

2Q 2015 Presentation

28 August 2015



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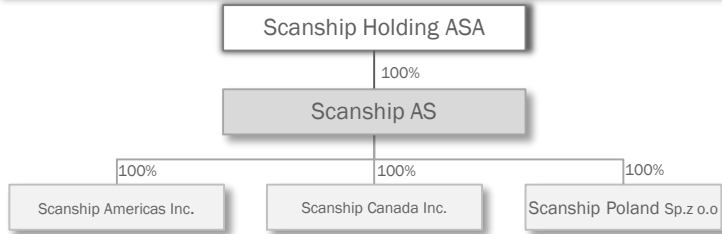
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About the company

In brief



- Envirotech company – solution provider for water purification and waste processing
- World leading cruise industry supplier
- Unique track record since 1993 with supplies to 52 newbuilds and 30 turnkey retrofits
- Order backlog includes system orders for 21 firm vessels
- R&D driven with new game changing technologies under development
- One stop shop strategically located around the cruise liner and yard clusters

Locations

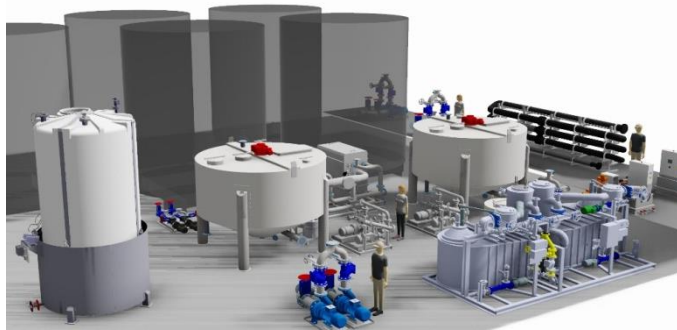


- | | |
|-----------------------------|-------------------|
| 1 Tønsberg/Lysaker (NORWAY) | 4 Turin (ITALY) |
| 2 Fort Lauderdale (US) | 5 Gdynia (POLAND) |
| 3 Victoria (CANADA) | |

Business model scope of services



AWP (Advanced Wastewater Purification) system



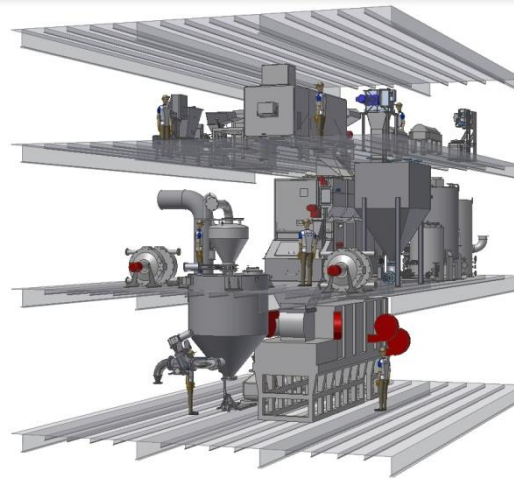
Layout illustration of the **Scanship AWP** on the ship classes **NCL Getaway** and **RCCL Quantum** built at **Meyer Werft** in Papenburg, Germany

- Treats all wastewater streams from onboard operations including galley water, reject water from foodwaste management systems and bio-residue treatment
- Meets all IMO Marpol- and local port state regulations such as Alaska and Baltic Sea (Helcom). System type approved according to IMO Marpol MEPC 227(64)
- Compact, efficient and easy to operate, low cost with an attractive LCC and ROI

Waste Management system

Food waste Incinerator
Waste recycling
Bio-sludge

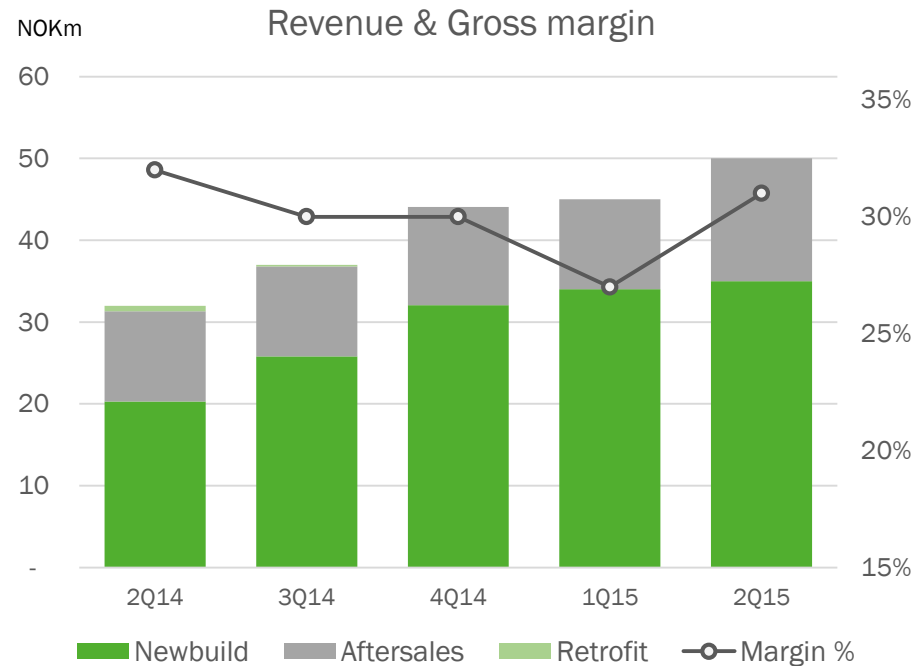
Layout illustration for the Scanship Waste Management system on the **Viking Star** project at **Fincantieri**



- Processes all garbage, foodwaste and bio residues from shipboard operations
- Vacuum foodwaste conveying system to eliminate overboard discharge and risk of contamination
- Incinerator system meets and exceeds the IMO Marpol Annex V standard
- Recycled waste obtain savings and income from landing

Combined supplies of AWP and Waste Management systems defined as a «total clean ship system»

- Revenue 2Q15 at NOK 50,3m (57% higher than 2Q14) driven by newbuild and aftersales
- Revenue YTD2Q15 at NOK 95,9m (44% higher than YTD2Q14 at NOK66,7m)
- Gross margin 2Q15 was 31% and accumulated 29% YTD2Q15
- EBITDA at NOK3,3m for 2Q15
- Profit before tax YTD2Q15 at NOK7.6m (NOK 9,0m higher compared to YTD2Q14)



- Main equipment deliveries to the third TUI newbuild at Meyer Turku and the first Star newbuild at Meyer Werft
- Last part of equipment deliveries to Ovation of the Seas at Meyer Werft and the second Viking Ocean newbuild at Fincantieri
- Ongoing commissioning on Viking Star at Fincantieri, Anthem of the Seas at Meyer Werft and second TUI newbuild at Meyer Turku
- Engineering of the Vista Project at STX France for MSC first Meraviglia class
- Cooperation agreement with Jets Vacuum to increase offering

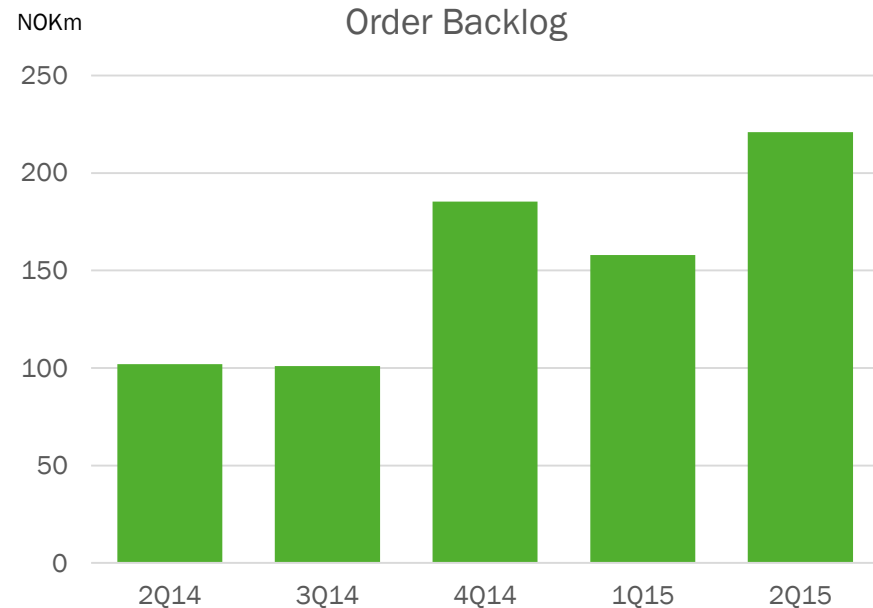


RCCL's Anthem of the Seas launched 2Q15 with Scanship AWP



MSC Vista Project steel cutting ceremony 2Q15 at STX France

- Contract award at Fincantieri for AWP on Carnival Cruise Line newbuild hull 6243
- Contract award with Marine Harvest for dewatering and drying of bio residues separated from process water stream
- Contract award at Meyer Werft for two RCCL newbuilds in the Quantum class and two newbuilds for NCL in the Breakaway Plus class
- Net increase of order backlog is NOK 64m for the period, 40% up from 1Q15



Scanship Newbuild Contract Overview

yard contract partner	owner	ship class	scope	year of launch					
				2015	2016	2017	2018	2019	2020
MEYER WERFT FAHRENBURG 1795	Royal Caribbean INTERNATIONAL	RCCL Quantum Class	AWP Grey & Black MEPC 227(64) incl. Chapter 4.2	Anthem	Ovation			Ovation II	Ovation III
	NCL FREESTYLE CRUISING	Norwegian Cruise Line Breakaway & Breakaway Plus	AWP Grey & Black MEPC 227(64) incl. Chapter 4.2	Escape		Discovery	707	708	
	STAR CRUISES	Star Cruises Genting World	AWP Grey & Black MEPC 227(64) incl. Chapter 4.2		Genting World I	Genting World II			
MEYER TURKU SHEPARD 1232	TUI Cruises	TUI - RCCL Mein Schiff	AWP Grey & Black MEPC 159(55) - prepared for 227(64)	Mein Schiff 4/T2	Mein Schiff 5/T3	Mein Schiff 6/T4	Mein Schiff 7/T5	Mein Schiff 8/T6	
STX France	Royal Caribbean INTERNATIONAL	RCCL Oasis Class	AWP Grey & Black MEPC 159(55)		A34 Harmony		B34		
	MSC	MSC Meraviglia Class	Total Clean Ship= Waste Mgmt + AWP Grey & Black MEPC 159(55)			E34		F34	G34
FINCANTIERI MARINE GROUP	VIKING OCEAN CRUISES	Viking Ocean Cruises	Total Clean Ship= Waste Mgmt + AWP Grey & Black MEPC 227(64) incl. Chapter 4.2	Viking Star	Viking Sea	Viking Sky	Hull 6246	Option I	Option II
	Carnival	Carnival Cruise Line	AWP Grey & Black MEPC 227(64) incl. Chapter 4.2		Carnival Vista	Hull 6243			
	SILVERSEA	SilverSea Cruises	Total Clean Ship= Waste Mgmt + AWP Grey & Black MEPC 159(55)		Hull 6226	Option I			

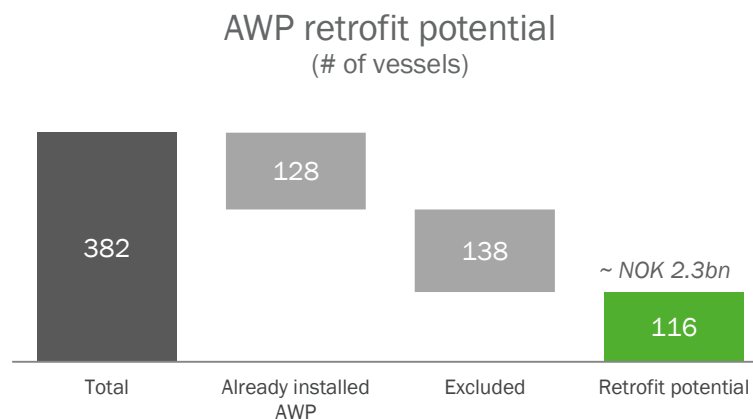
= firm Scanship contract
 = Scanship option contract
 = contract awards 2Q15

- Revenue recognition is driven by internal hours consumed on each project
- Internal hours include engineering, project management, procurement and commissioning
- At the time of main equipment delivery the project revenue recognition will typically reach ~ 80 - 85% of contract amount
- Remaining revenue is recognized from equipment delivery to date of completion

Project Name	Main equipment delivery (estimated)	Project Completion (estimated)
Mein schiff 4 - TUI 2	4Q-2013	2Q-2015
Viking Star	4Q-2013	2Q-2015
Anthem of the Seas	4Q-2013	2Q-2015
Oasis 3 - A34	1Q-2014	2Q-2016
Carnival Vista	3Q-2014	1Q-2016
Norwegian Escape	3Q-2014	4Q-2015
Viking Sky	4Q-2014	2Q-2016
Viking Sea	1Q-2015	4Q-2016
Ovation of the Seas	1Q-2015	2Q-2016
Mein schiff 5 - TUI 3	2Q-2015	2Q-2016
Genting World I	3Q-2015	4Q-2016
Oasis 4 - B34	3Q-2015	3Q-2018
Silversea	3Q-2015	2Q-2017
Fish Farm dryer	4Q-2015	1Q-2016
MSC E34	4Q-2015	1Q-2017
Fincantieri, Viking 4	4Q-2015	3Q-2017
Carnival 6243	4Q-2015	2Q-2017
Norwegian Bliss	1Q-2016	3Q-2017
Mein schiff 6 - TUI 4	1Q-2016	2Q-2017
Genting World II	3Q-2016	4Q-2017
Seahawk 1	4Q-2016	2Q-2018
MSC F34	3Q-2017	1Q-2019
Ovation 2	3Q-2017	2Q-2019
Seahawk 2	2Q-2018	4Q-2019
Ovation 3	2Q-2019	4Q-2020

Status retrofit – potential remains unchanged

- AWP retrofits pushed back by Exhaust Gas Scrubbers (ECA)
- IMO decision on Helcom implementation is expected to re-boost demand
- AWP retrofit cruise market size is estimated to be ~ NOK 2.3bn
- High tendering activity expected to bring orders



- Testing of waste feeding and cavity system during 2Q15 at new MAP test facility in Vestfold, Norway.
- Built up of semi continuous MAP system during 2H15
- Scanship has been awarded a grant from Innovasjon Norge. The grant will cover a part of the development cost of the MAP-project. The grant is maximum NOK 1.5m over the total development period.

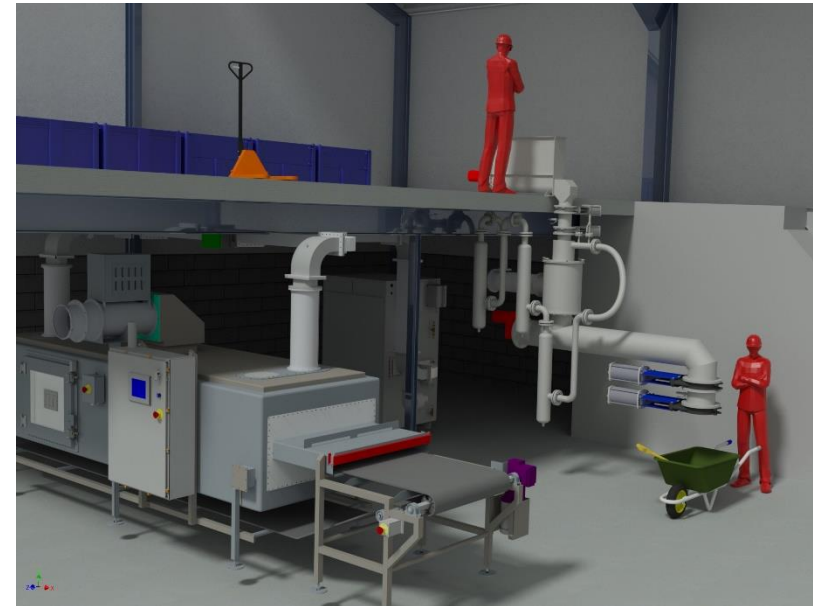


Illustration – built up of MAP test facility in Vestfold, Norway 2015

Condensed consolidated income statement

- Gross Margin % improvement from 1Q15 (up from 27%)
- Opex increase partly reflects build-up for higher activity
NOK 1.3m of increase due to timing of capitalization on projects
- Finance costs 2Q15 include unrealized loss on financial instruments NOK 0.7m

(NOK 1 000)	Unaudited 2Q15	Unaudited 2Q14	Unaudited YTD15	Unaudited YTD14	Audited FY 2014
Total operating revenue	50 270	31 822	95 907	66 707	145 631
Gross Margin	15 637	10 217	27 833	22 695	46 323
Gross Margin %	31%	32%	29%	34%	32 %
OPEX	12 310	9 689	24 599	19 741	41 915
EBITDA before non-recurring items	3 328	527	3 234	2 954	4 408
Operating profit (EBIT)	3 328	-2 076	3 234	165	867
Finance income	769	261	9 420	2 891	9 666
Finance cost	-2 150	-2 058	-4 326	-4 513	-23 151
Profit before tax	1 483	-3 873	7 560	-1 457	-12 617
Profit for the period	1 363	-2 968	5 668	-783	-9 279

- Lower volatility in the EUR/NOK rate than previous quarters.

Currency effects on financial items in 2Q 2015

(NOK 1 000)	Realized	Unrealized	Total
Agio	366	403	769
Disagio	- 489	- 670	-1 159
Financial Instruments	-102	- 722	- 824
Sum	- 225	- 989	- 1 214

- Forward share of hedging on new contracts are reduced due to larger share of purchases in EUR

Financial Instruments at end 2Q 2015

(EUR 1 000)	Maturity			Total
	2015	2016	2017 -	
Amount secured through FI	€ 5 815	€ 3 479	€ 3 869	€ 13 163
Average EUR/NOK Rate	8,54	8,37	8,71	8,53
% of estimated EUR-payments	87%	62%	68%	73%

Consolidated condensed cash flow statement

- Late payments from Yards of approx. NOK 12m has reduced Cash and reduced Net cash flow from operating activities
- NOK 5m of overdue payments from Yards at end 2Q15, received in 3Q15
- Investing activities mainly from product development activities

(NOK 1 000)	Unaudited 2Q15
<i>Profit before income tax</i>	1 483
Net cash flow from operating activities	-5 536
Net cash flow from investing activities	-2 682
Net cash flow from financing activities	8 843
<u>Net change in cash and cash equivalents</u>	<u>623</u>
<u>Cash and cash equivalents ingoing balance</u>	<u>3 654</u>
<u>Cash and cash equivalents at end of period</u>	<u>4 277</u>

Condensed consolidated financial statement

(NOK 1 000)	Unaudited 30.06.2015	Unaudited 30.06.2014
ASSETS:		
Total Non-Current Assets	24 484	17 197
Current Assets:		
Inventories	5 903	6 916
Trade Receivables	35 345	15 285
Contracts in Progress	84 872	68 174
Other Receivables	5 989	4 116
Cash and Cash Equivalents	4 277	36 242
Total Current Assets	136 387	130 732
Total Assets	160 871	147 928

- Late payments from Yard of approx. NOK 12m has increased use of Bank overdraft and increased Trade Receivables
- Increase in non-current assets mainly due to product development activities

(NOK 1 000)	Unaudited 30.06.2015	Unaudited 30.06.2014
EQUITY AND LIABILITIES		
Total Equity	50 882	52 913
Total Non-Current Liabilities	4 166	4 656
Current Liabilities:		
Current Borrowings	-	30 000
Trade Creditors	13 201	12 541
Contract Accruals	54 037	30 704
Financial Instruments	4 518	4 832
Income Tax Payable	-	-
Bank Overdraft	27 024	7 831
Other Current Liabilities	7 043	4 451
Total Current Liabilities	105 823	90 359
Total Liabilities	109 989	95 015
Total Equity and Liabilities	160 871	147 928

- Equity ratio of 31,6%

