



1H 2019 Presentation

Hotel Continental, Oslo

August 28, 2019

Henrik Badin CEO

Erik Magelssen CFO

Disclaimer

This Presentation includes and is based, inter alia, on forward-looking information and statements that are subject to risks and uncertainties that could cause actual results to differ. These statements and this Presentation are based on current expectations, estimates and projections about global economic conditions, the economic conditions of the regions and industries that are major markets for Scanship Holding ASA ("Scanship") and Scanship's subsidiaries.

Important factors that could cause actual results to differ materially from those expectations include, among others, economic and market conditions in the geographic areas and industries that are or will be major markets for Scanship's businesses, market acceptance of new products and services, changes in governmental regulations, interest rates, fluctuations in currency exchange rates and such other factors as may be discussed from time to time in the Presentation.

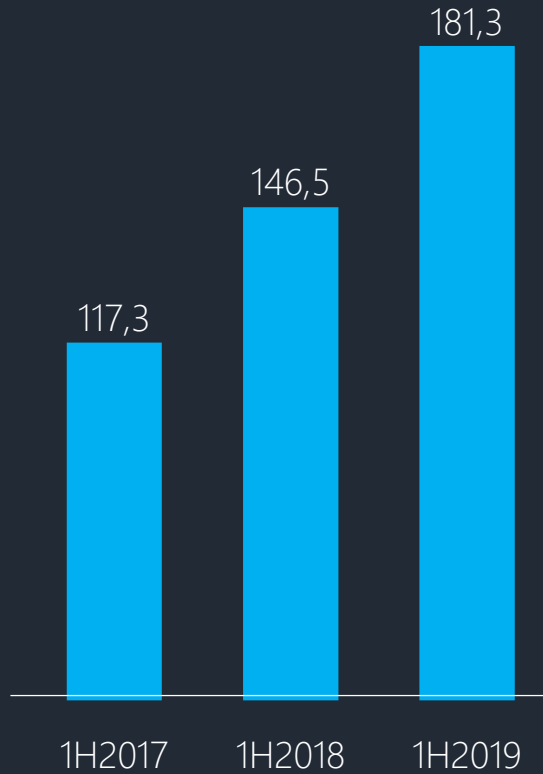
Although Scanship believes that its expectations and the Presentation are based upon reasonable assumptions, it can give no assurance that those expectations will be achieved or that the actual results will be as set out in the Presentation. Scanship is making no representation or warranty, expressed or implied, as to the accuracy, reliability or completeness of the Presentation, and neither Scanship nor any of its directors, officers or employees will have any liability to you or any other persons resulting from your use.

About us

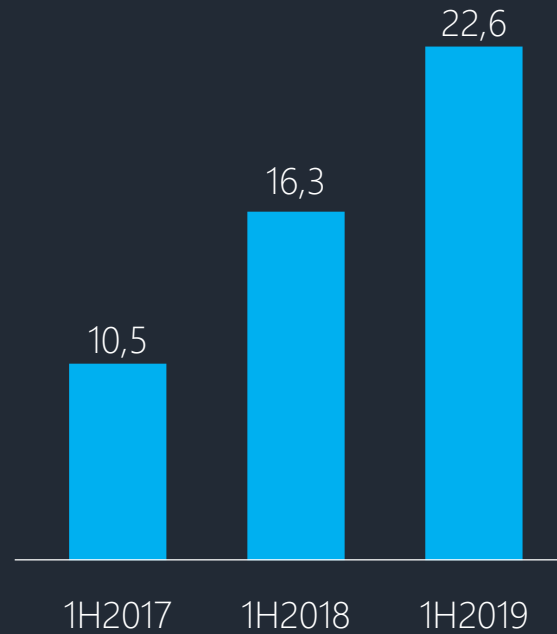
- provider of technology that prevents pollution to sea, enabling recovery of valuable resources in waste and converting waste to energy
- well positioned with unique track record equipped 115 cruise ships with orderbook for another 39 newbuilds
- moving into aquaculture industry and landbased waste management to grow
- headquartered in Norway with subsidiaries in US and Poland
- low financial and operational gearing, scalable business with revenues from systems sales (2/3) and recurring life cycle services (1/3)



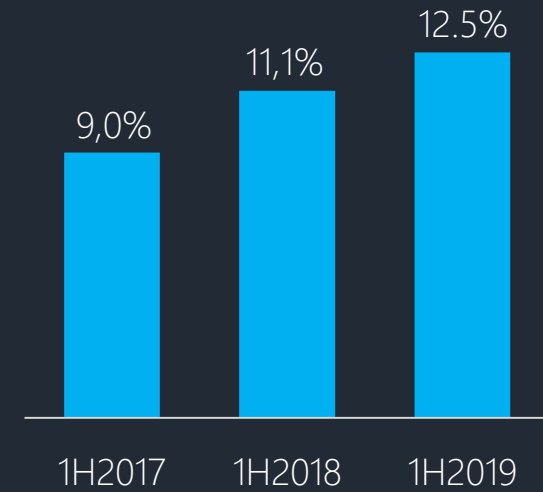
Strong profitable growth continues



Revenues

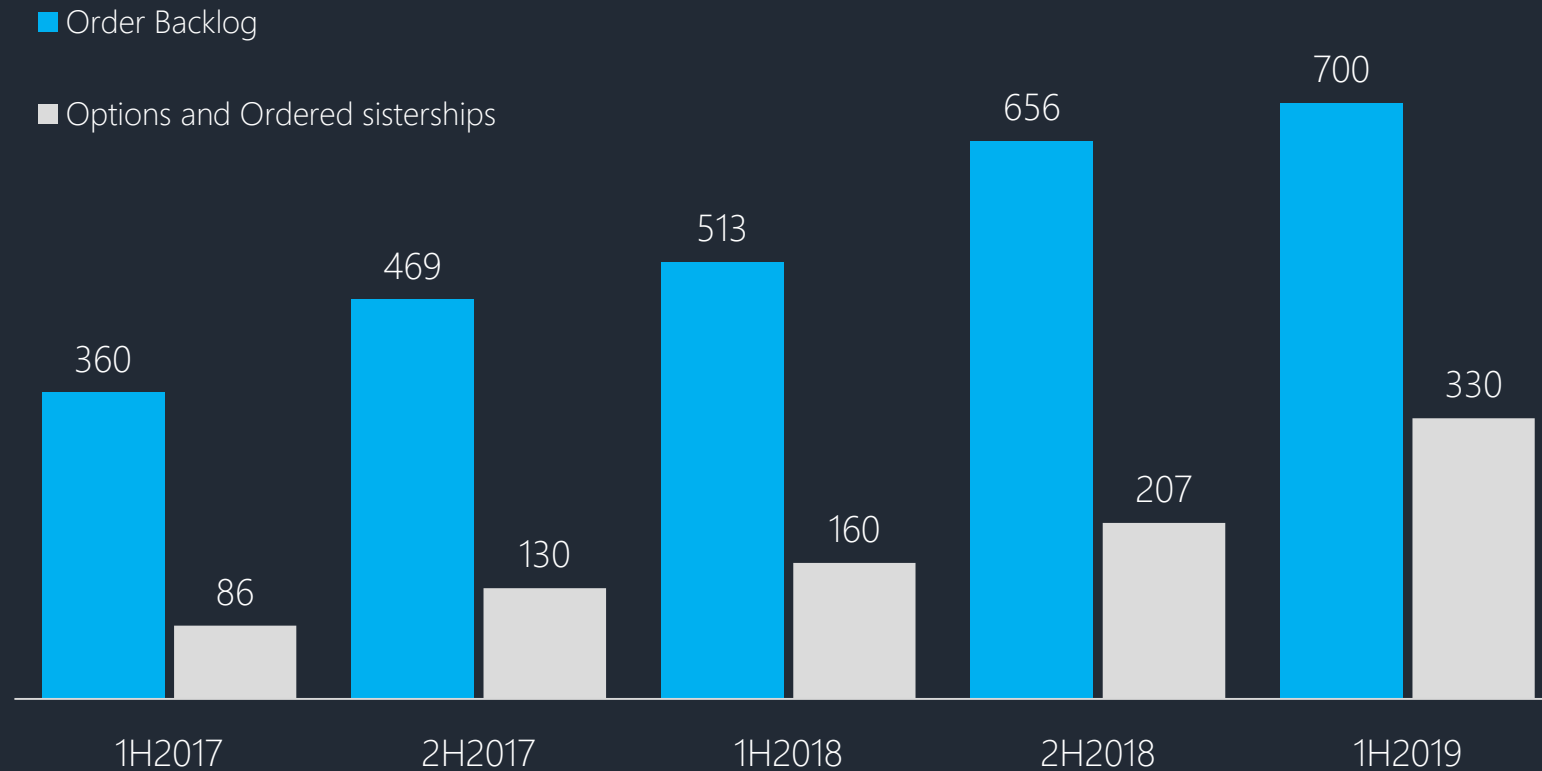


EBITDA



EBITDA %

New all time high order backlog



Lifecycle Services (Aftersales) not included in Order Backlog

Another strong first half year

- revenue increase of 24 % yoy
- improved EBITDA margin
- non-recurring costs related to transfer from Oslo Axess to listing on Oslo Børs
- net financial items includes positive market valuation of Euro forward currency contracts

P&L statement 1H 2019

(MNOK)	Unaudited 1H 2019	Unaudited 1H 2018	Audited 2018
Revenue	181.3	146.5	329.6
Total operating revenue	181.3	146.5	329.6
Cost of goods sold	-128.3	-101.2	-229.8
Gross Profit	53.0	45.3	99.8
- <i>Gross Margin</i>	29.2 %	30.9 %	30.3 %
Employee expenses	-18.6	-17.7	-37.3
Other operating expenses	-11.8	-11.3	-23.3
EBITDA before non-recurring items	22.6	16.3	39.2
- <i>EBITDA margin, before non-recurring</i>	12.5 %	11.1 %	11.9 %
Non-recurring items	-0.6		
EBITDA	22.0	16.3	39.2
- <i>EBITDA margin</i>	12.1 %	11.1 %	11.9 %
Depreciation and amortisation	-3.5	-1.2	-3.4
Operating result (EBIT)	18.5	15.0	35.8
Net Financial items	1.6	0.8	-2.4
Result before tax	20.0	15.8	33.4

Statement of financial position

- intangible assets primarily the Waste to Energy (MAP) investments
- right-of-use assets and Lease liability included in accordance with IFRS 16
- increase in Contracts in progress, to be invoiced and cash flow in 2H 2019
- non-current liabilities primarily consist of deferred tax liability of MNOK 18.7

(MNOK)	Unaudited 30/06/19	Unaudited 30/06/18	Audited 31.12.18
ASSETS:			
Property, plant and equipment	5.1	2.1	3.2
Intangible assets	44.2	35.1	38.3
Right-of-use assets	13.9		
Total non-current assets	63.1	37.2	41.5
Current assets:			
Inventories	7.4	4.2	4.5
Trade receivables	69.5	47.9	62.6
Contracts in progress	71.9	10.4	62.5
Financial instruments	-	0.6	-
Other Receivables	14.1	11.2	16.0
Cash and cash equivalents	9.7	6.3	7.0
Total current assets	172.6	80.6	152.6
Total assets	235.7	117.8	194.1
EQUITY AND LIABILITIES			
Total equity	99.7	77.1	93.3
Total non-current liabilities	19.3	11.9	14.9
Current liabilities			
Trade creditors	41.8	26.1	44.3
Contract accruals	24.6	-0.6	25.7
Financial instruments	0.0	-	3.4
Income tax payable	0.1	-0.1	-0.3
Bank overdraft / Credit facility	24.7	1.9	2.1
Lease liability	14.1		
Other Current liabilities	11.5	1.4	10.7
Total Current liabilities	116.8	28.7	85.9
Total liabilities	136.1	40.6	100.8
Total equity and liabilities	235.7	117.8	194.1

Cashflow

- timing of customer and supplier payments and deliveries will give significantly increased cashflow from operations in 2H 2019
- reverse situation in 2018, cashflow from operations significantly higher in 1H 2018 compared to 2H 2018
- higher investment level on the MAP system in 1H 2019
- cashflow from financing activities includes increase in drawn amount on credit facilities

(MNOK)	<i>Unaudited</i> 1H 2019	<i>Unaudited</i> 1H 2018	<i>Audited</i> 2018
<i>Result before tax</i>	20.0	15.8	33.4
Net cash flow from operating activities	-1.2	25.1	31.1
Net cash flow from investing activities	-8.1	-5.5	-11.3
Net cash flow from financing activities	21.7	-18.7	-18.5
Dividends paid	-9.6	-	-
Net change in cash and cash equivalents	2.8	0.9	1.2
Effect of exchange rate changes on cash	-0.1	-0.2	0.2
Cash and cash equivalents at start of period	7.0	5.6	5.6
Cash and cash equivalents at end of period	9.7	6.3	7.0

Number of shareholders approaching 3000

- management and board represented by top four shareholders
- management with CEO, COO and CDO holds total 31.500.000 shares
- growing number of shareholders, now close to 3000
- high trading volumes

Largest shareholders

Investor	Number of shares	% of top 20	% of total	Type	Country
INGERØ REITEN INV. COMPANY AS	31,500,000	39.57%	32.75%	Comp.	NOR
BADIN INVEST LIMITED	10,500,000	13.19%	10.92%	Comp.	NOR
DALER INN LIMITED	10,500,000	13.19%	10.92%	Comp.	NOR
EXPROCO LIMITED	10,500,000	13.19%	10.92%	Comp.	NOR
TRETHOM AS	4,321,111	5.43%	4.49%	Comp.	NOR
VICAMA AS	1,810,000	2.27%	1.88%	Comp.	NOR
FONDSAVANSE AS	1,562,500	1.96%	1.62%	Comp.	NOR
DZ PRIVATBANK S.A.	1,400,000	1.76%	1.46%	Nom.	LUX
THE BANK OF NEW YORK MELLON SA/NV	1,345,263	1.69%	1.40%	Nom.	GBR
AVANZA BANK AB	1,005,063	1.26%	1.05%	Nom.	SWE
THOM EIGEL INGVAR	711,111	0.89%	0.74%	Priv.	NOR
NORDNET BANK AB	674,452	0.85%	0.70%	Nom.	SWE
PUNTE HOLDING AS	550,000	0.69%	0.57%	Comp.	NOR
MORGAN STANLEY & CO. LLC	502,496	0.63%	0.52%	Nom.	USA
BAUMANN INVEST AS	500,000	0.63%	0.52%	Comp.	NOR
GOLDMAN SACHS INTERNATIONAL	492,174	0.62%	0.51%	Nom.	GBR
TOR H BJØRNSTAD AS	457,706	0.58%	0.48%	Comp.	NOR
SANDVEN BRUK AS	445,000	0.56%	0.46%	Comp.	NOR
INVESTMENT DU NORD AS	435,000	0.55%	0.45%	Comp.	NOR
SWENSEN HARALD	385,000	0.48%	0.40%	Priv.	NOR
Total number owned by top 20	79,596,876	100%	82.76%		
Total number of shares	96,175,525		100%		

Cruise market represents a solid platform for continued growth

- continuing cruise industry growth has translated to 120 cruise ships on order, and to maintain historical passenger growth will require additional 100 newbuilds to enter service until 2030
- environmental sustainability scrutiny drives cruise retrofit market within wastewater purification and waste management
- 47% do not have advanced wastewater purification systems and 93% does not meet new discharge standards (CLIA 2018 statement)
- increased focus on plastic pollution, zero discharge, and CO₂ emissions will drive demand for sludge processing and MAP Waste to Energy





Thank you for the attention !

www.scanship.no