Powering the ocean industries

Interim report

3rd quarter 2022

Bergen, 4 November 2022

Strong demand for sustainable energy solutions

- Strong demand for sustainable energy solutions lifted the topline to a new record high
- Hydrogen-based shore power solution launched
- Revenue of NOK 227 million, representing an increase of 271 % from last year
- EBITDA result of NOK 20 million, an increase of 514 % from last year
- Positive cash flow from operations of NOK 29 million
- Order backlog increased to NOK 447 million
- Order intake of NOK 214 million

SUBSEQUENT EVENTS:

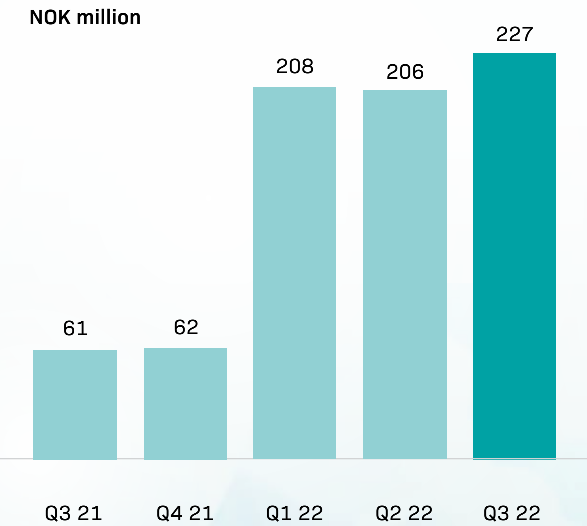
- PSW Power & Automation signed a substantial contract with Kongsberg Maritime for a series of energy storage deck-house modules
- Scana has made an amendment to its seller credit with Herkules, whereby Herkules will have an obligation to convert the seller credit to equity subject to certain trigger events
- Anette Dybvik hired as Head of IR and Investments and joins the management team in Scana

KEY FIGURES | GROUP

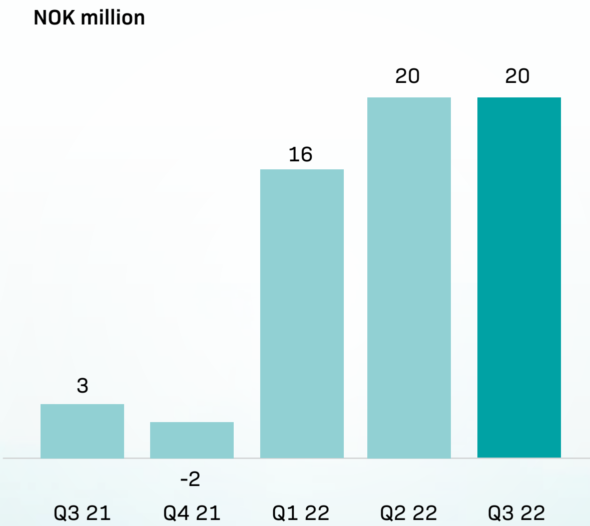
	QUARTER		YEAR TO DATE	
NOK million	**Q3 22**	**Q3 21**	**2022**	**2021**
Revenue	227	61	640	243
EBITDA	20	3	56	18
Order intake *	214	33	732	124
Order backlog	447	98	447	98
NIBD	230	11	230	11
Lease liabilities	405	9	405	9

** Underlying orderintake in Q3 was NOK 228 million, reported orderintake includes adjustment from previous period of NOK 14 million.*

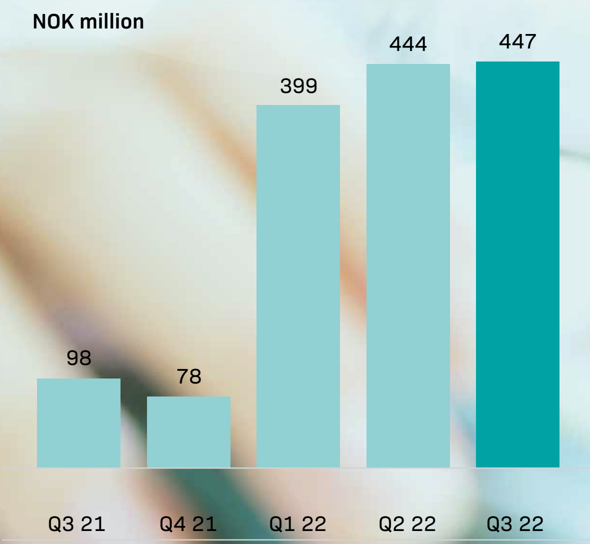
REVENUE



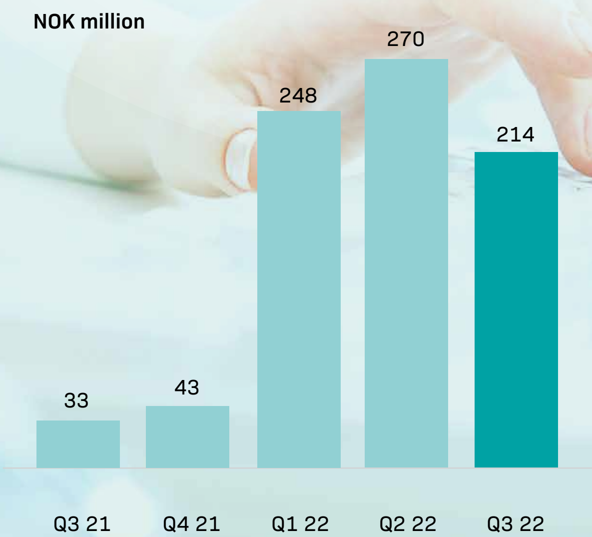
EBITDA



ORDER BACKLOG



ORDER INTAKE

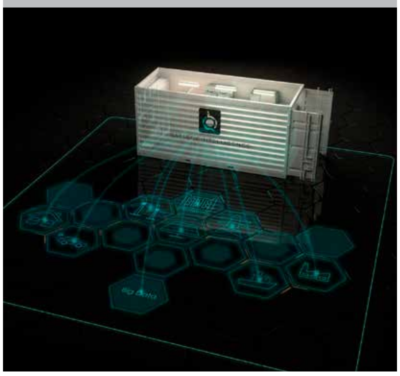


Powering the ocean industries

Scana's strategy is Powering the ocean industries. From a strong base 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

The Energy business area lifted the revenue for the group to a new all-time high. We see a rapidly growing demand for our solutions within electrification and renewable energy to the ocean industries. During the quarter we expanded our product portfolio with hydrogen fuel cell systems, and together with partners[1)], we demonstrated a hydrogen-based shore power solution that can work on a standalone basis for a complete off-grid offering.

The tendering activities remain high across all our business areas with substantial contracts expected to be decided in the months to come.

The continued high energy prices are expected to keep demand strong for our service offerings. The component shortage and freight constraints have improved in the quarter. As project milestones were met in the quarter, the operational cash flow was significantly improved from the previous quarter.

For the business area Offshore, the order backlog grew at a slower rate than expected, despite the high tendering activity. This was due to customers postponing investments and purchasing services. Hence project awards and corresponding revenue generation, continued to slide in the quarter.

In the quarter, Tommy Johnsen was employed as managing director for PSW Technology, the largest portfolio company in the Offshore business area. With a strong management background within well control and drilling we have a strong successor for Oddbjørn Haukøy who will dedicate his full effort as CCO for Scana.

1) Westgass Hydrogen, CCB and H2Production

ORDER INTAKE AND BACKLOG

The order intake for the quarter was NOK 214 million, compared to NOK 33 million last year (+554 %), of which MNOK 171 is derived from the transactions with PSW and ATC. The reported order intake represents a book to bill ratio of 0.9x, underlying order intake was NOK 228 million representing a book to bill of 1.0X. The order back log was NOK 447 million at the end of the quarter compared to NOK 98 million last year (+355 %), of which NOK 279 million relates to the transaction. The business area Energy contributes with NOK 163 million of the order backlog, as a result of Scana's transition towards the electrification megatrend.

REVENUE AND RESULTS

In third quarter, consolidated revenue for the group was NOK 227 million, compared to NOK 61 million in third quarter 2021 (+271 %), of which NOK 176 million is related to the transactions. The EBITDA for the quarter was NOK 20 million, compared to NOK 3 million (+514 %), of which NOK 16 million was related to the transactions.

In third quarter, there was a positive shift in revenue from the Energy division which reported revenue of NOK 110 million. EBITDA remains stable from the previous quarter at NOK 20 million.

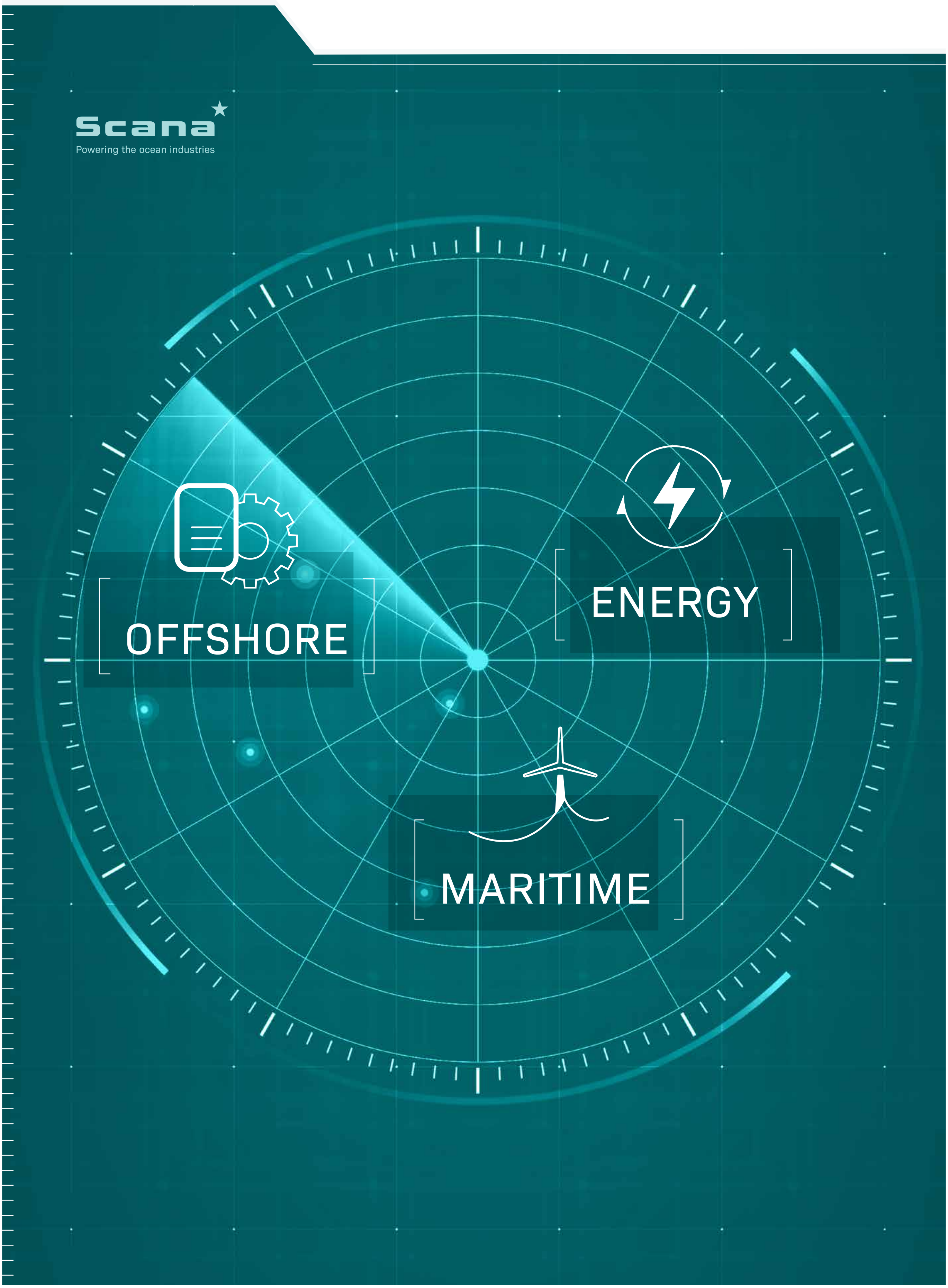
With the delay of expected contracts for the Offshore division Scana has a negative EBT of NOK 17 million in Q3 compared to negative EBT of NOK 3 million in third quarter Q3 last year. The negative EBT is due to increased depreciation and interest cost related to the acquisition of PSW.

FINANCING AND LIQUIDITY

Scana had an available liquidity reserve at the end of the quarter of NOK 86 million, consisting of cash and undrawn credit facilities. Bank financing consist of NOK 154 million with MNOK 5 in quarterly instalments. In addition, there is a seller credit of NOK 47 million. In November Scana made an amendment to the seller credit where Herkules has an obligation to convert the seller credit to equity subject to certain trigger events[2)]. The equity was NOK 439 million at the end of the quarter, giving Scana an equity ratio of 32 per cent. The share issue related to the PSW transaction was the main factor for the increased equity.

The cash flow from operation was positive with NOK 29 million in the third quarter compared to a negative NOK 9 million third quarter of 2021. Net cash flow from investing activities was negative NOK 6 million in current quarter versus negative NOK 1 million to comparable quarter last year. The cash flow from financing activities was negative NOK 42 million in the third quarter as seller credit for the ATC acquisition and ordinary installments of bank- and leasing debt were paid.

[1)] *See disclosure 13 for further information*


Scana
Powering the ocean industries
OFFSHORE
ENERGY
MARITIME

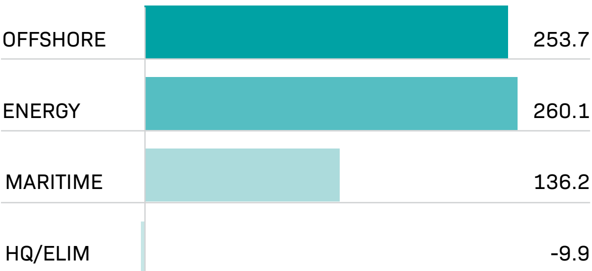
Overview business areas

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**

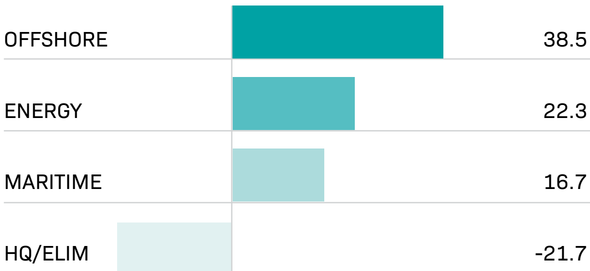
REVENUE YEAR TO DATE 2022

NOK million **GROUP 640.1**



EBITDA YEAR TO DATE 2022

NOK million **GROUP 55.7**

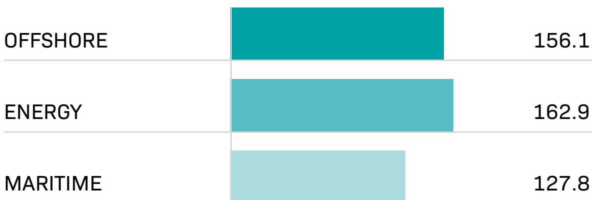


ORDER INTAKE YEAR TO DATE 2022

NOK million **GROUP 731.8**

ORDER BACKLOG YEAR TO DATE 2022

NOK million **GROUP 446.7**



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.

In the quarter Tommy Johnsen was employed as managing director for PSW Technology. With a strong management background within well control and drilling we have a strong successor for Oddbjørn Haukøy who will dedicate his full effort as CCO for Scana.

The business area had an order backlog of NOK 156 million at the end of the quarter. Driven by the acquisition of acquisition of PSW Group the backlog has increased by 350 per cent. The order intake was NOK 96 million, giving a book to bill of 1.3x and an increase of NOK 88 million from Q3 last year with a sizeable contract for marine risers to a rig company being a key signing in September.

Economic uncertainty causes customers to postpone investment decisions. This resulted in lower order intake and revenue in the quarter than expected. On the other hand, high tendering activity is expected to lead to several contracts being decided in the coming months.

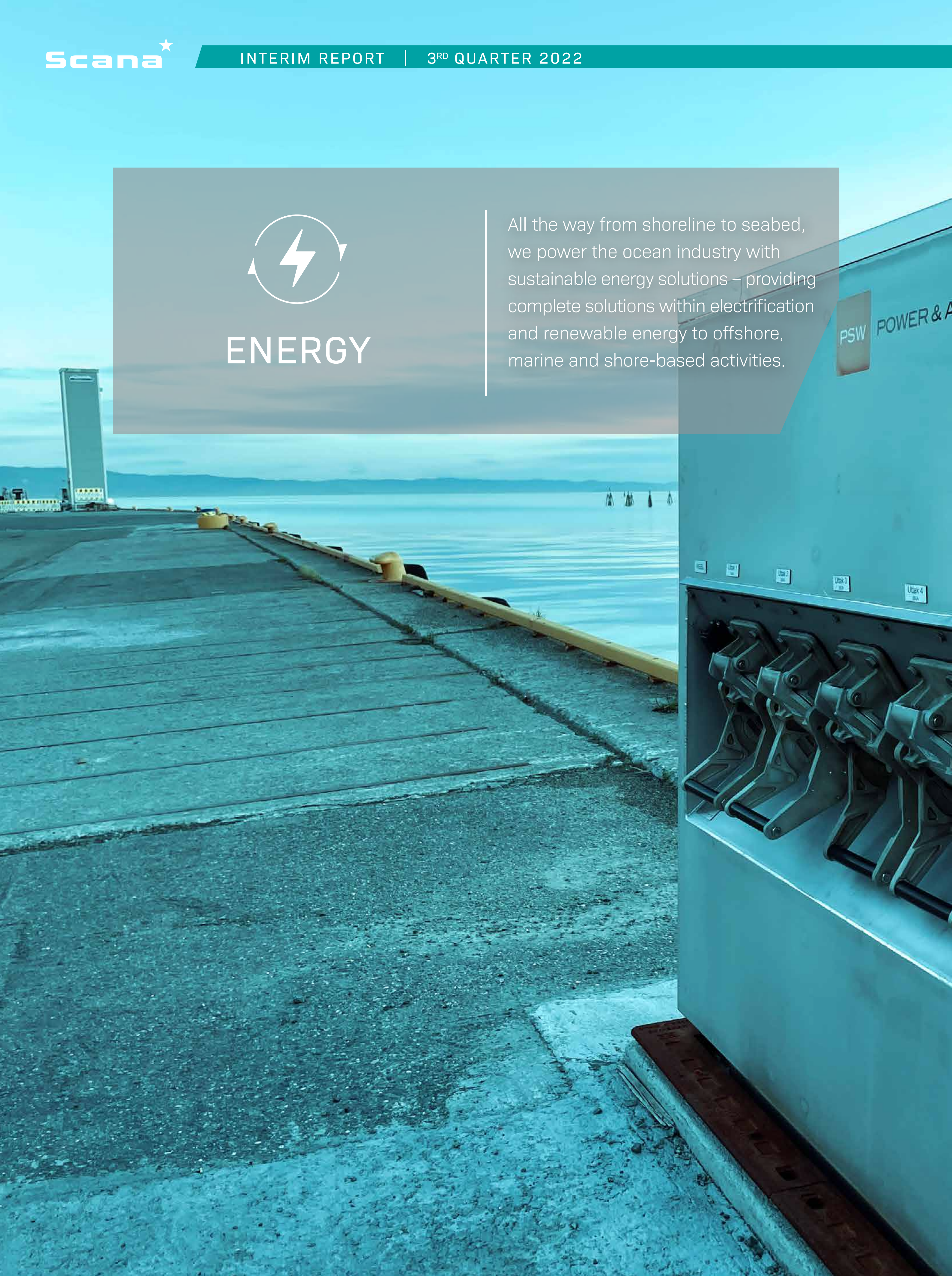
The revenue in the quarter was NOK 75 million, up from NOK 15 million (+394 %) from Q3 last year. The increase is driven by the purchase of PSW Group. EBITDA was NOK 9 million in the quarter, compared to NOK 3 million last year. The surface treatment business delivered strong results in Q3 while low utilisation in the Technology/well control business impacts profits negatively. Current activity level does not cover capacity cost and has led to a negative EBIT of NOK 8 million in the quarter. Short term measures to reduce capacity cost have been implemented and is being closely monitored. Currently, maintaining capacity for expected uptick is prioritised over significant cost cuts as tender activities remain high.

	QUARTER		YEAR TO DATE	
NOK million	**Q3 22**	**Q3 21**	**2022**	**2021**
Revenue	74.7	15.1	253.7	59.4
EBITDA	8.7	2.5	38.5	8.4
EBIT	(7.5)	2.4	(8.3)	8.1
EBT	(13.4)	1.2	(28.8)	3.1
Ordinary investments	1.0	1.6	4.6	1.8
Order intake	95.7	7.7	293.3	28.8
Order backlog	156.1	34.7	156.1	34.7

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 has an order backlog of NOK 163 million at the end of September. Electrification within shore power and mobile battery solutions makes up the majority of the backlog. The order intake in the quarter was NOK 96 million, giving a book to bill of 0.9. In July, the product portfolio was expanded with mobile battery systems for industrial use with contracts for Energyst and Zeppelin, large European players within industrial rental. In Q3, we demonstrated a hydrogen-based shore power solution, adding hydrogen as a new energy carrier to our portfolio.

The revenue for the quarter was NOK 110 million, driven by progress on shore power projects. EBITDA was NOK 9 million with margins being negatively affected by a cost increase in one single project. Overall project progress has been good in the quarter.

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 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	**Q3 22**	**Q3 21**	**2022**	**2021**
Revenue	110.2	-	260.1	-
EBITDA	8.5	-	22.3	-
EBIT	1.6	-	5.8	-
EBT	(0.4)	-	(0.9)	-
Ordinary investments	3.3	-	8.4	-
Order intake	96.4	-	239.1	-
Order backlog	162.9	-	162.9	-

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 45 million in the quarter, down from NOK 46 million (-2 %) due to reduced project activities in the valve control business. EBITDA was NOK 7 million in the quarter, compared to NOK 4 million (+65 %) last year. The increase in EBITDA relates to good underlying margins within the mooring business.

The order intake for the quarter was NOK 32 million, compared to NOK 25 million (+27 %) last year, where a mooring contract with delivery in Brazil was the most significant order. The order intake represents a book to bill of 0.7.

The order backlog was NOK 128 million, compared to NOK 64 million (+101 %) last year.
With a market exposure towards all the main ocean industries there are several interesting opportunities to pursue the coming quarters. Tender activities have increased within the FSRU and FPSO segments.
In the medium term, the energy crisis seems to accelerate offshore wind projects, where we are well positioned for our mooring solutions with our successful deliveries to the Hywind Tampen project being an important reference. Rising energy prices has a positive impact on demand for our segments. In the quarter, the proposed change in taxation for aquaculture is expected to cause delays in investment decision until the taxation is clarified.

For our 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.

	QUARTER		YEAR TO DATE	
NOK million	**Q3 22**	**Q3 21**	**2022**	**2021**
Revenue	44.7	45.9	136.2	183.3
EBITDA	7.2	4.3	16.7	24.9
EBIT	5.6	1.6	12.0	19.2
EBT	(2.1)	(0.5)	(1.4)	13.4
Ordinary investments	0.0	0.1	1.0	0.7
Order intake	31.8	25.0	209.2	94.7
Order backlog	127.8	63.6	127.8	63.6

Financial statements third quarter 2022

INCOME STATEMENT | GROUP

		QUARTER		YEAR TO DATE		FULL YEAR
NOK million	*Disclosure*	**Q3 22**	**Q3 21**	**2022**	**2021**	**2021**
Revenues	*2/11*	**226.9**	**61.1**	**640.1**	**243.1**	**304.7**
Cost of goods		(120.5)	(34.0)	(297.6)	(139.9)	(169.8)
Payroll expenses	*12*	(71.3)	(17.1)	(232.1)	(62.6)	(87.6)
Other operating expenses		(15.5)	(6.9)	(54.8)	(22.5)	(30.7)
EBITDA	*2*	**19.6**	**3.2**	**55.7**	**18.2**	**16.7**
Depreciation/amortization/impairment	*2/7/10*	(24.8)	(2.9)	(68.1)	(6.4)	(8.2)
Operating profit / (loss) - EBIT	*2*	**(5.2)**	**0.2**	**(12.4)**	**11.7**	**8.4**
Net interest expense		(10.6)	(1.3)	(29.8)	(4.1)	(5.7)
Net currency gain / loss (-)		0.1	(1.3)	(1.0)	(2.2)	(2.0)
Other financial income / expense (-)	*8*	(1.7)	(0.4)	(2.1)	(2.3)	1.3
Net financial income / expense (-)		(12.1)	(3.0)	(32.9)	(8.6)	(6.4)
Profit / (loss) before tax - continuing operations		**(17.3)**	**(2.8)**	**(45.4)**	**3.1**	**2.0**
Income tax expense	*9*	0.0	0.6	0.0	0.6	(24.3)
Net profit / (loss) – continued operation	*2*	**(17.3)**	**(3.4)**	**(45.4)**	**2.5**	**26.3**
Net profit / (loss) – discontinued operations	*2*	0.0	0.0	0.0	0.4	0.4
Net profit / (loss)		**(17.3)**	**(3.4)**	**(45.4)**	**2.9**	**26.8**
Earnings per share – continued operations		-0.04	-0.03	-0.12	0.03	0.25
Other comprehensive income						
Exchange difference on translations of foreign operations		(0.1)	(0.0)	(0.7)	(0.6)	(0.7)
Other comprehensive income		(0.1)	(0.0)	(0.7)	(0.6)	(0.7)
Total comprehensive income		**(17.4)**	**(3.4)**	**(46.1)**	**2.3**	**26.1**

BALANCE SHEET | GROUP

NOK million	*Disclosure*	30.09.22	31.12.21
Deferred tax assets	*9*	66.4	60.3
Goodwill	*7*	210.8	0.0
Intangible assets	*7*	123.8	1.8
Right-of-use assets	*7/10*	396.8	7.5
Property, plant and equipment	*7*	131.1	11.8
Investments in associates	*8*	30.5	31.4
Other non-current assets	*5*	38.5	2.0
Total non-current assets		**998.0**	**114.8**
Inventories		59.5	13.4
Trade receivables	*4/5*	177.3	39.7
Contract assets	*11*	100.6	18.8
Derivatives	*4/5*	0.4	0.1
Other current receivables	*5*	0.4	0.0
Prepaid expenses	*5*	14.5	7.6
Cash and cash equivalents	*5/6*	4.6	29.0
Total current assets		**357.1**	**108.6**
Total assets	***2***	**1 355.1**	**223.4**
Paid-in capital		1 087.4	704.4
Retained earnings		(648.4)	(602.3)
Total shareholders' equity		**439.0**	**102.1**
Interest-bearing non-current liabilities	*3/4/5/6*	180.8	0.0
Non-current lease liabilities	*4/5/10*	331.9	4.4
Deferred tax liabilities	*9*	34.1	2.9
Other non-current liabilities		2.0	2.0
Total non-current liabilities	***2***	**548.8**	**9.3**
Interest-bearing current liabilities	*3/4/5/6*	53.6	38.3
Current lease liabilities	*4/5/10*	73.4	3.5
Trade payables	*4/5*	96.1	20.4
Contract liabilties	*11*	39.3	15.7
Derivatives	*4/5*	9.4	1.0
Other current liabilities	*5*	95.5	33.0
Total current liabilities	***2***	**367.3**	**111.9**
Total liabilities and shareholders' equity		**1 355.1**	**223.4**

STATEMENT OF CASH FLOW | GROUP

		QUARTER		YEAR TO DATE		FULL YEAR
NOK million	*Disclosure*	**Q3 22**	**Q3 21**	**2022**	**2021**	**2021**
Profit / (loss) before tax – continuing operations		(17.3)	(2.8)	(45.4)	3.1	2.0
Taxes paid		(0.5)	(0.1)	(1.0)	(0.3)	(0.5)
Gain / loss – continued operations		0.9	0.0	(3.3)	0.7	(3.3)
Currency exchange differences and non cash element		2.3	3.5	11.2	9.0	12.9
Depreciation/amortization/impairment	7	24.8	2.9	68.1	6.4	8.2
Net interest costs		10.6	1.3	29.8	4.1	5.7
Interest received		0.2	0.0	0.6	0.0	0.0
Change in net working capital		8.4	(13.7)	(46.3)	(3.6)	0.0
Net cash flow from operating activities		**29.5**	**(8.8)**	**13.8**	**19.4**	**25.1**
Proceeds from sale of property, plant and equipment		0.0	0.3	3.2	0.3	0.3
Purchase of property, plant and equipment		(5.5)	(1.2)	(14.9)	(1.3)	(1.8)
Proceeds from sale of shares		0.0	0.0	0.0	0.1	0.1
Liquidity bought/sold business		0.0	0.0	57.2	(0.1)	(0.1)
Investments in business / Received dividend		0.0	0.0	(481.8)	0.9	0.9
Net cash flow from investing activities		**(5.5)**	**(0.9)**	**(436.4)**	**(0.0)**	**(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	(4.1)	0.0	(50.1)	0.0	0.0
Repayment of lease liabilities	10	(14.3)	(2.6)	(36.9)	(2.8)	(3.7)
Proceeds from seller credit		(12.5)	0.0	(12.5)	0.0	0.0
Repayment of current interest-bearing debt		(2.0)	0.0	(23.7)	0.0	0.0
Proceeds from issue of shares		0.0	0.0	374.3	0.0	0.0
Paid other finance expenses		(0.0)	(0.0)	(2.1)	(0.1)	(0.2)
Paid interest		(9.2)	(0.3)	(26.0)	(1.3)	(1.7)
Net cash flow from financing activities		**(42.1)**	**(2.9)**	**369.9**	**(4.2)**	**(5.6)**
Net cash flow		**(18.1)**	**(12.6)**	**(52.7)**	**15.2**	**18.9**
Cash and cash equivalents at beginning of period		(5.6)	38.3	28.9	11.1	11.1
Net foreign exchange difference		0.1	(0.2)	0.2	(0.8)	(1.2)
Cash and cash equivalents at end of period	**6**	**(23.6)**	**25.6**	**(23.6)**	**25.6**	**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			(46.1)	(46.1)	0.0	(46.1)
Option program / incentive scheme			3.0	3.0		3.0
Changes – paid in capital	285.9	94.1		380.0	0.0	380.0
Equity as at 30 September 2022	**393.4**	**691.0**	**(645.4)**	**439.0**	**0.0**	**439.0**

DISCLOSURE 1 | OVERALL INFORMATION

The consolidated financial statements for Scana ASA for the third quarter of 2022 were approved by the Board of Directors on 4 November 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 may affect the group. Scana 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 valve remote control systems and mooring solutions to vessels, rigs, and floating structures serving the shipping, oil and gas, aquaculture, and energy industries.

"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	244.9	259.0	136.2	0.0	0.0	640.1
Internal revenue	8.8	1.1	0.0	1.4	(11.3)	0.0
Total revenue	253.7	260.1	136.2	1.4	(11.3)	640.1
Operating expenses	215.2	237.8	119.5	23.2	(11.4)	584.4
EBITDA	38.5	22.3	16.7	(21.8)	0.1	55.7
Depreciation	46.8	16.4	4.7	0.3	0.0	68.1
Impairment	0.0	0.0	0.0	0.0	0.0	0.0
Operating profit/loss (EBIT)	(8.3)	5.8	12.0	(22.0)	0.1	(12.4)
EBIT margin	-3 %	2 %	9 %			-2 %
Net financial income/expense (-)						(32.9)
Profit/loss before tax – continued operations						(45.4)
Income tax expense						0.0
Profit/loss for the year – continued operations						(45.4)
BALANCE SHEET FIGURES						
Assets	711.9	506.5	221.7	390.3	(475.3)	1 355.1
Non-current liabilities	459.1	94.3	2.7	185.7	(193.1)	548.8
Current liabilities	144.8	156.7	131.5	216.6	(282.2)	367.3
KEY FIGURES						
Order inflow	293.3	239.1	209.2	0.0	(9.8)	731.8
Order Backlog	156.1	162.9	127.8	0.0	0.0	446.7

2021 year to date *(NOK million)*	**OFFSHORE**	**ENERGY**	**MARITIME**	**Scana HQ**	**Elimination**	**Group**
External revenue	59.4	0.0	183.3	0.4	0.0	243.1
Internal revenue	0.0	0.0	0.0	0.9	(0.9)	0.0
Total revenue	59.4	0.0	183.3	1.3	(0.9)	243.1
Operating expenses	51.0	0.0	158.4	16.5	(0.9)	224.9
EBITDA	8.4	0.0	24.9	(15.2)	0.0	18.2
Depreciation	0.3	0.0	4.5	0.4	0.0	5.2
Impairment	0.0	0.0	1.2	0.0	0.0	1.2
Operating profit/loss (EBIT)	8.1	0.0	19.2	(15.6)	0.0	11.7
EBIT margin	14 %		10 %			5 %
Net financial income/expense (-)						(8.6)
Profit/loss before tax – continued operations						3.1
Income tax expense						0.6
Profit/loss for the year – continued operations						2.5
BALANCE SHEET FIGURES						
Assets	35.0	0.0	202.6	93.2	(132.8)	198.1
Non-current liabilities	1.6	0.0	4.4	5.2	0.0	11.2
Current liabilities	11.9	0.0	109.4	120.3	(132.8)	108.9
KEY FIGURES						
Order Intake	28.8	0.0	94.7	0.0	0.0	123.5
Order Backlog	34.7	0.0	63.6	0.0	0.0	98.2

DISCLOSURE 3 | INTEREST BEARING DEBT

As at 30 September 2022	Current liabilities	Non-current liabilities
Bank overdraft	28.1	
Seller Credits	0.0	47.0
Loan DNB	20.0	135.9
Amortized cost		-2.1
Accrued interests	5.5	
Total interest-bearing debt	53.6	180.8

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

In addition, the group entered into a seller credit agreement of NOK 12.5 million connected to the acquisition of Trans Construction AS in January 2022, which was settled in July 2022.

DISCLOSURE 4 | MATURITY ANALYSIS – FINANCIAL LIABILITIES

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

As of 30 September 2022, the group had a total outstanding accounts receivable of NOK 177.3 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 September 2022 was NOK 86.4 million. See disclosure 6 for further information.

As at 30 September 2022		2022.4Q	2023.1Q	2023.2Q	2023.3Q	2023	2024
Lease liabilities	-405.3	-18.6	-18.4	-18.3	-18.2	-70.8	-67.7
Bank overdraft	-28.1						
Seller Credits	-47.0						
Loan DNB	-155.9	-5.0	-5.0	-5.0	-5.0	-20.0	-20.0
Derivates	-9.0						
Interest payments	-5.5	-3.0	-2.9	-2.9	-2.8	-12.8	-15.6
Trade payables	-96.1	-96.1					
Total payments		-122.7	-26.3	-26.1	-25.9	-103.7	-103.3

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 September 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				30.09.22	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					36.5	36.5	0.0
Trade receivables	*4*				177.3	177.3	39.7
Other receivables					0.4	0.4	0.0
Prepaid expenses					14.5	14.5	7.6
Forward currency contracts	*4*	Level 2	0.4			0.4	0.1
Bank deposits	*6/11*				4.6	4.6	29.0
Total			0.4	0.0	233.1	233.5	76.4
FINANCIAL LIABILITIES							
Bank overdraft	*3/4*				28.1	28.1	0.1
Lease liabilities	*4/11/12*				405.3	405.3	8.0
Interest bearing loans	*3/4*				206.2	206.2	38.2
Trade payables	*4*				96.1	96.1	20.4
Forward currency contracts	*4*	Level 2	9.4			9.4	1.0
Other liabilities					95.5	95.5	33.0
Total			9.4	0.0	831.3	840.6	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 third 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 30 September 2022, the group has a bank overdraft of NOK 28.1 million.
As of 30 September 2022, the total liquidity reserve was NOK 86.4 million, which consisted of an unused overdraft facility of NOK 81.9 million and cash of NOK 4.6 million, of which NOK 0.3 is restricted. 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. Skarpenord has delivered an operating profit above the estimate in the previous impairment test prepared June 2022. No impairment has been made in the third quarter of 2022.

An impairment assessment has been carried out in the group based on impairment indicators to the cash-generating unit PSW Offshore consisting of PSW Technology and PSW Solutions.
The operating profit YTD has been worse than expected and the market interest rates has increased in the period. However, the market outlook for the CGU is strong with high energy-prices and a maintenance lag within oil service that is expected to materialize in contracts going forward.

In assessing future cash flow for next five years current tender activities and short-term prognosis has been supplemented with the long term business plan. There has been a delay in revenue generating in 2022 that is expected to catch up in the next few years as the oil service market is expected to be strong. With the expected increase in revenues 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 September 2022 estimated cash flow supports the book values in the CGU, and there is no need for an impairment in the quarter.

DISCLOSURE 8 | INVESTMENT IN ASSOCIATED COMPANIES

Scana ASA recognizes the value of associated companies according to the equity method. At the end of the third quarter the booked value of the associated company is NOK 30.5 million based on accounts as of 30 June 2022 from Scana Korea Hydraulic Ltd.

DISCLOSURE 9 | TAX

At year-end 2021, management made an assessment related to unrecognised deferred tax assets. This assessment was continued at the end of the third quarter of 2022. The Groups management considers it probable that future taxable profits would be available against which tax losses can be recovered and, therefore, the related deferred tax asset can be realised. The Groups estimated taxable loss YTD 2022 has not resulted in recognition of additional deferred tax assets. See the annual report for 2021 for further information.

DISCLOSURE 10 | LEASING LIABILITIES

In third quarter the group has added increased lease obligations by NOK 14.7 million, due to lease agreements has been added.

NOK million	
Lease liabilities as at 31 December 2021	8.0
New leasing agreements / extensions	434.3
Payments	(36.9)
Lease liabilities as at 30 September 2022	**405.3**

Right of use has increased due to acquisitions and have been depreciated by NOK 44.9 million.

NOK million	
Right of use as at 31 December 2021	7.5
New leasing agreements / extensions	434.3
Depreciation / amortization / impairments	(44.9)
Right of use as at 30 September 2022	**396.8**

End of September 2022 the booked value connected to right of use is NOK 396.8 million, which is specified as follows:

NOK million	
Right of use as at 30 September 2022	
Buildings	383.1
Machinery	13.5
Cars	0.2
Total	**396.8**

DISCLOSURE 11 | ONGOING PROJECTS

The overview below shows income and expenses that are recognized over time in connection with ongoing projects that have not been completed and delivered at reporting date. Ongoing projects could have a completion period of more than one year.

	YEAR TO DATE		FULL YEAR
NOK million	**2022**	**2021**	**2021**
Revenue recognized over time related to contracts	600.0	264.2	258.8
Costs recognized over time related to contracts	476.9	224.8	207.8
Gross margin	123.1	39.4	51.0
Gross margin in percent	21 %	15 %	20 %
Invoiced income related to contracts (milestones)	391.9	245.7	257.2
Contract assets	100.6	32.6	18.8
Contract liabilties	39.3	17.5	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 360.6 million.

Ongoing assessments are made in connection with loss of provisions in the projects. At the end of the third 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 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 third quarter of 2022, the result is charged with NOK 0.7 million related to the option programs.

DISCLOSURE 13 | EVENTS AFTER THE BALANCE SHEET DATE

PSW Power & Automation has entered into an agreement with Kongsberg Maritime for the design, production, assembly, and testing of a series of energy storage deck-house modules. The design phase has started, and the project will be finished by end of Q3 2023.

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 November 22, Scana has made an amendment to its seller credit with Herkules, whereby Herkules will have an obligation to convert the seller credit to equity at market-based pricing mechanisms, subject to certain trigger events that may include, inter alia, a share issue in Scana, a sale of shares or the seller credit by Herkules, etc., provided that a conversion will not trigger a mandatory offer by Herkules.


7%
24%

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	**Q3 22**	**Q3 21**	**2022**	**2021**	**2021**
EBITDA	**19.6**	**3.2**	**55.7**	**18.2**	**16.7**
Gain from sale [1)]	0.0	(0.4)	(1.1)	(0.4)	(0.4)
Strategy and M&A costs [2)]	(0.1)	1.0	3.5	5.8	11.0
Option program / incentive scheme [3)]	0.7	0.4	3.0	1.3	1.7
Restructuring costs [4)]	0.4	0.6	0.4	0.4	0.4
Total items excluded from EBITDA	**1.0**	**1.6**	**5.8**	**7.0**	**12.8**
Adjusted EBITDA	**20.6**	**4.8**	**61.6**	**25.2**	**29.4**
Depreciation/amortization/impairment	24.8	2.9	68.1	6.4	8.2
Adjusted EBIT	**(4.2)**	**1.9**	**(6.6)**	**18.8**	**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

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