Powering the ocean industries

Interim report

4th quarter 2022

Bergen, 24 February 2023

Strong and growing order intake has improved the earnings visibility

- Strengthened capital structure following conversion of seller credit
- Contract secured for the delivery of major hybrid integration project to Kongsberg Maritime
- Substantial contract for deep-water riser system to Northern Ocean
- Revenue of NOK 272 million, compared with NOK 62 million last year
- EBITDA result of NOK 15 million, compared with – NOK 2 million last year
- Positive cash flow from operations of NOK 55 million
- Order backlog of NOK 533 million
- Order intake of NOK 355 million gives a book to bill of 1.3x

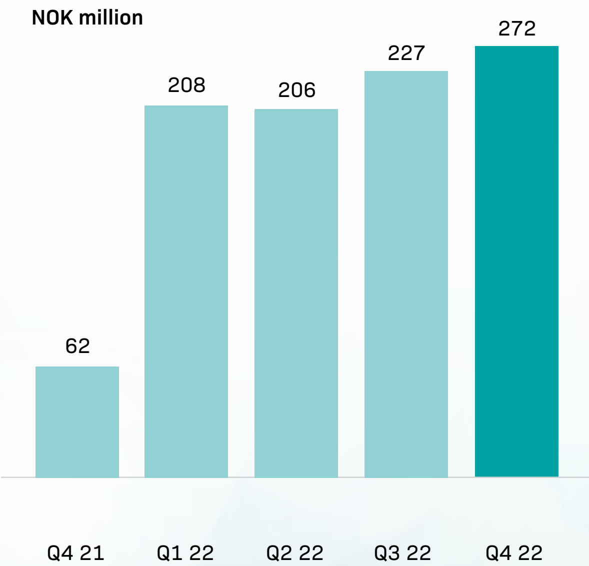
SUBSEQUENT EVENTS:

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

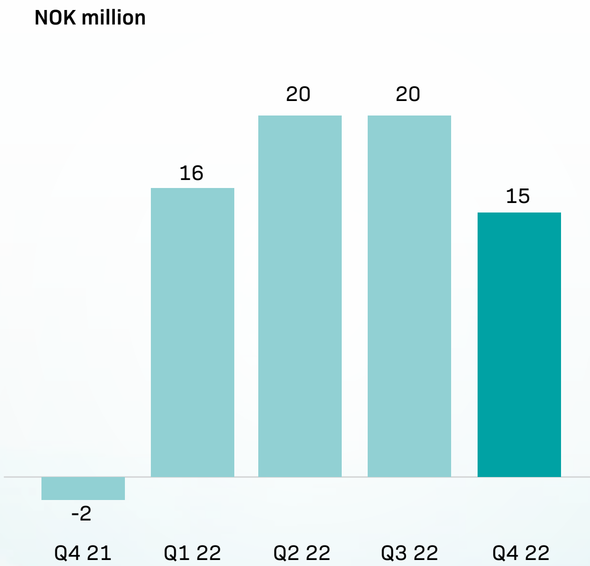
KEY FIGURES | GROUP

	QUARTER		FULL YEAR	
NOK million	**Q4 22**	**Q4 21**	**2022**	**2021**
Revenue	272	62	912	305
EBITDA	15	-2	71	17
EBIT	-7	-3	-19	8
Order intake	355	43	1087	167
Order backlog	533	78	533	78
NIBD	149	9	149	9
Lease liabilities	412	8	412	8

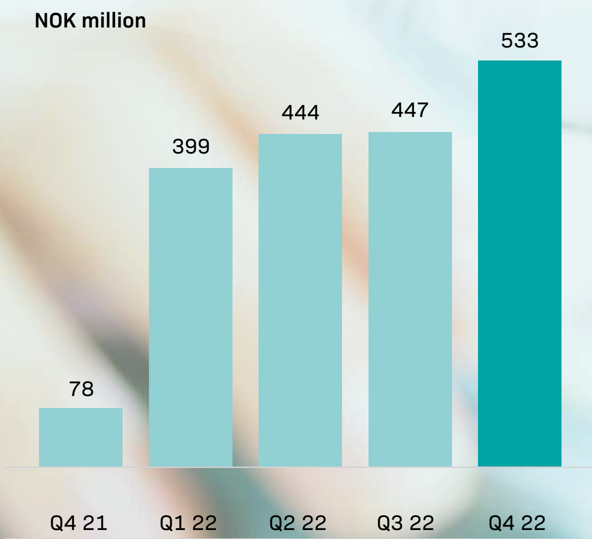
REVENUE



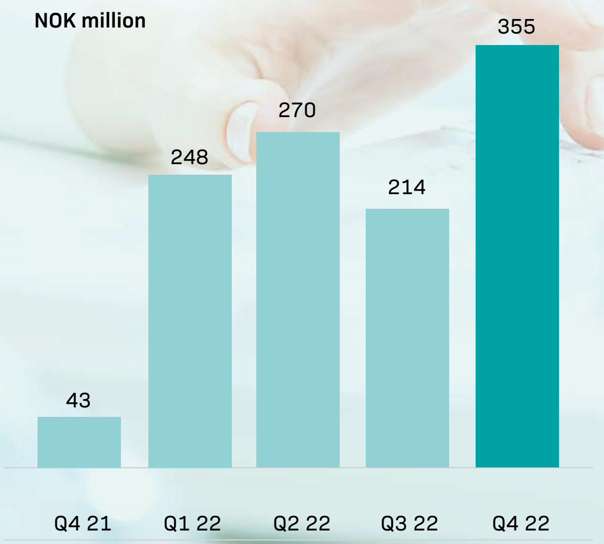
EBITDA



ORDER BACKLOG



ORDER INTAKE

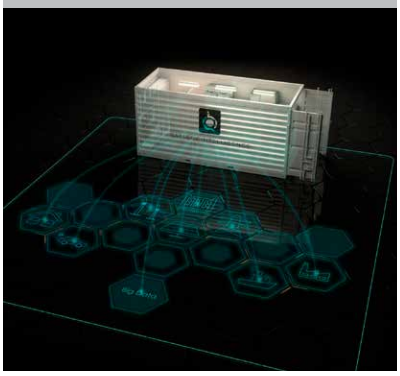


Powering the ocean industries

Scana's strategy is Powering the ocean industries. Strategically located in the Bergen area, Scana will support electrification and decarbonisation of maritime and energy sectors through the business areas OFFSHORE, ENERGY and MARITIME.

OFFSHORE

ENERGY



MARITIME

A significant shift in the OFFSHORE business area lifted the revenue to a new quarterly record with continued high activity in the Energy business area. With the contract award from Equinor for short-travelled maintenance to the Mongstad refinery, a significant platform for growth in the business area is in place. Together with an expanding product portfolio within electrification and offerings towards both Offshore Wind and LNG-solutions, Scana is well positioned for revenue growth with reduced carbon footprint.

The tendering activities remain high across all our business areas.

With continued focus on energy security and emission-reducing solutions, demand for Scana's service offerings is expected to be strong. While revenue growth was strong, the quarter ended with an operating loss (EBIT) of NOK 7 million. Improved operational leverage following recent contract awards is expected to have a positive impact on the group's profitability in 2023.

The increase in order backlog in the fourth quarter was driven by the business areas OFFSHORE and ENERGY. For MARITIME, a long-term FEED for an FSRU mooring system to a floating LNG terminal in Germany resulted in an LOI with great potential to be concluded in the first quarter of 2023.

CORPORATE EVENTS

An extraordinary general assembly was concluded on the 19th of December where Scana's capital structure was improved by converting the seller credit of NOK 52 million to equity.
During the quarter, a total of 47 161 775 new shares were issued in a private placement at a subscription price of NOK 1.10 per share. The gross proceeds of approximately NOK 52 million were used to convert the seller credit of NOK 47 million which was agreed with Herkules Private Equity as part of the acquisition of PSW completed on 11 January 2022. The company's new registered share capital is NOK 440 582 901, each with a nominal value of NOK 1.0 per share.

The general assembly elected Pål Selvik, Vidar Rabben, Ida Ianssen Lundh and Birgitte Feginn Angelil as new members of the BoD replacing Morten Blix and Margareth Hystad.

The 12th of January 2023, Styrk Bekkenes resigned as CEO and was replaced by Oddbjørn Haukøy as interim CEO. The new BoD, following the resignment of Dag Schjerven, Marianne Lie and Rune Magnus Lundetræ, has started a process for recruiting a new permanent CEO for Scana.

ORDER INTAKE AND BACKLOG

The order intake for the quarter was NOK 355 million, compared to NOK 43 million last year. The recently acquired companies PSW and ATC represented NOK 306 million of the order intake. The order intake represents a book to bill ratio of 1.3x. The order backlog was NOK 533 million at the end of the quarter compared to NOK 78 million one year earlier, of which NOK 401 million relates to PSW and ATC. The business area ENERGY contributed with NOK 193 million of the order backlog, as a result of Scana's transition towards the electrification megatrend. The OFFSHORE business area contributed NOK 250 million of the order backlog end of 2022.

REVENUE AND RESULTS

In the fourth quarter, consolidated revenue for the group was NOK 272 million, compared to NOK 62 million in the fourth quarter 2021, of which NOK 188 million is related to PSW and ATC.

The EBITDA for the quarter was NOK 15 million, compared to NOK -2 million last year, of which NOK 14 is related to PSW and ATC. EBITDA is negatively impacted by one off cost of NOK 6 million. Furthermore, significant cost and effort has been invested in tender and feed activities that will have a positive impact in 2023.

EBIT is negative NOK 7 million in the quarter compared to negative NOK 3 million, of which minus NOK 5 million is related to PSW and ATC.

FINANCIAL POSITION

Scana had an available liquidity reserve at the end of the quarter of NOK 113 million, consisting of cash and undrawn credit facilities. Bank financing consist of NOK 150 million with NOK 5 million in quarterly instalments.

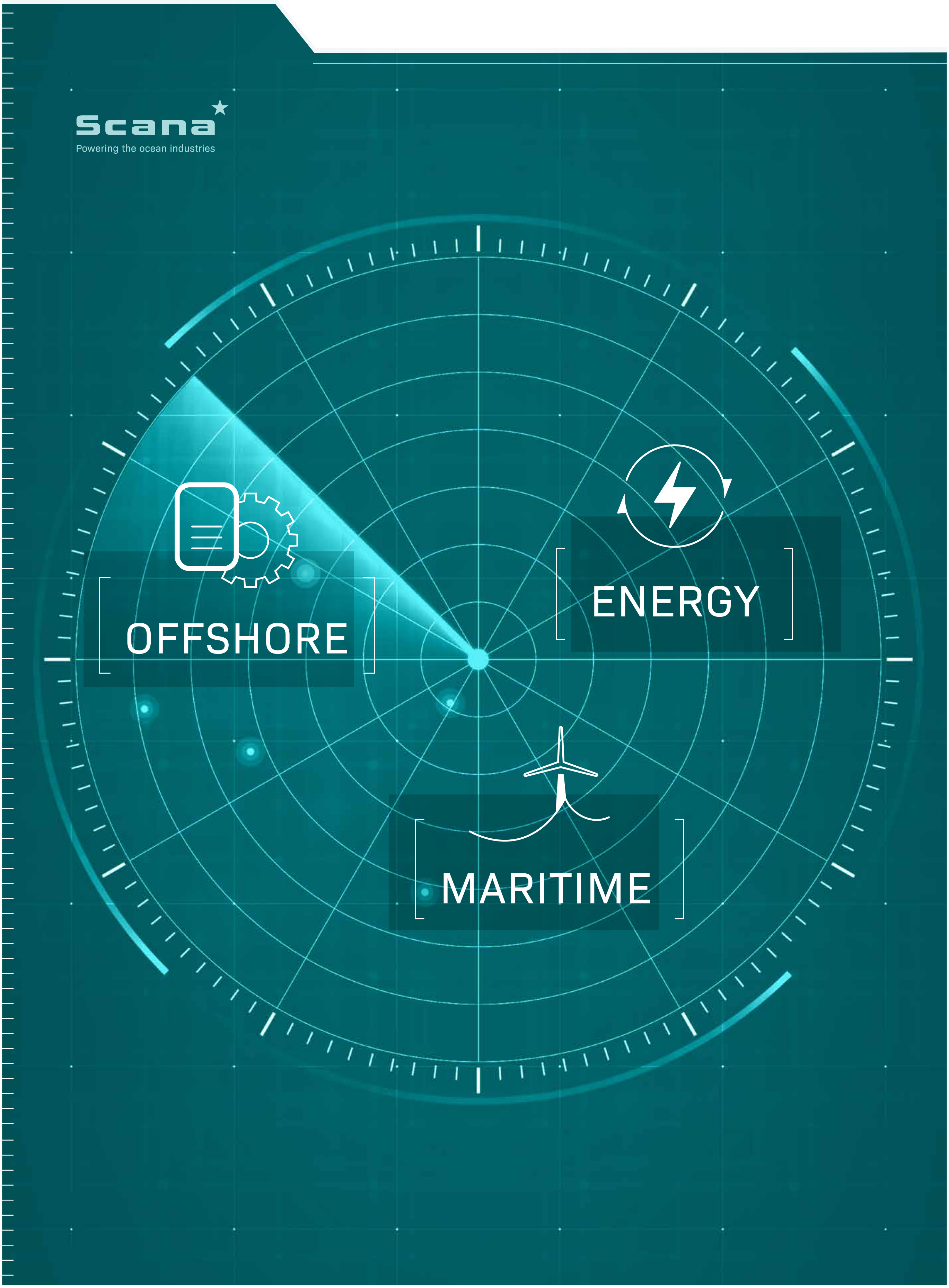
In November, Scana made an amendment to the seller credit of NOK 47 million where Herkules had an obligation to convert the seller credit included interest to equity, subject to certain trigger events. The conversion of the seller credits was approved and executed at the General Meeting in December 2022.

The equity was NOK 493 million at the end of the quarter, giving Scana an equity ratio of 36 per cent.

The share issue in 2022 related to the PSW transaction and conversion of seller credit were the main factors for the increased equity.

CASH FLOW

The cash flow from operating activities were positive with NOK 55 million in the fourth quarter, compared to NOK 6 million in the fourth quarter of 2021. The positive operational cash flow was mainly driven by working capital improvements, with a significant prepayment from one contract being the main factor. Working capital is closely monitored and will be impacted by development on large projects. Net cash flow from investing activities was negative NOK 2 million in the fourth quarter versus negative NOK 1 million in the same quarter last year. The cash flow from financing activities was negative NOK 27 million in the fourth quarter, mainly due to payments of interest and installments of bank and lease debt.


Scana
Powering the ocean industries
OFFSHORE
ENERGY
MARITIME

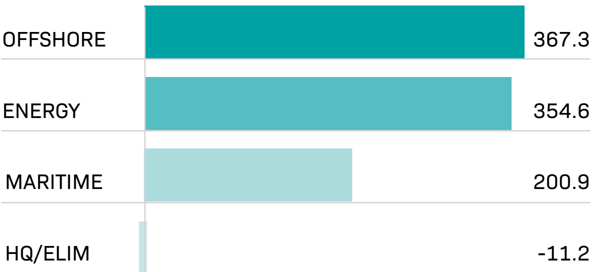
Overview business areas

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 organisation, management, and board with full responsibility for its own operation and development.

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

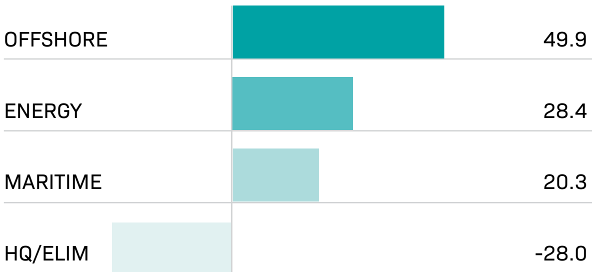
REVENUE FULL YEAR 2022

NOK million **GROUP 911.7**



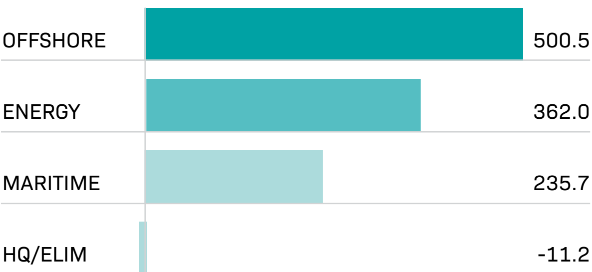
EBITDA FULL YEAR 2022

NOK million **GROUP 70.6**



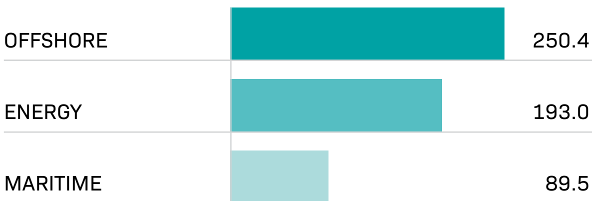
ORDER INTAKE FULL YEAR 2022

NOK million **GROUP 1087.0**



ORDER BACKLOG FULL YEAR 2022

NOK million **GROUP 532.9**



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.

The business area had an order backlog of NOK 250 million at the end of the quarter. Since becoming part of the Scana group in January 2022, PSW has contributed to a material order intake for the OFFSHORE business area. The order intake was NOK 207 million, giving a book to bill of 1.8x and an increase of NOK 202 million from the fourth quarter last year with a substantial contract for marine risers to a rig company being a key signing in December.

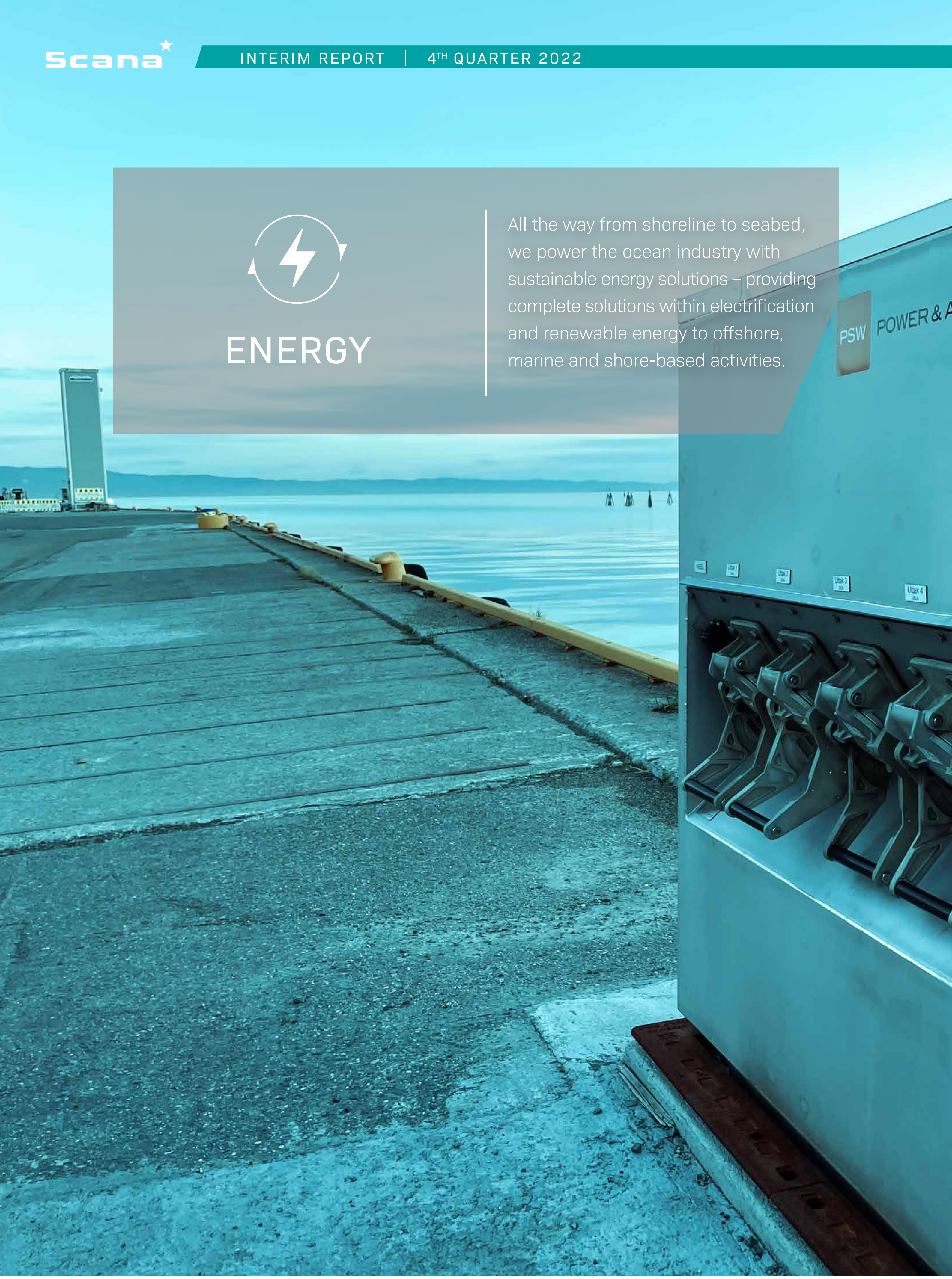
25 January 2023 PSW Technology was awarded a contract with Equinor, which is considered as a game changer for the business area providing a solid long-term platform for growth. The 3 year maintenance contract for Equinor includes options which gives an estimated contract value of NOK 1.8 billion for the next 9 years. Startup of the maintenance-contract is in the planning phase. Currently full effect of the contract is expected from October 2023. The previously communicated annual revenue estimate of NOK 200 million has upside potential.

The revenue in the quarter was NOK 114 million, up from NOK 15 million in the corresponding period of 2021. Activity levels have increased as the offshore market is improving. The significant increase compared to last year is driven by the acquisition of PSW. EBITDA was NOK 11 million in the quarter, compared to NOK 1 million last year. Current activity level does not cover capacity cost and has led to a negative EBIT of NOK 6 million in the quarter. EBIT is negatively impacted by one off cost of NOK 2 million. With the improved order intake in the fourth quarter, and the subsequent award of the Equinor-contract, a significant top line growth in 2023 is expected to lead to improved operating margins.

In January 2023, Tommy Johnsen resigned as Managing Director of PSW Technology AS.
Richard Cornell is hired as new Managing Director from 1 August 2023.
Geir Knapskog has been appointed as interim Managing Director of PSW Technology from February–August 2023.

	QUARTER		FULL YEAR	
NOK million	**Q4 22**	**Q4 21**	**2022**	**2021**
Revenue	113.6	14.9	367.3	74.3
EBITDA	11.4	1.4	49.9	9.8
EBIT	(6.1)	1.3	(14.4)	9.4
EBT	(17.6)	1.1	(46.4)	4.3
Ordinary investments	8.5	0.0	13.2	1.8
Order intake	207.2	5.4	500.5	34.3
Order backlog	250.4	22.8	250.4	22.8

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 with shore power systems, energy storage systems and e-house modules as key offerings.

ENERGY had an order backlog of NOK 193 million at the end of December. Electrification within shore power and mobile battery solutions made up the majority of the backlog. The order intake in the quarter was NOK 123 million, giving a book to bill of 1.3x, with a major hybrid integration project for Kongsberg Maritime being the largest contract award.

The revenue for the quarter was NOK 95 million, driven by progress on shore power projects. EBITDA was NOK 6 million with margins being negatively affected by cost increases in a few projects and one-off cost of NOK 2 million. Overall project progress has been good in the quarter with delivery of the first mobile battery solution. Challenges in the supply chain related to converters can impact progress on certain projects where management is closely cooperating with customers and suppliers to minimize effects.

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

	QUARTER		FULL YEAR	
NOK million	**Q4 22**	**Q4 21**	**2022**	**2021**
Revenue	94.6	-	354.6	-
EBITDA	6.2	-	28.4	-
EBIT	4.2	-	10.0	-
EBT	1.1	-	0.2	-
Ordinary investments	1.3	-	9.7	-
Order intake	122.9	-	362.0	-
Order backlog	193.0	-	193.0	-

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.

Photo: Ole Jørgen Bratland, Equinor

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 65 million in the quarter, up from NOK 47 million due to higher project activities in Seasystems. EBITDA was NOK 4 million in the quarter, compared to NOK 4 million last year.

The order intake in the quarter was NOK 27 million evenly distributed between the mooring and valve control businesses, compared to NOK 38 million last year. The order intake represents a book to bill of 0.4x following no large project awards in the quarter. However, Seasystems has been in a FEED-phase for a large FSRU-project in Germany resulting in an LOI for a substantial contract award expected in the first quarter of 2023. For the mooring business, which has few and relatively 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.

The order backlog was NOK 90 million, compared to NOK 55 million last year.
With a market exposure towards all the main ocean industries there are several interesting opportunities to pursue during the coming quarters. Tender activities continue to be high within the FSRU and FPSO segments.

In the medium term, the energy crisis seems to accelerate offshore wind projects, where Scana is well positioned with its mooring solutions and successful deliveries to the Hywind Tampen project being an important reference. Rising energy prices have a positive impact on demand.

	QUARTER		FULL YEAR	
NOK million	**Q4 22**	**Q4 21**	**2022**	**2021**
Revenue	64.7	46.7	200.9	230.0
EBITDA	3.7	4.3	20.3	29.2
EBIT	1.9	2.7	13.9	21.9
EBT	12.2	3.5	10.8	16.9
Ordinary investments	0.5	0.5	1.6	1.2
Order intake	26.5	37.8	235.7	132.4
Order backlog	89.5	54.8	89.5	54.8

Financial statements fourth quarter 2022

INCOME STATEMENT | GROUP

		QUARTER		FULL YEAR	
NOK million	*Disclosure*	**Q4 22**	**Q4 21**	**2022**	**2021**
Revenue	*2/11*	**271.6**	**61.6**	**911.7**	**304.7**
Cost of goods		(140.6)	(29.8)	(438.2)	(169.8)
Payroll expenses	*12*	(97.3)	(25.0)	(329.4)	(87.6)
Other operating expenses		(18.7)	(8.2)	(73.4)	(30.7)
EBITDA	*2*	**14.9**	**(1.5)**	**70.6**	**16.7**
Depreciation/amortization/impairment	*2/7/10*	(21.5)	(1.8)	(89.6)	(8.2)
Operating profit/(loss) – EBIT	*2*	**(6.5)**	**(3.3)**	**(19.0)**	**8.4**
Income from interests in associated companies	*8*	4.2	4.0	4.3	3.3
Net interest expense		(10.9)	(1.5)	(40.7)	(5.7)
Net currency gain loss (–)		5.0	0.2	4.0	(2.0)
Other financial income/expense (–)		(2.2)	(0.4)	(4.5)	(2.0)
Net financial income/expense (–)		(8.1)	(1.8)	(41.2)	(9.7)
Profit/(loss) before tax – continuing operations		**(10.4)**	**(1.0)**	**(55.8)**	**2.0**
Income tax expense	*9*	(11.3)	(24.9)	(11.3)	(24.3)
Net profit/(loss) – continued operation	*2*	**0.9**	**23.8**	**(44.5)**	**26.3**
Net profit/(loss) – discontinued operations	*2*	0.0	0.0	0.0	0.4
Net profit/(loss)		**0.9**	**23.8**	**(44.5)**	**26.8**
Earnings per share – continued operations		0.00	0.22	(0.12)	0.25
Other comprehensive income					
Exchange difference on translations of foreign operations		0.1	(0.1)	(0.6)	(0.7)
Other comprehensive income		0.1	(0.1)	(0.6)	(0.7)
Total comprehensive income		**1.0**	**23.8**	**(45.1)**	**26.1**

BALANCE SHEET | GROUP

NOK million	Disclosure	31.12.22	31.12.21
Deferred tax assets	*9*	52.4	60.3
Goodwill	*7*	274.2	0.0
Intangible assets	*7*	71.6	1.8
Right-of-use assets	*7/10*	402.6	7.5
Property, plant and equipment		147.9	11.8
Investments in associates	*8*	36.3	31.4
Other non-current assets	*5*	4.9	2.0
Total non-current assets		**989.8**	**114.8**
Inventories		66.0	13.4
Trade receivables	*4/5*	160.8	39.7
Contract assets	*11*	125.3	18.8
Derivatives	*4/5*	2.3	0.1
Prepaid expenses and other current receivables	*5*	31.5	7.6
Cash and cash equivalents	*5/6*	2.6	29.0
Total current assets		**388.5**	**108.6**
Total assets	***2***	**1 378.4**	**223.4**
Paid-in capital		1140.0	704.4
Retained earnings		(647.4)	(602.3)
Total shareholders' equity		**492.6**	**102.1**
Interest-bearing non-current liabilities	*3/4/5/6*	129.7	0.0
Non-current lease liabilities	*4/5/10*	338.0	4.4
Deferred tax liabilities	*9*	0.0	2.9
Other non-current liabilities		1.9	2.0
Total non-current liabilities	***2***	**469.6**	**9.3**
Interest-bearing current liabilities	*3/4/5/6*	22.2	38.3
Current lease liabilities	*4/5/10*	74.1	3.5
Trade payables	*4/5*	108.9	20.4
Contract liabilties	*11*	112.0	15.7
Derivatives	*4/5*	2.0	1.0
Other current liabilities	*5*	96.9	33.0
Total current liabilities	***2***	**416.1**	**111.9**
Total liabilities and shareholders' equity		**1 378.4**	**223.4**

STATEMENT OF CASH FLOW | GROUP

		QUARTER		FULL YEAR	
NOK million	*Disclosure*	**Q4 22**	**Q4 21**	**2022**	**2021**
Profit/(loss) before tax – continuing operations		(10.4)	(1.0)	(55.8)	2.0
Taxes paid		1.0	(0.2)	0.0	(0.5)
Gain/loss – continued operations		(6.2)	(4.0)	(9.5)	(3.3)
Currency exchange differences and non cash element		(7.9)	3.9	4.3	12.9
Depreciation/amortisation/impairment	*7*	21.5	1.8	89.6	8.2
Net interest costs		10.9	1.5	40.7	5.7
Interest received		0.3	0.0	1.0	0.0
Change in net working capital		46.0	3.6	0.3	0.0
Net cash flow from operating activities		**55.3**	**5.6**	**70.0**	**25.1**
Proceeds from sale of property, plant and equipment		2.1	0.0	5.3	0.3
Purchase of property, plant and equipment		(4.5)	(0.5)	(19.4)	(1.8)
Proceeds from sale of shares		0.0	0.0	0.0	0.1
Liquidity bought/sold business		0.0	0.0	57.2	(0.1)
Investments in business/Received dividend		0.0	0.0	(248.4)	0.9
Net cash flow from investing activities		**(2.4)**	**(0.5)**	**(205.3)**	**(0.6)**
Proceeds from new interest-bearing non-current liabilities		0.0	0.0	145.0	0.0
Repayment interest-bearing non-current liabilities	*3*	(5.0)	0.0	(28.7)	0.0
Repayment of lease liabilities	*10*	(16.9)	(0.9)	(53.8)	(3.7)
Proceeds from seller credit		0.0	0.0	20.0	0.0
Repayment of current interest-bearing debt		5.7	0.0	(111.3)	0.0
Proceeds from issue of shares		(0.1)	0.0	176.3	0.0
Paid other finance expenses		(0.7)	(0.0)	(2.8)	(0.2)
Paid interest		(9.6)	(0.4)	(35.6)	(1.7)
Net cash flow from financing activities		**(26.5)**	**(1.4)**	**109.1**	**(5.6)**
Net cash flow		**26.4**	**3.7**	**(26.2)**	**18.9**
Cash and cash equivalents at beginning of period		(23.6)	25.6	28.9	11.1
Net foreign exchange difference		(0.2)	(0.4)	(0.0)	(1.2)
Cash and cash equivalents at end of period	***6***	**2.6**	**28.9**	**2.6**	**28.9**

STATEMENT OF CHANGE IN EQUITY | GROUP

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

NOK million	Issued capital	Paid-in capital	Retained earnings	Total equity
Equity as at 1 January 2022	107.5	596.9	(602.3)	102.1
Total comprehensive income current period			(45.1)	(45.1)
Option program/incentive scheme			3.8	3.8
Changes – paid in capital	333.1	98.7		431.8
Equity as at 31 December 2022	**440.6**	**695.6**	**(643.5)**	**492.6**

DISCLOSURE 1 | OVERALL INFORMATION

The consolidated financial statements for Scana ASA for the fourth quarter of 2022 were approved by the Board of Directors on 24 February 2023. The interim report has been prepared in accordance with IAS 34 Interim Financial Reporting. The condensed interim report does not include all of the information and disclosures required by IFRS for a complete set of financial statements. The interim report should be read in connection with the financial statement for 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 interim report is unaudited.

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.

DISCLOSURE 2 | SEGMENT

Scana has three business areas being OFFSHORE, ENERGY and MARITIME.

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

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

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 FULL YEAR *(NOK million)*	**OFFSHORE**	**ENERGY**	**MARITIME**	**Scana HQ**	**Elimination**	**Group**
External revenue	357.7	353.0	200.9	0.0	0.0	911.7
Internal revenue	9.6	1.6	0.0	3.2	(14.4)	0.0
Total revenue	367.3	354.6	200.9	3.2	(14.4)	911.7
Operating expenses	317.4	326.2	180.6	31.2	(14.4)	841.1
EBITDA	49.9	28.4	20.3	(28.0)	0.0	70.6
Depreciation	64.3	18.4	6.4	0.4	0.0	89.6
Impairments	0.0	0.0	0.0	0.0	0.0	0.0
Operating profit/loss (EBIT)	(14.4)	10.0	13.9	(28.5)	0.0	(19.0
EBIT margin	-4 %	3 %	7 %			-2 %
Income from interests in associated companies						4.3
Net financial income/expense (–)						(41.2)
Profit/loss before tax – continued operations						(55.8
Income tax expense						(11.3)
Profit/loss for the year – continued operations						(44.5)
BALANCE SHEET FIGURES:						
Assets	817.7	499.7	230.6	332.8	(502.4)	1 378.4
Non-current liabilities	438.2	99.5	2.1	115.2	(185.4)	469.6
Current liabilities	238.5	155.7	127.7	211.2	(317.0)	416.1
KEY FIGURES:						
Order intake	500.5	362.0	235.7	0.0	(11.2)	1 087.0
Order Backlog	250.4	193.0	89.5	0.0	0.0	532.9

2021 FULL YEAR *(NOK million)*	**OFFSHORE**	**ENERGY**	**MARITIME**	**Scana HQ**	**Elimination**	**Group**
External revenue	74.3	0.0	230.0	0.4	0.0	304.7
Internal revenue	0.0	0.0	0.0	2.2	(2.2)	0.0
Total revenue	74.3	0.0	230.0	2.6	(2.2)	304.7
Operating expenses	64.5	0.0	200.8	25.0	(2.2)	288.0
EBITDA	9.8	0.0	29.2	(22.4)	0.0	16.7
Depreciation	0.4	0.0	6.1	0.5	0.0	7.0
Impairments	0.0	0.0	1.2	0.0	0.0	1.2
Operating profit/loss (EBIT)	9.4	0.0	21.9	(22.9)	0.0	8.4
EBIT margin	13 %		10 %			3 %
Income from interests in associated companies						3.3
Net financial income/expense (–)						(9.7)
Profit/loss before tax – continued operations						2.0
Income tax expense						(24.3)
Profit/loss for the year – continued operations						26.3
BALANCE SHEET FIGURES:						
Assets	39.0	0.0	200.8	135.5	(151.9)	223.4
Non-current liabilities	0.5	0.0	3.8	5.0	0.0	9.3
Current liabilities	25.2	0.0	108.1	130.5	(151.9)	111.9
KEY FIGURES:						
Order Intake	34.3	0.0	132.4	0.0	0.0	166.7
Order Backlog	22.8	0.0	54.8	0.0	0.0	77.6

DISCLOSURE 3 | INTEREST BEARING DEBT

As at 31 December 2022	Current liabilities	Non-current liabilities
Loan DNB	20.0	130.9
Amortized cost		-1.2
Accrued interests	2.2	
Total interest-bearing debt	22.2	129.7

As at 31 December 2021	Current liabilities	Non-current liabilities
Bank overdraft	0.1	
Shareholder loan	37.6	
Amortized cost	-0.5	
Accrued interests	1.0	
Total interest-bearing debt	38.3	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 and a bank guarantee facility of NOK 45 million.

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

The following loan covenants apply:

COVENANT	Q4 22	Q1 23	Q2 23	Q3 23	Q4 23->
Covenant EBITDA	11.4	22.3	37.9	66.1	NA
Covenant NIBD/EBITDA	NA	NA	NA	NA	2.5x
Covenant equity ratio	30 %	30 %	30 %	30 %	30 %
Borrowing base	70 %	70 %	70 %	70 %	70 %

Capital expenditure should not exceed NOK 29 million, measured annually from 2023.

In addition to financial covenants mentioned above, the contract contains other covenants considered common for similar contractual relationsships.

This includes limitations on acquisitions, disposals, change of control and conditions related to continued listing.

As of Q4-22, Scana was compliant with all financial covenants.

The group entered into a seller credit agreement of NOK 47.0 million connected to the acquisition of PSW which was converted into equity, approved December 2022 at the general Meeting.

DISCLOSURE 4 | MATURITY ANALYSIS – FINANCIAL LIABILITIES

The table below shows the maturity structure for financial liabilities as of 31 December 2022. Future maturities over the next 12 months are broken down quarterly and thereafter on an annual basis.

As of 31 December 2022, the group had a total outstanding accounts receivable of NOK 162.3 million, expected to be paid during the first quarter of 2023. The group's interest payments are based on the existing financing solution and terms on closing date.

The group's liquidity reserve as of 31 December 2023 was NOK 112.6 million. See disclosure 6 for further information.

	As at 31 December 2022	2023.1Q	2023.2Q	2023.3Q	2023.4Q	2023	2024	2025
Lease liabilities	-412.1	-19.3	-19.3	-19.3	-19.3	-77.1	-71.3	-67.7
Loan DNB	-150.9	-5.0	-5.0	-5.0	-5.0	-20.0	-20.0	-20.0
Derivates	0.3							
Interest payments	-2.2	-2.5	-2.4	-2.3	-2.2	-9.4	-9.1	-7.8
Trade payables	-108.9	-108.9				-108.9		
Total payments		-135.6	-26.7	-26.6	-26.5	-215.5	-100.4	-95.5

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 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 booked value and fair value for the group's financial instruments. Fair value is approximately equal to the booked value, resulting from a short maturity of all items, and the values are shown in the column for December 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					31.12.22	31.12.21
	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					3.0	3.0	0.0
Trade receivables					160.8	160.8	39.7
Prepaid expenses and other current receivables					31.5	31.5	7.6
Forward currency contracts	*4*	Level 2	2.3			2.3	0.1
Bank deposits	*6/11*				2.6	2.6	29.0
Total			2.3	0.0	198.0	200.3	76.4
FINANCIAL LIABILITIES							
Bank overdraft	*3/4*				0.0	0.0	0.1
Lease liabilities	*4/11/12*				412.1	412.1	8.0
Interest bearing loans	*3/4/11*				151.9	151.9	38.2
Trade payables	*4*				108.9	108.9	20.4
Forward currency contract	*4*	Level 2	2.0			2.0	1.0
Other liabilities					96.9	96.9	33.0
Total			2.0	0.0	769.9	771.8	100.6

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 fourth 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 & CASH EQUIVALENTS

As of 31 December 2022, the group has a bank deposit amounted to NOK 2.6 million.
As of 31 December 2022, the total liquidity reserve was NOK 112.6 million, which consisted of an unused overdraft facility of NOK 110 million and bank deposits of NOK 2.6 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 to all cash-generating units (CGU) with the Group. Two of the CGU has goodwill in the balance sheet. Below you will find a description of the two impairment tests. Offshore CGU consists of PSW Technology and PSW Solutions. Energy CGU consists of PSW Power & Automations and Trans Construction.

OFFSHORE CGU
As of 31.12.2022, the Group performed an impairment test of goodwill and other intangible assets in accordance with requirements in IAS 36. The value in use has been used to determine recoverable amount. The calculations are based upon estimated future cash flows for the cash generating unit, OFFSHORE. The estimated future cash flows are based upon budgets and long-term profit goals covering a five-year period. In assessing future cash flow for next five years current tender activities and short-term prognosis has been supplemented with the long-term business plan. There has been a delay i revenue generating in 2022 that is expected to catch up in the next few years as the oil service market is expected to be strong. A strong order backlog going into 2023 further backed by the significant contract award described in disclosure 14 provides support for strong revenue growth. With the expected increase in revenue the operating margins will increase significantly due to economies of scale from the CGU's facilities which have surplus capacity. The key uncertainty is the timing and extent of contract awards.

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

ENERGY CGU

Energy experiences high demand for our solutions within electrification and renewable energy, and have grown the order backlog. In addition ENERGY has expanded the product portfolio with hydrogen fuel cell systems, and together with partners ENERGY demonstrates a hydrogen-based shore power solutions that can work on a standalone basis for a complete off-rid offering.

As of 31.12.2022, the Group performed an impairment test of goodwill and other intangible assets in accordance with requirements in IAS 36. The value in use has been used to determine recoverable amount. The calculations are based upon estimated future cash flows for the cash generating unit, ENERGY. The estimated future cash flows are based upon budgets and long-term profit goals covering a five-year period.

Continuing high energy prices are expected to keep demand strong for service offering and new projects. Based on that Scana consider the market outlook for the CGU is strong. Operating margins has been negatively impacted by disturbances in the supply chain in 2022 and challenges in a few projects. During Q4 ENERGY has won several contracts and has improved the order backlog which is NOK 193 million end of December 2022. It confirms the strong position ENERGY has in the market. Energy assumes an expected growth in activities and future revenues. The operating margin is also expected to increase the next five years. No impairment has been made in fourth quarter.

GOODWILL

NOK million	31.12.2022
CGU OFFSHORE	67.8
CGU ENERGY	206.1
Total Goodwill	**274.0**

KEY ASSUMPTIONS	ENERGY	OFFSHORE
Average Operating margin	10.4 %	5.9 %
Discount rate (nominal before tax)	9.7 %	10.8 %
Average growth rate per year 2023–2027	9.1 %	29.6 %
Growth rate per year after 2027 (nominal)	2.0 %	2.0 %
Functional currency	NOK	NOK

A sensitivity analysis of key assumptions have been performed and a change of +/- 1 % will not lead to an impairment.

DISCLOSURE 8 | INVESTMENT IN ASSOCIATED COMPANIES

Scana ASA recognizes the value of associated companies according to the equity method. At the end of the fourth quarter the booked value of the associated company is NOK 36.3 million which is based on preliminary accounts as at 31 December 2022 from Scana Korea Hydraulic Ltd, which is part of the business area MARITIME. Income from interests in associated is presented on a separate row in profit and loss statement.The reclassification has been changed in order to improve the user's understanding of the Group's financial performance. The change has no impact on net result or equity, and the change has been implemented retrospectively

DISCLOSURE 9 | TAX

At year-end 2022, management made new assessments related to the recognition of deferred tax assets, which are based on new tax calculations at the end of 2022. These assessments were based on future estimated taxable income in Norway and Sweden.

In Sweden the Group expect the activity level continuing and historical profit remain. All taxable loss carried forward in Sweden has been recognised.

In Norway the Group expect a significant improvement in activity level and increased profit. During the last month the order intake has increased significant. Significant part of taxable loss carried forward in Norway has been recognised.

DISCLOSURE 10 | LEASE LIABILITIES AND RIGHT OF USE

InIn Q4 2022, the group has entered into new leasing agreements. This has resulted in an increase in lease liabilities and right of use assets of NOK 23.6 million.

NOK million	
Lease liabilities as at 31 December 2021	8.0
New leasing agreements/extensions	457.9
Payments	(53.7)
Lease liabilities as at 31 December 2022	**412.1**

NOK million	
Right of use as at 31 December 2021	7.5
New leasing agreements/extensions	458.0
Depreciation/amortization/impairments	(62.9)
Right of use as at 31 December 2022	**402.6**

End of December 2022 the booked value connected to right of use is NOK 402.6 million, which is specified as follows:

NOK million	
Right of use as at 31 December 2022	
Buildings	387.1
Machinery	7.1
Cars	8.4
Total	**402.6**

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. A contract can have a completion period of more than one year.

	FULL YEAR	
NOK million	**2022**	**2021**
Revenue recognized over time related to contracts	421.0	258.8
Invoiced income related to contracts (milestones)	418.9	257.2
Contract assets	125.3	18.8
Contract liabilties	112.0	15.7

Based on progress plans, ongoing projects are expected to be completed at the end of 2023. Remaining income related to the ongoing projects amounts to NOK 437.3 million.

DISCLOSURE 12 | OPTION PROGRAM

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 fourth quarter of 2022, the result is charged with NOK 0.9 million connected to the option program 2022.

DISCLOSURE 13 | BUSINESS COMBINATION

ACQUISITION OF PSW GROUP – MEASUREMENT PERIOD ADJUSTMENTS

Scana has recognised adjustments of the initial measurement of the business combination based on new information obtained about facts and circumstances that existed as of the acquisition date. The measurement-period adjustments are calculated as if they were known at the acquisition date but are recognized in the reporting period Q4. Prior period information is not revised.

The following tables summarises the adjusted measurement of the business combination:

1) The acquisition date fair value of each major class of consideration transferred,
2) the recognised amounts of assets acquired, and liabilities assumed at the date of acquisition and
3) the Goodwill arising from the acquisition.

CONSIDERATION TRANSFERRED

NOK million	PSW
Cash	234.1
Seller credit	47.0
Shares in Scana ASA (124 224 737 shares)	173.9
Total consideration transferred	**455.0**

IDENTIFIABLE ASSETS ACQUIRED AND LIABILITIES ASSUMED

NOK million	PSW
Deferred tax assets	0.2
Customer contracts and relationships	46.9
Research and development	17.1
Licences and patents	3.5
Property. plant and equipment	145.4
Right of use assets	437.1
Net working capital	39.9
Deferred tax liability	(22.2)
Lease liabilities	(437.1)
Net debt	(45.1)
Total identifiable net assets acquired	**185.7**

GOODWILL

NOK million	PSW
Total consideration transferred	455.0
– Fair value of identifiable net assets acquired	(185.7)
Goodwill	**269.3**

DISCLOSURE 14 | EVENTS AFTER THE BALANCE SHEET DATE

BOARD AND CEO

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

EQUINOR CONTRACT

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

PSW will deliver maintenance personnel and prefabrication to the refinery. The main scope of work will be carried out by PSW Technology, with major contributions from sister companies PSW Power & Automation and PSW Solutions. The latter has handled tank maintenance and sludge services at the refinery for the past ten years. PSW is also joined by local subcontractors such as Mongstad Industrier and Østerbø Maskin. Work starts on 1 February with full effect from 1 May, and benefits from PSW's core services and close proximity to the refinery.

LOI - MOORING SYSTEM

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


7%
24%
19%

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		FULL YEAR	
NOK million	**Q4 22**	**Q4 21**	**2022**	**2021**
EBITDA	**14.9**	**(1.5)**	**70.6**	**16.7**
Gain from sale [1)]	(1.9)	0.0	(2.9)	(0.4)
Strategy and M&A costs [2)]	5.3	5.3	8.8	11.0
Option program/incentive scheme [3)]	0.9	0.4	3.8	1.7
Restructuring costs [4)]	0.0	0.0	0.4	0.4
Total items excluded from EBITDA	**4.3**	**5.7**	**10.1**	**12.8**
Adjusted EBITDA	**19.2**	**4.2**	**80.8**	**29.4**
Depreciation/amortization/impairment	21.5	1.8	89.6	8.2
Adjusted EBIT	**(2.3)**	**2.5**	**(13.1)**	**15.5**

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
Covenant EBITDA	Rolling EBITDA adjusted for financial lease and transaction cost related to 2022 acquisitions/PSW and ATC and normalization for one off effects + result from associated company.
Covenant equity ratio	Booked equity/(total assets – financial lease related to 2022 acquisitions/PSW and ATC)
Covenant NIBD/EBITDA	Covenant EBITDA/NIBD excluding financial lease

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