in high-strength steel grades for the use in offshore field developments.

## ALTERNATIVE PERFORMANCE MEASURES

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

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

***Scana's financial alternative performance measures:***

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

| | QUARTER | | YEAR TO DATE | | FULL YEAR |
|---|---|---|---|---|---|
| **NOK million** | **Q2 22** | **Q2 21** | **2022** | **2021** | **2022** |
| **EBITDA** | **19.8** | **8.2** | **36.1** | **15.0** | **16.7** |
| Gain from sale [1)] | 0.0 | 0.0 | (1.1) | 0.0 | (0.4) |
| Strategy and M&A costs [2)] | 2.5 | 4.5 | 3.6 | 4.8 | 11.0 |
| Option program/incentive scheme [3)] | 1.1 | 0.4 | 2.3 | 0.9 | 1.7 |
| Restructuring costs [4)] | 0.0 | (0.3) | 0.0 | (0.2) | 0.4 |
| **Total items excluded from EBITDA** | **3.6** | **4.6** | **4.8** | **5.4** | **12.8** |
| **Adjusted EBITDA** | **23.4** | **12.8** | **40.9** | **20.4** | **29.4** |
| | | | | | |
| Depreciation/amortization/impairment | 22.2 | 1.7 | 43.4 | 3.5 | 8.2 |
| **Adjusted EBIT** | **1.3** | **11.1** | **(2.4)** | **16.9** | **21.2** |

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

## DEFINITIONS

| | |
|---|---|
| **Rolling EBITDA** | EBITDA for the last twelve months |
| **NIBD** | Net interest bearing debt (Interest bearing debt -cash) |
| **Borrowing base** | Consists of inventory, accounts receivable and contract assets |
| **Order intake** | Consists of the period's new orders as well as net changes to existing orders, including change orders, cancellations and changes related to exchange rates |
| **Order backlog** | Consists of remaining deliveries on contracts entered at the end of the period |

## STATEMENT BY THE BOARD OF DIRECTORS AND CEO

The Boards of directors and CEO have today considered and approved the condensed and consolidated interim report of Scana ASA as of 30 June 2022 and for the first half-year 2022 including condensed consolidated comparative figures as of 30 June 2021 and for the first half-year 2021 ("the interim report").

The interim report has been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by EU, with such additional information as required by the Accounting Act, and give a true and fair view of the Company's and the Group's consolidated assets, liabilities, financial position and results of operations.

We consider the accounting policies applied to be appropriate. Accordingly, the interim report gives a true and fair view of the Group's assets, liabilities and financial position as of 30 June 2022 and as of 30 June 2021 and of the results of the Group's operations and cash flows for the first half-year 2022 and first half-year 2021.

***Bergen, 24 August 2022***

| | | | | | |
|---|---|---|---|---|---|
| **Dag Schjerven** | **Morten Blix** | **Marianne Lie** | **Rune Magnus Lundetræ** | **Margaret Hystad** | **Styrk Bekkenes** |
| STYRETS LEDER | STYRETS NESTLEDER | STYREMEDLEM | STYREMEDLEM | STYREMEDLEM | CEO |

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