SCANSHIP

for cleaner oceans

SCANSHIP HOLDING ASA

Financial Report

First Half Year 2019 (1H 2019)

SCANSHIP HOLDING ASA

Financial report – 1H 2019

1. Key Financial Information 1H 2019

- Continued strong growth in Revenue and EBITDA
- Breakthrough contracts for our Waste to Energy technology
- All-time high order backlog
- Dividends paid
- Transfer from Oslo Axess to Oslo Børs

(NOK million)	*Unaudited* **1H 2019**	*Unaudited* **1H 2018**	*Audited* **2018**
Total Revenue	181.3	146.5	329.6
EBITDA (bef.non-recurring cost)	22.6	16.3	39.2
EBITDA margin %	*12.5 %*	*11.1 %*	*11.9 %*
Operating Result (EBIT)	18.5	15.0	35.8
Result before tax	20.0	15.8	33.4
Project Backlog	700	513	656
Total Assets	236	118	194
Total Equity	100	77	93

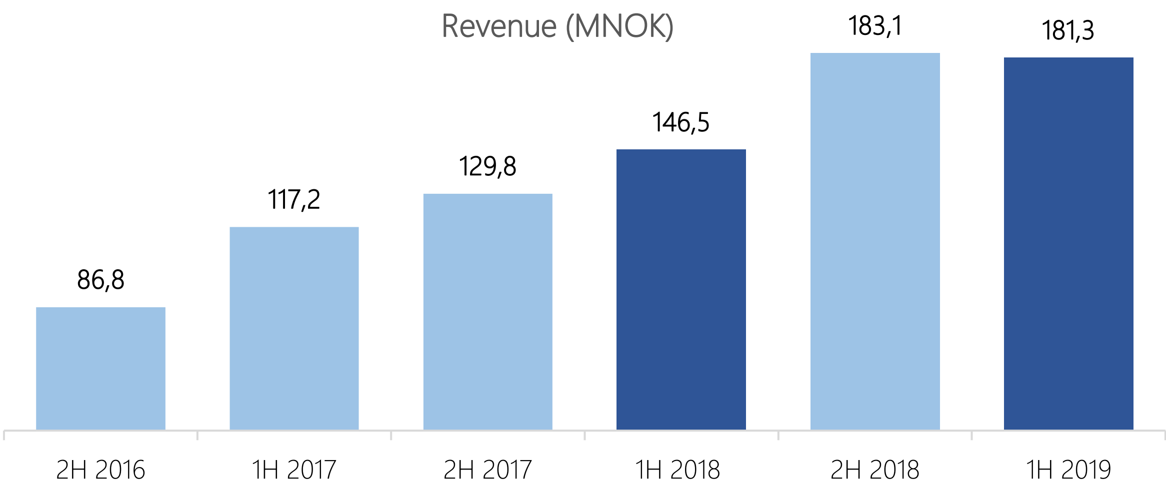
The IFRS 16 accounting principle has been implemented in 2019 based on the modified retrospective approach. See further the financial note information for the effect on the 2018 figures.

1.1 Revenue

Scanship's total revenues increased by 24 % in 1H 2019 compared to 1H 2018. The increase is driven by both segments, where Aftersales has recorded a revenue increase of 26 %, while the Project segment had an increase in revenue of 23 %.

The increase in Project revenues are driven by high activity, both related to equipment deliveries to several vessels and by engineering and preparation for upcoming deliveries.

Scanship has an increased base of systems installed on the fleet of cruise vessels world-wide, which in turn strengthens and build up our recurring revenue stream within the segment of Aftersales.

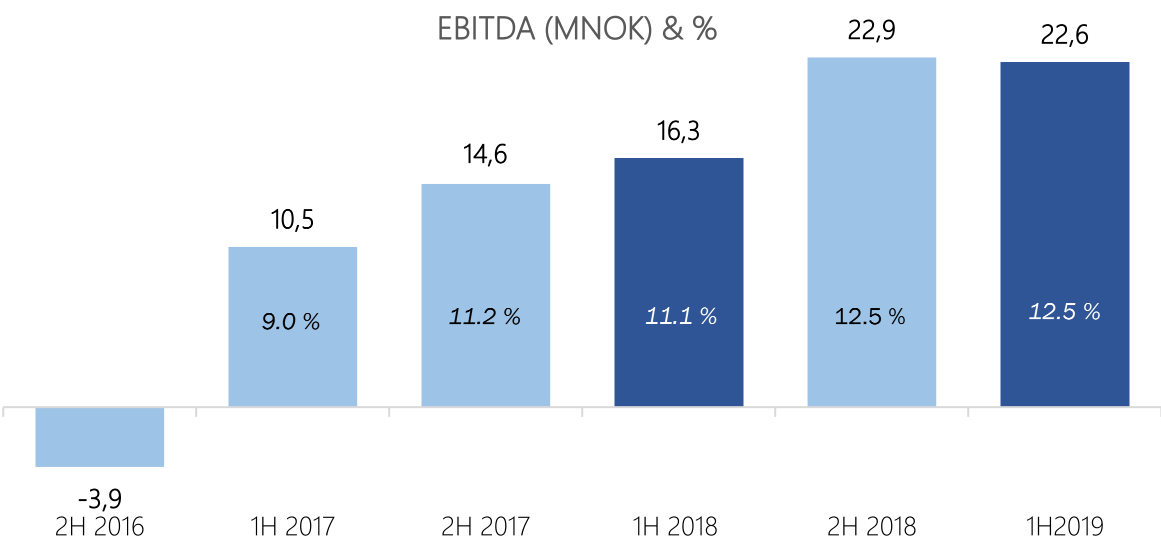


1.2 Gross Margin, Operating Cost, EBITDA

EBITDA is recorded with an increase of 39 %, at MNOK 22.6 (12.5 %) in 1H 2019 compared to MNOK 16.3 (11.1 %) in 1H 2018.

The Gross Margin for Scanship will vary somewhat between periods based on the mix of projects that the company is working on.

With the significant increase in the revenue level, Scanship has also initiated a certain increase in the operating expenses over the last year, but at the same time increasing our operational efficiency and the EBITDA margin. See also information on the effect of the IFRS 16 accounting principle on leasing cost in note 5.



EBITDA = Earnings Before Interest Tax Depreciation and Amortization
The IFRS 16 accounting principle has been implemented in 2019 based on the modified retrospective approach. See further the financial note information for the effect on the 2018 figures.

The transfer of the listing of the shares from Oslo Axess to Oslo Børs was made on 24 June, and the direct costs related to this process at MNOK 0.6 has been recorded as a non-recurring item.

1.3 Depreciation and amortisation

Depreciation and amortisation in 1H 2019 was recorded at MNOK 3.5 compared to MNOK 1.2 in 1H 2018. The increase is a result of implementation of IFRS16 regarding right-of-use assets, which gives an increased amortization of MNOK 2.3 in 1H 2019. See further information in note 3 and 5.

1.4 Net financial items

Net financial items are recorded with a net income of MNOK 1.6 in 1H 2019, compared to MNOK 0.8 in 1H 2018. Scanship uses forward currency contracts in Euro to reduce the currency risk related to the Gross profit exposure in Euro. The higher net income in 1H 2019 is primarily due to an increase in the fair value of the forward currency contracts as of 30.06.19.

Interest expense in 1H 2019 is also affected by the implementation of IFRS16. The total interest expense was recorded at MNOK 0.9 in 1H 2019, compared to MNOK 0.6 in 1H 2018. This increase is primarily related to the interest expense for the right-of-use assets in 1H 2019 at MNOK 0.2. See further information in note 4 and 5.

The Result before tax is MNOK 20.0 in 1H 2019 compared to MNOK 15.8 in 1H 2018, an increase of 27 %.

1.5 Cash Flow

Due to the timing of the customer and supplier payments and the mix of projects, the net cash flow from operations is lower in 1H 2019 (MNOK -1.2) compared to 1H 2018 (MNOK 25.1). This will be reversed during the second half of 2019, in line with the timing of the customer payments on our scheduled deliveries. This was the reverse situation in 2018, where the cash flow from operations for the full year 2018 was MNOK 31.1, of which MNOK 25.1 was recorded in 1H 2018. Correspondingly the trade receivables and contracts in progress are significantly higher at 30.06.19 than 30.06.18.

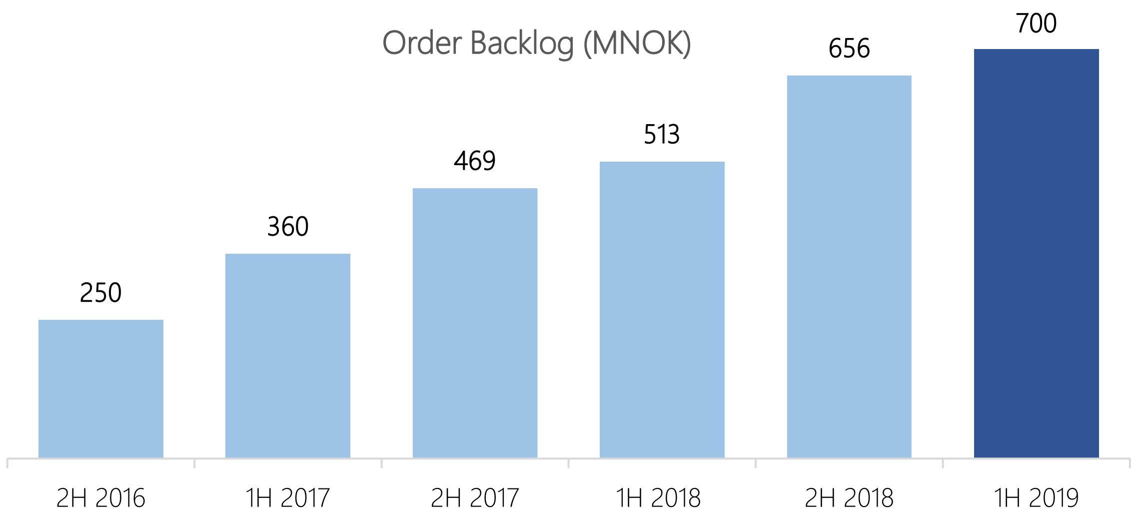
Investments have been made for in total MNOK 8.1 in 1H 2019, of which MNOK 6.6 are investments made on our R&D portfolio. The total investment level in 1H 2018 was MNOK 5.5. The R&D investments are primarily related to the Waste to Energy (MAP) projects, see also info in section 4 below and in the rest of this report.

During 1H 2019, the Group also paid out dividends of MNOK 9.6, which constitutes NOK 0.1 per outstanding share.

2. Project Order Backlog

Order backlog as of 30.06.19 is recorded at all-time-high at MNOK 700, compared to MNOK 656 at year-end 2018 and MNOK 513 at 30.06.18. In addition, shipowners have placed firm orders and options with shipyards on “Scanship equipped” sisterships amounting to MNOK 330 in future revenues.

In June Scanship was awarded a contract with a major European shipbuilder for the supply of a total clean ship system for two cruise newbuilds, in addition to a contract with a Chinese shipyard to deliver its AWP system to a medium-sized cruise ship. Earlier in the year two breakthrough contracts were announced, both related to delivery of our Waste to Energy (MAP) technology. Two mega-sized cruise newbuilds are to be equipped with this Waste to Energy technology, in addition to a first full scale land-based industrial site.



3. Operations

Scanship provide solutions for cleaner oceans, processing waste and purifying wastewater. Owners in the maritime and aquaculture industries operating Scanship systems can meet the world’s highest environmental standards and recover valuable resources that previously were “wasted” into our oceans. With our latest technology under development, we will convert waste into clean energy for fuel reduction and carbon capture for reuse in industrial productions. Our mission is to maximize our client’s sustainability impact by eliminating pollution and by converting waste to energy and value.

Scanship Holding is headquartered at Lysaker, Norway with offices in Tønsberg (Norway), Asker (Norway), Fort Lauderdale (USA) and Gdynia (Poland). Scanship has warehouse facilities in Tønsberg and Fort Lauderdale.

During the first six months in 2019 Scanship has had high delivery activity towards 12 cruise newbuilds and one retrofit project. In addition, we commissioned four newbuild projects, one retrofit project and one Aquaculture project. The company also successfully completed the planned compliance tests on four projects.

High demand for solutions for cleaner oceans continues to drive Scanship's growth. As also noted in the section on order backlog above, Scanship has signed contracts for a total of five cruise newbuilds during the first six months in 2019. And with the contract to deliver our first land-based industrial system with microwave assisted pyrolysis inside to the VOW (Valorization of Organic Waste) research program at Lindum, we have also been investing in our organization within this area during the first half year.

With more ships being delivered to the market with Scanship systems, the market for sale of spares, consumables and service is growing. We are experiencing significant growth in our operations within Aftersales. Scanship is well positioned in this market and expects further growth within this business segment.

Scanship was also re-certified for the ISO 9001:2015 standard during May and June.

4. Product Development (R&D)

Scanship has invested MNOK 6.6 on its product development activities so far in 2019, compared to MNOK 4.5 for the same period in 2018. The higher investment level is related to the Waste to Energy (MAP) technology, where contracts now also have been made both towards the cruise industry and towards land-based application.

5. Market Outlook

Scanship will continue to benefit from the environmental megatrend in the cruise and aquaculture industry.

The cruise industry continues to grow as cruise liners place new orders at European yards and now also Chinese yards. The total industry orderbook to date is 125 cruise ships to be delivered until 2027. Scanship has firm orders on 39 newbuilds, additional options for 9 vessels and sister vessels, and is currently tendering for a further 30 newbuilds. The cruise market has tripled in size the last twenty years, reaching 28.5 million passengers in 2018 (CAGR 5.7 %), translating into the continued growth in the industry orderbook.

If the industry continues its growth pattern with an 5-6 % CAGR, according to Scanship's estimates, there will be the need to further build approx. 100 cruise ships for deliveries to the market from 2023 until 2030.

Cruise industry shipowners are becoming ever more concerned about the environmental impact of their business. This continues to drive demand for Scanship systems both for newbuilds and ship retrofits. In September CLIA, Cruise Line International Association, the words largest cruise industry association, publicly announced that 53 % of the global fleet of cruise ships were equipped with AWP systems and only 7 % were equipped with the new IMO standard for special area Baltic Sea. The global cruise fleet counted 386 vessels by the end of 2018 according to the Cruise Industry News annual report.

With shipowners becoming ever more focused on the environmental impact of their business, this translates to more demand for Scanship systems for ship in operation, and the company is experiencing higher retrofit activity in this business segment. In addition to working on three retrofit projects over the last 12 months, Scanship is now tendering for a significant number of new retrofit projects, confirming this market trend.

Attention to sustainability and cleaner oceans is continuing to create opportunities for the company within the aquaculture industry, where Scanship delivers technology for sustainable fish farming and circular economy. The company is currently working on four aquaculture projects, including what will be the world's largest land-based fish farm, Atlantic Sapphire in Miami. Scanship is tendering for several projects within aquaculture.

Scanship has in the first half of 2019 commercialized the Waste to Energy (MAP) technology through the contract for the two mega sized cruise ships, and the contract to deliver the first full scale land-based industrial MAP as part of a research program on valorization of biochar from pyrolysis of organic waste. The Norwegian Research Council has granted 50 % funding for the research program.

The MAP technology has a large potential in the cruise industry as it will substantially contribute to decarbonize ship operations. The maritime industry targets to reduce CO2 emissions with 50 % by 2050, and the cruise industry aims to reach this level already by 2030. Against this backdrop, Scanship expects increased demand for MAP both on cruise newbuilds and for upgrades on the existing global cruise fleet.

On land-based biogas plants there is a rising concern around microplastics in its residues for fertilizer use. There is today more than 17 000 biogas plants in Europe, and a substantial number of these are processing sewage sludge and food waste, that are faced with microplastic challenges. As Scanship's Waste to Energy technology will degrade microplastics into biochar as an end-of-waste solution, along with improving the energy production at the biogas plants, the addressable markets for Scanship MAP technology will substantially increase.

Transfer from Oslo Axess to Oslo Børs

Scanship submitted an application in the second half of May for the transfer of the listing of the shares from Oslo Axess to Oslo Børs. The transfer was approved by Oslo Børs, and the first day of listing was 24 June. The transfer to Oslo Børs is another milestone in the development of the company, and the listing on Oslo Børs will also give the company access to an even broader investment base.

Lysaker, 27 August 2019

The Board of Directors of Scanship Holding ASA

Consolidated Income statement

(NOK million)	Note	*Unaudited* 1H19	*Unaudited* 1H18	*Audited* 2018
Revenue	2	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**
Gross Margin		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**
- EBITDA margin before non-recurring items		12.5 %	11.1 %	11.9 %
Non-recurring items		-0.6	-	-
EBITDA		**22.0**	**16.3**	**39.2**
-EBITDA margin		12.1 %	11.1 %	11.9 %
Depreciation and amortisation	3	-3.5	-1.2	-3.4
Operating result (EBIT)		**18.5**	**15.0**	**35.8**
Net Financial items	4	**1.6**	**0.8**	**-2.4**
Result before tax		**20.0**	**15.8**	**33.4**
Income tax revenue (+) /expense (-)		-4.8	-3.5	-7.1
Result for the period		**15.3**	**12.4**	**26.3**

Consolidated statement of comprehensive income

(NOK million)	Note	*Unaudited* 1H19	*Unaudited* 1H18	*Audited* 2018
Net result for the period		15.3	12.4	26.3
Items to be reclassified to profit or loss:				
Exchange differences or trans. of foreign op.		-0.4	-0.2	0.9
Net items to be reclassifies to profit or loss		-0.4	-0.2	0.9
Items not be reclassified to profit or loss				
Other comprehensive income net of tax		-	-	-
Total comprehensive income, net of tax		**14.8**	**12.2**	**27.2**
Attribute to				
Owners of the parent		14.8	12.2	27.2
Non controlling interest	5	-	-	-
		14.8	12.2	27.2
Earnings per share (NOK) 1)		0.16	0.13	0.28
Diluted earnings per share (NOK) 1)		0.16	0.13	0.28

1) Total shares 01.01.19: 95 640 525

Total shares 30.06.19: 96 175 525

Consolidated statement of financial position

(NOK million)	Note	*Unaudited* 30.06.19	*Unaudited* 30.06.18	*Audited* 31.12.18
ASSETS:				
Non-current assets:				
Property, plant and equipment	3	5.1	2.1	3.2
Intangible assets	3.6	44.2	35.1	38.3
Right-of-use assets	5	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	2	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**

(NOK million)	Note	*Unaudited* 30.6.19	*Unaudited* 30.6.18	*Audited* 31.12.18
EQUITY AND LIABILITIES				
Equity:				
Share capital		9.6	9.6	9.6
Share premium		79.5	77.5	77.9
Other capital reserves		0.3	0.3	0.3
Translation difference		1.3	0.9	1.7
Retained earnings		9.0	-11.1	3.9
Total equity		**99.7**	**77.1**	**93.3**
Liabilities				
Deferred tax liabilities	7	18.7	10.9	14.0
Long term borrowings	8	0.6	1.0	0.9
Total non-current liabilities		**19.3**	**11.9**	**14.9**
Current liabilities				
Trade creditors		41.8	26.1	44.3
Contract accruals	2	24.6	-0.6	25.7
Unrealised change fair value FX derivatives	4	0.0	-	3.4
Income tax payable		0.1	-0.1	-0.3
Bank overdraft -/ Trade finance facility		24.7	1.9	2.1
Lease Liability	5	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**

Consolidated statement of changes in equity

Unaudited

(NOK million) **30.06.19**	**Share Capital**	**Share Premium**	**Other cap Reserves**	**Trans. Diff.**	**Retained Earnings**	**Total**
Equity at 31.12.2018	9.6	77.9	0.3	1.7	3.9	93.3
Result for the period	-	-	-	-	15.3	15.3
Other Comprehensive income	-	-		-0.4	-0.4	-0.8
Total Comprehensive income	**-**	**-**	**-**	**-0.4**	**14.9**	**14.4**
Share capital increase *	0.1	1.7	-	-	-	1.7
Dividends paid	-	-	-	-	-9.6	-9.6
Equity at end of period	**9.6**	**79.5**	**0.3**	**1.3**	**9.0**	**99.7**

* Share capital increase was made in March in connection with excercise of employee stock option program from 2014.

Unaudited

(NOK million) **30.06.18**	**Share Capital**	**Share Premium**	**Other cap. Reserves**	**Trans Diff**	**Retained Earnings**	**Total**
Equity at 31.12.17	9.6	77.5	0.3	0.8	-30.2	57.9
Effect of IFRS 15 implementation					*6.7*	*6.7*
Result for the period	-	-	-	-	12.4	12.4
Other Comprehensive income	-	-	-	0.1	-	0.1
Total Comprehensive income	**-**	**-**	**-**	**0.1**	**19.1**	**19.2**
Equity at end of period	**9.6**	**77.5**	**0.3**	**0.9**	**-11.1**	**77.1**

Consolidated cash flow statement

(NOK million)	*Unaudited* **1H19**	*Unaudited* **1H18**	*Audited* **2018**
Result before tax	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 and cash equivalents	*-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**

The cash flow from financing activities includes the increase on the drawn amount on the short-term credit facilities in the group in the period, or a reduction, as the case may be. During 1H 2019 the drawn amount on the short-term credit facilities was increased with MNOK 22.8. See also further information in note 8.

Selected explanatory notes

Note 1 General information

This interim financial information for the First half year 2019 has been prepared pursuant to IAS 34 "interim financial reporting". The interim Financial Reporting should be read in conjunction with the annual Financial Statements for the year ended 31 December 2018, which have been prepared in accordance with IFRS, as adopted by European Union. The accounting policies implemented are consistent with those of the annual financial statements for the year ended December 2018, this except for the implementation of IFRS 16. The Board of Directors approved this Interim report 27 August 2019.

Note 2 Sales

	Unaudited	*Unaudited*	*Audited*
(NOK million)	**1H19**	**1H18**	**2018**
Project revenue	121.7	99.1	229.8
Aftersales	59.6	47.4	99.8
Sales	**181.3**	**146.5**	**329.6**

Revenue from projects is recognised under IFRS 15 (Revenue from contracts with customers). The method will include estimates for the total costs on the projects, both equipment cost and internal project related work hours.

Project revenues

Recognised, not invoiced project revenues and -cost are included in the statement of financial position as work in progress under the below items:

	Unaudited	*Unaudited*	*Audited*
(NOK million)	**1H19**	**1H18**	**2018**
Contract in progress	71.9	10.4	62.5
Contract accruals	-24.6	0.6	-25.7
Net work in progress	**47.3**	**11.0**	**36.7**

Segment information

Our revenues are segmented into Project Revenues and Aftersales. Transactions between units are based on market terms. The company's management uses each segment's operating profit when assessing earnings in the segments. The figures for each segment include transactions between segments. Transactions within the various segments are eliminated. All transactions between business units are based on market terms.

Unaudited

(NOK million) **1H19**	**Projects**	**Aftersales**	**Admin & other**	**Elimination**	**Total**
Revenue	121.7	64.1	-	-4.5	181.3
Total revenue	**121.7**	**64.1**	**-**	**-4.5**	**181.3**
Cost of sales	-88.7	-42.3	-	2.7	-128.3
Employee expenses	-9.4	-6.3	-3.1	0.3	-18.6
Other Operating expenses	-5.8	-5.2	-2.3	1.5	-11.8
EBITDA (before non-recurring items)	**17.7**	**10.3**	**-5.4**	**0.0**	**22.6**
Non-recurring items	-	-	-0.6	-	-0.6
EBITDA	**17.7**	**10.3**	**-6.0**	**-**	**22.0**
Depreciation and amortisation	-3.0	-0.5	-	-	-3.5
OPERATING PROFIT	**14.7**	**9.7**	**-6.0**	**-**	**18.5**
Net Contracts in progress	47.3	-	-	-	47.3
Investments in non-current assets	6.6	-	-	-	6.6

Unaudited

(NOK million) **1H18**	**Projects**	**Aftersales**	**Admin & other**	**Elimination**	**Total**
Revenue	99.1	51.0	-	-3.7	146.5
Total revenue	**99.1**	**51.0**	**-**	**-3.7**	**146.5**
Cost of sales	-70.0	-33.2	-	2.0	-101.2
Employee expenses	-9.8	-5.3	-2.6		-17.7
Other Operating expenses	-6.3	-4.2	-2.4	1.6	-11.3
EBITDA	**12.9**	**8.4**	**-5.0**	**-**	**16.3**
Depreciation and amortisation	-1.2	-0.0	-	-	-1.2
OPERATING PROFIT	**11.7**	**8.4**	**-5.0**	**-**	**15.0**
Net Contracts in progress	11.0	-	-	-	11.0
Investments in non-current assets	5.5	-	-	-	5.5

All revenues are external, except elimination entries which are revenues between group companies. Geographic area cannot be determined as deliveries are made to vessels in international trade.

Note 3 Depreciation and amortisation

(NOK million)	*Unaudited* **1H19**	*Unaudited* **1H18**	*Audited* **2018**
Depreciation - fixed assets	0.4	0.5	1.0
Amortisation - Product Development	0.8	0.7	2.4
Amortisation - Right-of-use assets	2.3	-	-
Impairment - Product Development	-	-	-
Total Depreciation and amortisation	**3.5**	**1.2**	**3.4**

Right-of-use assets are amortised over the contractual lease period. See more information on right-of-use assets in note 5.

Note 4 Financial items

(NOK million)	*Unaudited* **1H19**	*Unaudited* **1H18**	*Audited* **2018**
Foreign exchange gain	1.7	2.4	3.9
Gain on FX derivatives	-	0.2	-
Total Finance Income	**1.7**	**2.6**	**3.9**
Interest expense	0.7	0.6	1.1
Interest expense, right-of-use assets	0.2		
Foreign exchange loss	2.3	3.3	3.4
Loss on FX derivatives	0.1	-	-
Other financial cost	0.1	-	-
Total Finance costs	**3.4**	**3.9**	**4.5**
Unrealised Increase of fair value of FX derivates	3.3	2.1	-
Unrealised decrease in fair value of FX derivatives	-	-	-1.9
Net unrealised change in FX derivatives	**3.3**	**2.1**	**-1.9**
Net Financial items	**1.6**	**0.8**	**-2.4**

Liabilities – Financial Instruments

The Group is exposed to foreign exchange rate risk related to the value of NOK relative to other currencies, mainly due to sales in different currencies. The Company has entered into forward currency contracts to reduce exchange rate risk in cash flows nominated in EUR, associated with sales in EUR in connection with cruise newbuilding contracts.

The Group does not apply hedge accounting for its FX derivative contracts; hence the contracts are measured at fair value through profit and loss.

There is no initial transaction cost. The Group receives the fair value in cash when exercised at maturity. The contracts entered into per 30.06.19 have maturity from 2019 until 2022. The group uses level 2 in the IFRS 13 - hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques.

Unaudited (NOK million)	**30.6.19** **Level 2**	**30.6.18** **Level 2**	**31.12.18** **Level 2**
Derivative financial assets/(liabilities)	0	0.6	-3.4

In total the forward currency contracts have a nominal value of MEUR 10.8 as of 30.06.19. Of this total, MEUR 2.4 matures due during 2H 2019, MEUR 3.2 matures in 2020, while MEUR 3.6 and MEUR 1.6 matures in 2021 / 2022 respectively.

Note 5 Right-of-use assets

IFRS 16 Leases replaces IAS 17 Leases and provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value.

The standard is implemented with a modified retrospective approach, which requires no restatement of comparative information.

The adoption of IFRS 16 has increased the EBITDA level by reducing operating expenses as the Group has several leasing agreements which meets the criteria's under IFRS 16. The right-of-use assets are amortised over the contractual leasing period.

Liabilities are measured at the present value of the cumulative future payments at the time of adoption of the standard, discounted with the Group's floating interest rate for the bank facility at commencement.

The table below summarise the effect of IFRS 16 adoption.

(NOK million)	**Discount rate**	*Unaudited* **30.06.19**	*Unaudited* **01.01.19**
Assets	3.26 %	13.9	14.5
Liabilities		14.1	14.5

Amortisation	2.3
Interest expenses	0.2
Total Cost Right-of-use assets	**2.5**

If Scanship had implemented IFRS 16 with effect from 01.01.18, the operating expenses in 1H 2018 would have been approximately NOK 2.0 mill lower than reported, the net result for the period the same.

During 1H 2019 Scanship entered into new leasing agreements with a calculated net value of MNOK 1.7.

Note 6 Non-controlling interests

Scanship AS owns 70% of the company CHX Maritime Inc. CHX Maritime was founded in the fall of 2015 and included in the consolidated accounts from 4Q15. The company's sole activity is development of an exhaust gas management system. Total assets in CHX Maritime was MNOK 2.7 as of 30 June 2019.

Note 7 Intangible assets

Intangible assets consist of several different development projects related to new technologies in waste handling. They are still under development and amortisation will start at completion of each project and start of the income recording on the respective customer projects. Impairment tests for the intangible assets are performed in accordance with IAS 36. The intangible assets are valued on estimated discounted cash flow. See also note 3.

Note 8 Deferred tax Liability

Calculation of deferred tax liabilities for the Norwegian entities are based on 22 % income tax.

Note 9 Interest-bearing debt

	Unaudited	*Unaudited*	*Audited*
(NOK million)	**30.6.19**	**30.6.18**	**31.12.18**
Bank overdraft -/ Trade finance facility	24.7	1.9	2.1
Long term debt - non-current	0.6	1.0	0.9
Balance at the end of Period	**25.3**	**2.8**	**3.0**

The Bank overdraft facility has a limit of MNOK 50, and the drawn amount was MNOK 17.8 as per 30.06.19. The Trade Finance facility has a limit of MNOK 15, and the drawn amount was MNOK 6.9 as per 30.06.19.

Note 10 Subsequent events

There are no other significant events after reporting period, than those noted in this report, that is assessed to have a material impact on the Group’s financial position as per 30.06.19

Statement by the Board of Directors and CEO

We confirm, to the best of our knowledge, that the consolidated financial statement for the period 1 January to 30 June 2019 for Scanship Holding ASA have been prepared in accordance with current accounting standards and that the information in the accounts gives a true and fair view of the Company and the Group's assets, liabilities, financial position and results of operation. We also confirm, to the best of our knowledge, that the half year report includes a true and fair overview of the Company's and the Group's development, results and position, together with a description of the most important risks and uncertainty factors the Company and the Group are facing.

Lysaker, 27 August 2019

Narve Reiten Chairman	Bård Brath Ingerø Director	Susanne Schneider Director	Benedicte Bakke Agerup Director

Henrik Badin
CEO

IR Contact

Erik Magelssen – CFO

Mobile: +47 92 88 87 28 | E-mail: erik.magelssen@scanship.no

Henrik Badin – CEO

Mobile: +47 90 78 98 25 | E-mail: henrik.badin@scanship.no

Scanship Holding ASA Lysaker Torg 12, 1366 Lysaker, NORWAY | E-mail: post@scanship.no