

An aerial photograph of an industrial facility, likely a pulp or paper mill, situated on a rugged, rocky coastline. The facility features several large, circular storage tanks or silos, some with corrugated metal exteriors and others with smoother surfaces. A long, low-profile building with a corrugated metal roof runs along the right side of the site. Various pieces of heavy machinery, including cranes, excavators, and trucks, are visible throughout the site. The facility is bordered by a steep, rocky cliff on the left, which meets the dark blue water of the ocean. The sky is clear and blue.

endúr®

# Q2/H1 REPORT 2022

Endúr ASA



# HIGHLIGHTS

## KEY FINANCIALS

NOK in million	Q2 2022	Q2 2021	YTD 2022	YTD 2021	FY 2021
P&L					
Sales	637,9	542,3	1 249,6	778,2	2 009,1
EBITDA	61,1	27,1	111,9	11,3	138,9
EBIT	27,3	(7,0)	44,9	(40,7)	(3,5)
Adjusted EBITDA					
<b>EBITDA</b>	<b>61,1</b>	<b>27,1</b>	<b>111,9</b>	<b>11,3</b>	<b>138,9</b>
Restructuring costs	3,5	-	3,5	11,2	14,6
Transaction costs	-	10,1	-	27,8	24,5
Other special items	(7,2)	-	(7,2)	-	-
<b>Adjusted EBITDA</b>	<b>57,5</b>	<b>37,2</b>	<b>108,3</b>	<b>50,4</b>	<b>178,0</b>
Total assets	2 464,1	2 492,9	2 464,1	2 492,9	2 508,5
NIBD	599,9	989,3	599,9	989,3	687,5
Equity ratio	36,8%	29,1%	36,8%	29,1%	35,8%
EBITDA pct.	9,6%	5,0%	9,0%	1,5%	6,9%
Adjusted EBITDA pct.	9,0%	6,9%	8,7%	6,5%	8,9%

## SECOND QUARTER HIGHLIGHTS

- Q2 2022 represents a significant year-on-year improvement with respect to both revenue, results and margins.
- Solid cash conversion from The Group's operations contributes to a further strengthening of The Group's liquidity and solidity.
- During the quarter, Endúr performed a bond buy-back equalling a principal amount of NOK 45 million.
- The Group reports a total order backlog per June 30 of NOK 1 760 million. Despite large production at Salmon Evolution BTA and in Marine Infrastructure in general, the order backlog remains stable compared to March 31.
- The Group reports a total order intake in Q2 2022 of NOK 289 million.
- Q2 2022 represents The Group's first quarter without consolidated accounts from divested Installit and the first quarter including the acquisition of Dykab.
- To simplify The Group structure, Endúr ASA has entered into separate merger plans with the subsidiaries Endúr Invest and Endúr Bidco. No operations are carried out in either of these subsidiaries.
- On June 20, 2022 (ex date) the shares of Endúr were subject to a reverse split (50 old shares now constitute 1 new share), with a new ISIN number of NO 001 2555459.

## FIRST HALF-YEAR HIGHLIGHTS

When considered in concert with the Q2 2021 highlights rendered above, the H1 2022 highlights include:

- As Q2 2022 isolated, H1 2022 represents a significant year-on-year improvement with respect to revenue, results and margins.
- Cash conversion from operations was also strong in H1 2022 in total and the delevering of The Group implies a significant reduction in interest rate sensitivity and risk.
- Endúr has entered into two swap contracts in order to reduce inherent exposure to interest rates and foreign currency from The Group's Swedish operations. More specifically, one has entered into a NOK 200 million fixed-for-floating swap and a NOK 300 million STIBOR-for-NIBOR and SEK-for-NOK swap.
- Acquired Dykab to secure strategic foothold and growth platform for Marcon's activities in Northern Sweden.
- Divestment of Installit to Deep Ocean in order to enhance focus on core markets and operations.
- Lasse B. Kjelsås left the position as Group CFO and was replaced by interim CFO, Einar Olsen (the position was subsequently made permanent).

In total H1 2022 represents a continuation of the positive trend from H2 2021 and, combined with a positive market outlook for both major business segments, indicates that The Group has come strengthened from its former transformational period and that the strategy of consolidation within defined core markets is starting to pay off.

## SUBSEQUENT EVENTS

As disclosed in stock exchange announcement on July 7, Marcon has been awarded significant new contracts related to bridge and quay constructions. As disclosed in stock exchange announcement on August 2, Einar Olsen (former interim CFO) has been given the position as The Group's permanent CFO.

## OPERATIONAL REVIEW

The Group's operations are spread across three business and reporting segments; Aquaculture Solutions, Marine Infrastructure and Other.

After the divestment of Installit, BMO Entreprenør and Marcon constitute all of The Group's Marine Infrastructure segment. While BMO Entreprenør serves niches in the Norwegian construction market related to rehabilitation and maintenance of bridges, quays and railway installations, primarily as main contractor, Marcon serves niches in the Swedish (and other countries in North Europe) construction market related to near-shore marine installations, both as main contractor and sub-contractor.

Both companies have seen an increase in their production levels and corresponding profitability in H1 2022 compared to last year and have a long track record for industry-leading margins. Still, H1 2022

represents a significant improvement year-on-year for Marcon. In H1 2021 the Swedish market was negatively impacted by travel and other restrictions related to Covid-19, lower infrastructure investments and a cold winter with frozen waterways well into the summer period. The market conditions improved through H2 2021 and, as demand has normalized, Marcon has operated at higher capacity utilization in H1 2022. BMO Entreprenør's Norwegian operations were less impacted by Covid 19 and serves a maintenance and rehabilitation niche where investments are more stable than in the general construction market. As such, H1 2022 merely represents another solid period in an attractive market. Inflation and higher commodity prices have not had any material adverse effect for the Marine Infrastructure segment, as prices generally are subject to index regulation.

The segment Aquaculture Solutions comprise Artec Aqua and Endúr Sjøsterk. Artec Aqua accounts for the majority of the segment's revenues and is a turnkey supplier for onshore aquaculture facilities. The company has been through a period of rapid growth, which has accelerated in H1 2022 as the company has had extensive production on the grow-out facilities of Salmon Evolution. This project, as well as the majority of the company's other projects, are based on a partnership model with open book, cost plus pricing. No significant contracts have been awarded through H1 2022, but the company has entered into several early-phase projects with secured LOIs expected to materialize in near term. The company's margins are improved year-on-year in H1 2022, given that H1 2021 was negatively impacted by tail-end activities on two finalized projects. Still, there is a strong focus on securing and strengthening margins for coming periods, while simultaneously building out organizational and structural capacity.

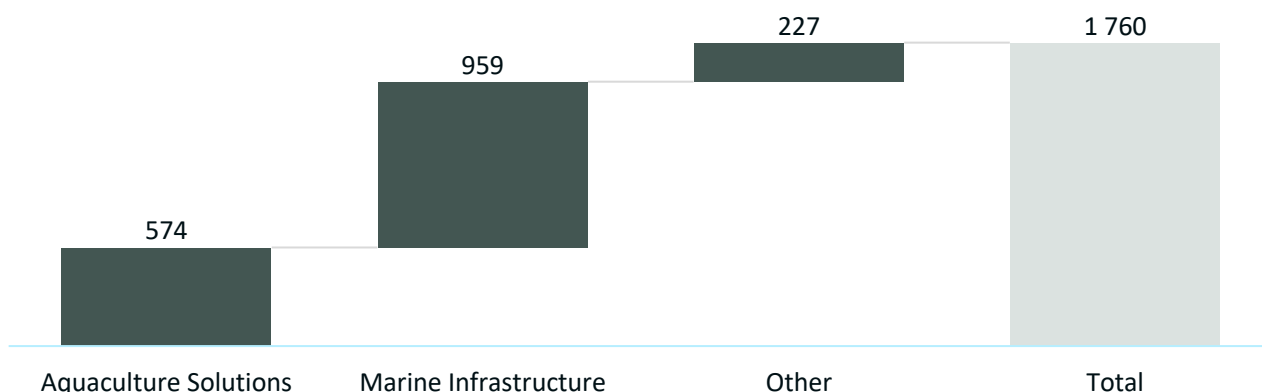
Endúr Sjøsterk is a producer of concrete feed barges for offshore fish farming. The company's revenues in H1 2022 are somewhat higher compared to H1 2021, but the main difference from last year is that the company has secured full utilization of all production slots throughout 2022 and well into 2023. In comparison, in 2021 one could not operate quite as effectively as several projects were cancelled or postponed due to Covid-19. The market has since normalized and the company is generally not negatively impacted by inflation and increasing prices on materials, as most customer contracts are index regulated.

The Other business segment consists of the parent company Endúr ASA and the ship maintenance company Endúr Maritime. The former affords Group management functions, while the latter performs inspections, repairs and modifications on ships and motors for both The Norwegian Defence and private customers. Endúr Maritime has seen a very positive development in both Q2 2022 isolated and H1 2022 as a whole. Margins have improved rapidly in a period of increasing demand and organizational adjustments, both of which have contributed to a higher degree of capacity utilization.

## ORDER BACKLOG

At the end of Q2/H1 2022, The Group had a total order backlog of NOK 1 760 million, as allocated between The Group's business segments per the below graph.





The order backlog reflects remaining value from signed contracts, including estimated future call-offs of contractual framework agreements and other time-limited agreements. The estimates relating to the residual value of framework agreements are reviewed quarterly. Options related to signed agreements and contracts are not considered in the order backlog, unless notice of exercise has been given.

## FINANCIAL REVIEW

### PROFIT AND LOSS

The Group's revenue in H1 2022 was NOK 1 249,6 million, and NOK 637,9 million in Q2 2022.

The operating result before depreciation and amortization (EBITDA) in H1 2022 was NOK 111,9 million, and NOK 61,1 million in Q2 2022.

The operating result (EBIT) in H1 2022 was NOK 44,9 million, and NOK 27,3 million in Q2 2022.

Result before tax in H1 2022 was NOK 1,8 million, and NOK 7,8 million in Q2 2022.

Result after tax in H1 2022 was NOK 10,7 million, and NOK 18,8 million in Q2 2022.

### BALANCE SHEET

The Group's total balance at the end of H1 2022 is NOK 2 464,1 million.

Net interest-bearing debt by the end of H1 2022 was NOK 599,9 million. The book value of The Group's interest-bearing debt is comprised of a bond loan of NOK 855 million (net after buy-back of NOK 45 million), short- and long-term leasing liabilities of NOK 85,6 million, amortized bond fees, accrued interests, minor equipment loans and unrealized gains/losses on swap contracts. The Group had cash and cash equivalents of NOK 337,2 million at the end of H1 2022.

The Group's equity by the end of H1 2022 was NOK 905,6 million, corresponding to an equity ratio of 36,8%.

## CASH FLOW

The Group generated a net cash flow of NOK 33,2 million in H1 2022, and NOK 15,8 million in Q2 2022. Cash flow from operating activities was NOK 131,0 in H1 2022 and NOK 67,5 million in Q2 2022. The positive cash flow from operations was driven by strong operating results and minimal tie-up in net working capital.

Cash flow from investing activities was net NOK -4,6 million in H1 2022, and net NOK 3,0 million in Q2 2022. The positive cash flow from investing activities in Q2 2022 was due to a net cash inflow from business combinations (acquisition of Dykab and divestment of Installit) of NOK 15,6 million.

Cash flow from financing activities was NOK -89,4 million in H1 2022, and NOK -65,0 million in Q2 2022. The increase in negative cash flow from financing activities in Q2 2022 was related to a bond buy-back with cash consideration of NOK 45,6 million.

## REPORTING SEGMENTS

The Group reports on the following business segments, with their respective operating companies:

Marine Infrastructure	Aquaculture Solutions	Other
BMO Entreprenør AS	Artec Aqua AS	Endúr Maritime AS
Marcon-Gruppen i Sverige	Endúr Sjøsterk AS	Endúr ASA

Note that Installit was sold to Deep Ocean, being consolidated under the Marine Infrastructure segment through Q1 2022, but being deconsolidated and non-consolidated through Q2 2022.

The following segment information should be read in conjunction with the descriptive information and qualitative observations rendered under the Operational Review and Outlook sections to this interim report. Please also confer the Q2/H1 2022 company presentation published with this interim report.

## MARINE INFRASTRUCTURE

NOK in million	Q2 2022	Q2 2021	YTD 2022	YTD 2021
Revenue	258,1	243,8	462,9	358,2
EBITDA	43,4	31,8	75,6	50,3
EBIT	20,3	8,2	29,9	12,8
Order backlog	958,8	748,0	958,8	748,0

BMO Entreprenør recorded a strong revenue growth of approximately 15% in H1 2022 compared to H1 2021. The company's EBITDA margin in H1 2022 of 14,0% was 0,4 p.p. higher than the same period in 2021. The company's backlog per June 30 (NOK 581 million) was the highest since the company was incorporated into The Group.

Marcon also recorded a similar revenue growth of approximately 11% in H1 2022 compared to H1 2021. The company's EBITDA margin in H1 2022 of 20,0% was 6,0 p.p higher than the same period



in 2021. As is the case for BMO Entreprenør, the company's backlog per June 30 (NOK 377 million) was the highest since the company was incorporated into The Group. Note that Marcon's figures for H1 2021 must be considered pro forma, as the company was not yet incorporated into The Group as of January 1, 2021.

The demasurement of Installit had little impact on the business segment as a whole, given that Installit contributed with less than NOK 10 million of total reported segment revenue in Q1 2022.

## AQUACULTURE SOLUTIONS

NOK in million	Q2 2022	Q2 2021	YTD 2022	YTD 2021
Revenue	332,6	255,3	697,1	323,3
EBITDA	17,0	12,3	39,4	15,0
EBIT	8,8	4,2	22,9	5,0
Order backlog	573,9	1 392,2	573,9	1 392,2

Artec Aqua experienced an extreme growth of approximately 66% in H1 2022 compared to H1 2021. The growth was driven by extensive production on the grow-out facilities of Salmon Evolution in H1 2022. The company's EBITDA margin in H1 2022 of 5,7% was 2,2 p.p. higher than the same period in 2021. The company's backlog per June 30 (NOK 438 million) is reduced as a consequence of the described production at Salmon Evolution. Note that Artec Aqua's figures for H1 2021 must be considered pro forma, as the company was not yet incorporated into The Group as of January 1, 2021.

Endúr Sjøsterk recorded a revenue growth of approximately 18% in H1 2022 compared to H1 2021. The company's EBITDA margin in H1 2022 of 4,1% was 5,1 p.p. lower than the same period in 2021. Due to adjustments in the routines for measuring percentage of completion on ongoing projects, underlying margins are expected to be better in FY 2022 than FY 2021. The company reported a backlog of NOK 136 million per June 30.

## OTHER

NOK in million	Q2 2022	Q2 2021	YTD 2022	YTD 2021
Revenue	58,7	43,2	109,9	97,1
EBITDA	(6,5)	(12,5)	(10,3)	(51,5)
EBIT	(9,0)	(14,9)	(15,1)	(56,0)
Order backlog	227,0	314,0	227,0	314,0

Endúr Maritime recorded a revenue growth of approximately 9% in H1 2022 compared to H1 2021. The company's EBITDA margin in H1 2022 of 8,4% was 7,9 p.p. higher than the same period in 2021. The company's backlog per June 30 (NOK 227,0 million) does not fully reflect the expected activity level in coming periods, as most orders are relatively small, have short lead times and therefore do not pass through the reported backlog. Included in the order backlog are only two larger and long-term framework contracts.

The Other business segment also contains the holding activities carried out through the parent company Endúr ASA. As can be derived from the above table, overhead expenses are significantly

lower in H1 2022 compared to 2021. The level of overhead expenses in H1 2021 was heavily influenced by major restructuring processes.

## EVENTS AFTER BALANCE SHEET DATE

Reference is made to section Subsequent Events on page 3. No other material events have taken place subsequent to June 30.

## RISKS AND UNCERTAINTIES

The Group is exposed to risks of both operational and financial character. The board of directors is conscious of the importance of risk management and work actively to reduce the total risk exposure of The Group. The most important risk factors are financial risks, market risks and project risks, hereunder counterparty risks.

After the issue of a NOK 1 100 million senior secured bond by Endúr in March 2021, The Group's financial risk is mainly monitored and managed at Group level. As such, the swap contracts established in H1 2022 to reduce exposure to foreign currency and floating interest rates, are also initiated and monitored in The Group's parent company. The acquisitions of BMO Entreprenør, Marcon and Artec Aqua, and subsequent bond issue, initially implied a higher degree of leverage and corresponding financial risk. However, as The Group later has redeemed bonds for a principal amount of NOK 200 million and thereafter has bought back bonds for a principal amount of NOK 45 million, whilst also entering into the above described swap contracts, the financial risk is significantly lower by the end of H1 2022. Other than these concrete events, the organic decrease in The Group's leverage ratio, caused by improved profitability and cash conversion, has also been helpful. Still, The Group has an apparent exposure toward floating interest rates, in a period where interest rate curves are trending upward.

Project risk constitutes a persistent and inherent risk factor, given that all business segments constitute companies with project-based operations and contracts. The Group's turnover is largely distributed across a large portfolio with a number of different projects and customers, both in the public and private sector. This diversification lowers The Group's overall project risk exposure. On the other hand, this does not inoculate The Group from being materially adversely affected by underperforming projects. It should also be mentioned that Endúr has been provided with downside protection in form of seller's guarantees for two projects with significant disputed revenues that were ongoing at the time of the acquisitions of BMO Entreprenør and Marcon.

Market risks are mainly connected to strong fluctuations within market areas in which The Group operates. Currently The Group has diversified operational activities undertaken within different market areas and industry segments that are partially independent of each other. The market risks are therefore considered to be limited. However, the current inflationary environment, which possible could be categorized as both a financial risk and a market risk, is not without impact for The Group. Given that most contracts within all business segments are index regulated, the risk related to inflation is primarily related to timing of investment decisions for private customers within the Aquaculture Solutions segment. A large portion of the projects within the Marine Infrastructure segment have



public end-customers, who typically use infrastructure investments as conjuncture stabilizing measures.

## OUTLOOK

After the strategic acquisitions of BMO Entreprenør, Marcon and Artec Aqua in late 2020 and early 2021 and the decision to discontinue previous operations outside the core segments of Marine Infrastructure and Aquaculture Solutions, it is the board's opinion that The Group's overall outlook is positive.

The outlook for The Group's Norwegian Marine Infrastructure activities remains favourable. While changes in public spending on new infrastructure may impact the general construction market negatively, this has not been the case for the niches in which BMO Entreprenør operates. On the contrary, the maintenance gap has continued to increase, yielding higher demand, order backlogs and tender activity. At the same time, public investments in Sweden are rapidly increasing, yielding additional growth opportunities for Marcon in Sweden (and other countries in North Europe). Growth within Marine Infrastructure represents a highly attractive opportunity, as both BMO Entreprenør and Marcon have a history for creating high-end margins at the back of apparent competitive advantages. These competitive advantages include; equipment and competence specialized to market niches, flexible organizations with strong culture and understanding of business, trusted brand names and vast networks, and a selective approach to tenders with clear preference towards known and manageable operations and risks.

Generally, land-based grow-out salmon farming is subject to significant attention, both within the aquaculture industry as well as the investor community. There is a great host of planned major onshore salmon grow-out facilities either in the pipeline or being planned, both in Norway and internationally. The drive towards undertaking a greater part of aquaculture production on shore is powered by several fundamental issues and concerns, herein biology, sustainability and basic business economics. In addition to the firm backlog, Artec Aqua has entered into several early-phase projects with secured LOIs expected to materialize in near term. While the current inflationary environment may alter the timing of some investment decisions, Artec Aqua has a unique market position with their in-house developed hybrid technology, yielding market leading water quality and fish welfare.

Finally, one cannot assess the development in The Group's outlook without considering the highly positive financial development in H1 2022. LTM EBITDA, both reported and adjusted, has increased and net interest-bearing debt has decreased, providing improved liquidity and a decreasing leverage ratio. As such, a platform for further and profitable growth is very much at place by the end of H1 2022.

# RESPONSIBILITY STATEMENT

## From the Board of Directors and CEO of Endúr ASA

We confirm, to the best of our knowledge, that the condensed set of financial statements for the period January 1 to June 30, 2022 has been prepared in accordance with IAS 34 – Interim Financial Reporting and gives a true and fair view of the (Company's and) Group's assets, liabilities, financial position and profit or loss as a whole. We also confirm, to the best of our knowledge, that the interim management report includes a fair review of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements, a description of the principal risks and uncertainties for the remaining six months of the financial year, and major related party transactions.

August 24, 2022

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Pål R. Olsen  
(chairman)

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Bjørn Finnøy

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Kristine Landmark

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Jörn Ryberg

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Hedvig Bugge  
Reiersen

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Jeppe Raaholt  
(CEO)



# CONSOLIDATED INTERIM ACCOUNTS

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

NOK in million	Note	Q2 2022	Q2 2021	YTD 2022	YTD 2021	Year 2021
<b>Continued operations</b>						
Operating revenue	2	625,3	538,2	1 235,2	774,4	1 998,9
Other revenue	3, 4	12,6	4,1	14,5	3,8	10,1
<b>Revenue</b>		<b>637,9</b>	<b>542,3</b>	<b>1 249,6</b>	<b>778,2</b>	<b>2 009,1</b>
Cost of sales		(399,7)	(348,7)	(807,9)	(482,9)	(1 297,4)
Payroll expenses		(103,6)	(102,7)	(206,6)	(176,7)	(380,0)
Other operating expenses		(73,4)	(63,7)	(123,2)	(107,2)	(192,8)
<b>Operating profit/loss before depr., impairm. (EBITDA)</b>	2	<b>61,1</b>	<b>27,1</b>	<b>111,9</b>	<b>11,3</b>	<b>138,9</b>
Depreciation, amortization, impairment	4, 5	(33,8)	(34,1)	(67,0)	(52,0)	(142,4)
<b>Operating profit/loss (EBIT)</b>	2	<b>27,3</b>	<b>(7,0)</b>	<b>44,9</b>	<b>(40,7)</b>	<b>(3,5)</b>
Financial income		3,0	1,8	3,9	2,3	2,1
Financial expenses	11	(22,5)	(26,7)	(47,0)	(47,3)	(110,8)
<b>Profit/loss before tax</b>		<b>7,8</b>	<b>(31,8)</b>	<b>1,8</b>	<b>(85,7)</b>	<b>(112,2)</b>
Income tax expense	6	10,9	(10,7)	8,9	(0,2)	45,1
<b>Profit/loss - continued operations</b>		<b>18,8</b>	<b>(42,5)</b>	<b>10,7</b>	<b>(85,9)</b>	<b>(67,1)</b>
<b>Discontinued operations</b>						
Profit/loss - discontinued operations	7	-	(11,1)	-	15,3	15,3
<b>Profit/loss for the period</b>		<b>18,8</b>	<b>(53,6)</b>	<b>10,7</b>	<b>(70,6)</b>	<b>(51,8)</b>
<b>Profit/loss attributable to:</b>						
Owners of the parent Company		18,8	(53,6)	10,7	(70,6)	(51,8)
Non-controlling interests		-	-	-	-	-
<b>Earnings per share</b>						
Basic earnings per share (NOK)		0,68	(0,05)	0,25	(0,07)	(0,05)
Diluted earnings per share (NOK)		0,68	(0,05)	0,25	(0,07)	(0,05)
<b>Earnings per share - continued operations</b>						
Basic earnings per share (NOK)		1,057	(0,04)	0,39	(0,09)	(0,06)
Diluted earnings per share (NOK)		1,057	(0,04)	0,39	(0,09)	(0,06)

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

NOK in million	Note	Q2 2022	Q2 2021	YTD 2022	YTD 2021	Year 2021
Profit/loss for the period		18,8	(53,6)	10,7	(70,6)	(51,8)
Exchange rate differences		10,3	11,6	(3,8)	4,3	(8,0)
<b>Total comprehensive income</b>		<b>29,1</b>	<b>(42,0)</b>	<b>6,9</b>	<b>(66,3)</b>	<b>(59,8)</b>
<b>Total comprehensive income attributable to:</b>						
Owners of the parent Company		29,1	(42,0)	6,9	(66,3)	(59,8)
Non-controlling interests		-	-	-	-	-
		29,1	(42,0)	6,9	(66,3)	(59,8)



## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

NOK in million	Note	30.06.2022	31.12.2021	30.06.2021
<b>ASSETS</b>				
Deferred tax asset		-	-	-
Intangible assets and goodwill	4, 5	1 082,6	1 120,7	1 160,9
Property, plant and equipment		500,4	519,1	564,0
Financial assets	8	2,6	-	-
Other non-current assets		3,3	2,4	1,0
<b>Non-current assets</b>		<b>1 588,8</b>	<b>1 642,2</b>	<b>1 726,0</b>
Inventories		34,1	26,3	8,6
Contract assets		38,0	30,8	43,6
Trade and other receivables	8	466,1	504,8	511,6
Cash and cash equivalents	8, 9	337,2	304,4	203,1
<b>Current assets</b>		<b>875,3</b>	<b>866,3</b>	<b>767,0</b>
<b>Total assets</b>		<b>2 464,1</b>	<b>2 508,5</b>	<b>2 492,9</b>
<b>EQUITY</b>				
Share capital	10	13,7	13,7	11,4
Share premium		858,8	880,7	776,9
Other paid-in capital		4,1	4,1	4,1
Retained earnings		29,1	-	(66,3)
<b>Equity</b>		<b>905,6</b>	<b>898,5</b>	<b>726,1</b>
<b>LIABILITIES</b>				
Deferred tax liability	6	68,9	77,9	136,6
Loans and borrowings	8, 11	851,5	890,6	-
Lease liabilities	8, 11	61,5	73,2	90,1
Other financial liabilities	8	3,7	-	-
Other non-current liabilities		3,6	9,1	7,3
<b>Non-current liabilities</b>		<b>989,1</b>	<b>1 050,7</b>	<b>234,0</b>
Loans and borrowings	8	0,3	-	1 077,0
Lease liabilities	8, 11	24,1	22,7	25,4
Trade and other payables	8	515,6	505,3	412,7
Contract liabilities		29,4	31,4	17,7
<b>Current liabilities</b>		<b>569,4</b>	<b>559,4</b>	<b>1 532,8</b>
<b>Liabilities</b>		<b>1 558,5</b>	<b>1 610,0</b>	<b>1 766,8</b>
<b>Total equity and liabilities</b>		<b>2 464,1</b>	<b>2 508,5</b>	<b>2 492,9</b>

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

NOK in million	Note	Q2 2022	Q2 2021	YTD 2022	YTD 2021
<b>CASHFLOW FROM OPERATING ACTIVITIES</b>					
Profit/loss for the period		18,8	(53,6)	10,7	(70,6)
<i>Adjustments for:</i>					
Tax expense / Tax income	6	(15,7)	10,7	(13,7)	(0,2)
Depreciation, amortization, impairment	5	33,8	34,0	67,0	52,0
Gain from demeasurement of subsidiary	3, 4	(7,2)	-	(7,2)	-
Items classified as investments and financing activities		19,5	26,7	43,1	32,9
Gains on disposal of discontinued operations	7	-	13,9	-	(15,3)
<i>Changes in:</i>					
Trade and other receivables		63,5	(173,2)	38,9	(195,8)
Trade and other payables		(4,7)	36,8	(22,1)	86,7
Inventories / contract assets & liabilities		(30,0)	0,2	(16,6)	(2,4)
Other current accruals		(7,3)	19,1	34,1	17,1
Adjustments for business combinations		(3,1)	-	(3,1)	-
<b>Net cash from operating activities</b>		<b>67,5</b>	<b>(85,4)</b>	<b>131,0</b>	<b>(93,4)</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>					
Proceeds from sale of property, plant and equipment		0,4	-	1,4	-
Acquisition of property, plant and equipment		(12,9)	(1,9)	(19,4)	(23,5)
Net outflow from non-current receivables		(0,2)	-	(2,3)	-
Business combinations, net cash	4	15,6	-	15,6	(505,7)
Disposal of discontinued operation, net of cash		-	(1,1)	-	(7,4)
Effect of bankruptcy in subsidiary	7	-	-	-	(0,6)
<b>Net cash from investing activities</b>		<b>3,0</b>	<b>(3,0)</b>	<b>(4,6)</b>	<b>(537,2)</b>
<b>CASHFLOW FROM FINANCING ACTIVITIES</b>					
Proceeds from new short-term debt		-	-	-	1 075,3
Proceeds from new long-term debt		-	-	-	-
Bond buy-back	11	(45,6)	-	(45,6)	-
Payment of interests	11	(13,4)	(24,9)	(37,0)	(31,2)
Repayment of lease liabilities	11	(3,0)	(8,0)	(4,9)	(12,8)
Repayment of borrowings	11	(2,5)	0,1	(1,4)	(366,8)
Adjustments for business combinations		(0,5)	-	(0,5)	-
<b>Net cash from financing activities</b>		<b>(65,0)</b>	<b>(32,8)</b>	<b>(89,4)</b>	<b>664,4</b>
Net currency translation effect		10,3	1,5	(3,8)	1,5
Net change in cash and cash equivalents		15,8	(119,7)	33,2	35,3
Cash & cash equivalents at start of period		322,0	322,8	304,4	167,8
<b>Cash &amp; cash equivalents at end of period</b>	9	<b>337,2</b>	<b>203,1</b>	<b>337,2</b>	<b>203,1</b>
Of which restricted cash at the end of the period	9	9,8	17,1	9,8	17,1

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

NOK in million	Share capital	Share premium	Other paid-in capital	Retained earnings	Foreign currency translation	Total equity
<b>Equity 01.01.2021</b>	<b>7,3</b>	<b>308,2</b>	<b>4,1</b>	<b>-</b>	<b>-</b>	<b>319,6</b>
Other compr. income, ex. differences	-	-	-	-	(8,0)	(8,0)
Issue of shares - Business combination	4,0	466,8	-	-	-	470,8
Issue of shares	2,4	165,5	-	-	-	167,9
Adjustments	-	(59,8)	-	51,8	8,0	-
Profit (loss)	-	-	-	(51,8)	-	(51,8)
<b>Equity 31.12.2021</b>	<b>13,7</b>	<b>880,8</b>	<b>4,1</b>	<b>-</b>	<b>-</b>	<b>898,5</b>
<b>Equity 01.01.2022</b>	<b>13,7</b>	<b>880,8</b>	<b>4,1</b>	<b>-</b>	<b>-</b>	<b>898,5</b>
Profit (loss)	-	-	-	10,7	-	10,7
Other compr. income, ex. differences	-	-	-	-	(3,8)	(3,8)
Issue of shares - Business combination	-	-	-	-	-	-
Issue of shares	-	-	-	-	-	-
Adjustments	-	6,9	-	(10,7)	3,8	-
<b>Equity 30.06.2022</b>	<b>11,4</b>	<b>887,7</b>	<b>4,1</b>	<b>-</b>	<b>-</b>	<b>905,6</b>



# NOTES TO THE CONSOLIDATED INTERIM ACCOUNTS

## Note 1 - Information

Endúr is a public limited company domiciled in Norway. The Company was founded on May 22, 2007 and has its business address at Lysaker in Oslo. The consolidated financial statements include the parent company and its subsidiaries (collectively the "Group"). Endúr is listed on Oslo Børs with ticker ENDUR.

This interim report has been prepared in accordance with IAS 34 "Interim Financial Reporting" and follows the same accounting principles as in the consolidated financial statements for 2021. An interim financial statement does not contain all the information required in a complete annual financial statement and should therefore be read in context with the annual report for 2021.

As a result of rounding differences, numbers or percentages may not add up to the total. The figures presented in the quarterly report are in NOK million unless otherwise stated.

The interim financial information has not been subject to audit or review.

## Note 2 - Business segments

Please note that depreciation and amortization expenses allocated to the respective business segments include amortization of excess values from the purchase price allocations conducted in relation to the acquisitions of BMO Entreprenør, Marcon and Artec Aqua.

### SEGMENT INFORMATION Q2 2022

NOK in million	Marine Infrastructure	Aquaculture Solutions	Other	Eliminations	Group
Revenue	258,1	332,6	58,7	(11,5)	637,9
<b>EBITDA</b>	<b>43,4</b>	<b>17,0</b>	<b>(6,5)</b>	<b>7,2</b>	<b>61,1</b>
Depreciation, amortization	(23,1)	(8,2)	(2,5)	-	(33,8)
Impairment	-	-	-	-	-
<b>EBIT</b>	<b>20,3</b>	<b>8,8</b>	<b>(9,0)</b>	<b>7,2</b>	<b>27,3</b>
Segment assets	1 225,2	1 144,2	1 883,3	(1 788,6)	2 464,1
Segment liabilities	421,3	382,4	990,2	(253,3)	1 558,5

### SEGMENT INFORMATION YTD 2022

NOK in million	Marine Infrastructure	Aquaculture Solutions	Other	Eliminations	Group
Revenue	462,9	697,1	109,9	(20,3)	1 249,6
<b>EBITDA</b>	<b>75,6</b>	<b>39,4</b>	<b>(10,3)</b>	<b>7,2</b>	<b>111,9</b>
Depreciation, amortization	(45,7)	(16,4)	(4,9)	-	(67,0)
Impairment	-	-	-	-	-
<b>EBIT</b>	<b>29,9</b>	<b>22,9</b>	<b>(15,1)</b>	<b>7,2</b>	<b>44,9</b>
Segment assets	1 225,2	1 144,2	1 883,3	(1 788,6)	2 464,1
Segment liabilities	421,3	382,4	990,2	(253,3)	1 558,5

## SEGMENT INFORMATION Q2 2021

NOK in million	Marine Infrastructure	Aquaculture Solutions	Other	Eliminations	Group
Revenue	243,8	255,3	43,2	-	542,3
<b>EBITDA</b>	<b>31,8</b>	<b>12,3</b>	<b>(12,5)</b>	<b>(2,5)</b>	<b>27,1</b>
Depreciation, amortization	(23,6)	(8,1)	(2,4)	-	(34,1)
Impairment	-	-	-	-	-
<b>EBIT</b>	<b>8,2</b>	<b>4,2</b>	<b>(14,9)</b>	<b>(2,5)</b>	<b>(7,0)</b>
Segment assets	1 306,5	1 063,2	3 083,1	(2 959,9)	2 493,0
Segment liabilities	482,7	291,1	2 262,3	(1 269,2)	1 766,9

## SEGMENT INFORMATION YTD 2021

NOK in million	Marine Infrastructure	Aquaculture Solutions	Other	Eliminations	Group
Revenue	358,2	323,3	97,1	(0,4)	778,2
<b>EBITDA</b>	<b>50,3</b>	<b>15,0</b>	<b>(51,5)</b>	<b>(2,5)</b>	<b>11,3</b>
Depreciation, amortization	(37,5)	(10,0)	(4,5)	-	(52,0)
Impairment	-	-	-	-	-
<b>EBIT</b>	<b>12,8</b>	<b>5,0</b>	<b>(56,0)</b>	<b>(2,5)</b>	<b>(40,7)</b>
Segment assets	1 306,5	1 063,2	3 083,1	(2 959,9)	2 493,0
Segment liabilities	482,7	291,1	2 262,3	(1 269,2)	1 766,9

## Note 3 - Other revenue

Reported other revenue in H1 2022 and Q2 2022, of respectively NOK 14,5 million and NOK 12,6 million, include a gain from the demeasurement of Installit of NOK 7,2 million and recognition of a guarantee claim against the former owner of BMO Entreprenør of NOK 3,9 million. The latter is grounded in the SPA between Endúr and the former owner of BMO Entreprenør, which provides downside protection of 80% of the losses (net after tax) incurred after closing on the ongoing rehabilitation project Nordhordlandsbrua.

## Note 4 - Business combinations

During H1 2022 The Group was expanded through Marcon's acquisition of 100% of the shares in Dykab. Also during H1 2022, Installit was sold to Deep Ocean. Please find below detailed information as to how these transactions have impacted The Group's financial statements in Q2/H1 2022.

NOK in million	Dykab	Installit
Cash consideration	8,6	20,8
Other consideration	0,0	0,0
<b>Total consideration</b>	<b>8,6</b>	<b>20,8</b>
Book value of net assets and liabilities at recognition	3,9	-
Share of Group equity at demeasurement	0,0	13,6
<b>Excess values</b>	<b>4,7</b>	<b>7,2</b>
<i>Allocated to identifiable excess values</i>	<i>4,3</i>	<i>0,0</i>
<i>Allocated to goodwill</i>	<i>0,4</i>	<i>0,0</i>
<i>Allocated to gain/loss</i>	<i>0,0</i>	<i>7,2</i>
Cash consideration	8,6	-20,8
Cash balance at recognition/demeasurement	3,4	0,0
<b>Cash outflow (+) / inflow (-)</b>	<b>5,2</b>	<b>-20,8</b>

## Note 5 - Intangible assets

NOK in million	Licences, patents etc.	Customer relationships	Technology	Order backlog	Goodwill	Total
Acquisition cost 1 Jan. 2021	2,4	4,1	-	26,4	841,1	873,9
Acquisitions through business combinations	84,1	186,7	-	-	500,1	770,9
Acquisitions	4,7	-	-	-	-	4,7
Disposal due to discontinued operation	-	-	-	-	(355,0)	(355,0)
Exchange differences	-	-	-	-	(1,7)	(1,7)
<b>Acc. acquisition cost 31 Dec. 2021</b>	<b>91,2</b>	<b>190,8</b>	<b>-</b>	<b>26,4</b>	<b>984,4</b>	<b>1 292,8</b>
Acc. Depr/impairment 1 Jan. 2021	(2,2)	-	-	-	(461,3)	(463,3)
Current year's depreciations	(7,1)	(16,0)	-	(10,7)	-	(33,9)
Current year's impairment	-	-	-	-	(22,8)	(22,8)
Disposal du to discontinued operation	-	-	-	-	348,1	347,1
<b>Acc. Depr/impairment 31 Dec. 2021</b>	<b>(9,3)</b>	<b>(16,0)</b>	<b>-</b>	<b>(10,7)</b>	<b>(136,1)</b>	<b>(172,0)</b>
<b>Book value 31 Dec. 2021</b>	<b>81,8</b>	<b>174,8</b>	<b>-</b>	<b>15,6</b>	<b>848,4</b>	<b>1 120,7</b>

NOK in million	Licences, patents etc.	Customer relationships	Technology	Order backlog	Goodwill	Total
Acquisition cost 1 Jan. 2022	91,2	190,8	-	26,4	984,4	1 292,8
Disposals, and assets reclassified as held for sale	-	(4,1)	-	(0,3)	(108,3)	(112,7)
Acquisitions through business combinations	-	-	-	-	0,4	0,4
Acquisitions	-	-	-	-	-	-
Exchange differences	-	-	-	-	(1,1)	(1,1)
<b>Acc. acquisition cost 30 Jun. 2022</b>	<b>91,2</b>	<b>186,7</b>	<b>-</b>	<b>26,1</b>	<b>875,4</b>	<b>1179,4</b>
Acc. Depr/impairment 1 Jan. 2022	(9,3)	(16,0)	-	(10,7)	(136,1)	(172,0)
Disposals, and assets reclassified as held for sale	-	0,8	-	-	93,8	94,5
Current year's depreciations	(4,7)	(9,3)	-	(5,2)	-	(19,2)
Current year's impairment	-	-	-	-	-	-
<b>Acc. Depr/impairment 30 Jun. 2022</b>	<b>(14,0)</b>	<b>(24,6)</b>	<b>-</b>	<b>(16,0)</b>	<b>(42,3)</b>	<b>(96,7)</b>
<b>Book value 30. Jun. 2022</b>	<b>77,1</b>	<b>162,1</b>	<b>-</b>	<b>10,1</b>	<b>833,1</b>	<b>1 082,5</b>
Amortization rates	10 years	7/10 years	10 years	2,5 years	Impairment	
Amortization plan	Linear	Linear	Linear	Linear	test	

The Group's goodwill originates from the following business combinations and cash generating units:

NOK in million	30.06.2022	31.12.2021
Marine infrastructure - BMO Entreprenør AS	271,3	278,7
Marine infrastructure - Marcon-Gruppen i Sverige AB	83,8	81,1
Marine infrastructure - Installit AS	-	10,6
Aquaculture Solutions - Artec Aqua AS	413,8	413,8
Aquaculture Solutions - Endúr Sjøsterk AS	48,5	48,5
Other - Endúr Maritime AS	15,8	15,7
<b>Total Goodwill</b>	<b>833,1</b>	<b>848,4</b>

Cash generating units were not tested for impairment in the quarter as no indications of impairment have been identified.

## Note 6 - Income tax expense

Note that the tax income Q2 2022 of NOK 10,9 million includes a positive correction of The Group's calculated tax expense for FY 2021 of NOK 5,0 million.

## Note 7 - Discontinued operations

Reported profit/loss from discontinued operations in H1 2021 and Q2 2021, of respectively NOK 15,3 million and NOK -11,1 million, was related to bankruptcies in the former subsidiaries Endúr Industrier, ØPD and the divestment of Endúr Aak.

No profit/loss from discontinued operations has been recorded in H1 2022. The divestment and corresponding demasurement of Installit resulted in a net gain for The Group in Q2 2022 of NOK 7,2 million.

## Note 8 - Financial instruments

NOK in million	30.06.2022		31.12.2021	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
<b>Assets:</b>				
Financial assets	2,6		-	
Trade and other receivables	466,1		471,6	
Cash and cash equivalents	337,2		304,4	
<b>Liabilities:</b>				
Secured bond loan incl. accrued interest		847,4		890,6
Other loans		4,1		-
Lease liabilities		85,6		95,9
Other financial liabilities		3,7		-
Other loans and borrowings		0,3		-
Trade and other payables		515,6		339,9
<b>Total</b>	<b>805,9</b>	<b>1 456,4</b>	<b>776,0</b>	<b>1 326,4</b>

The main component behind financial assets per June 30, 2022 of NOK 2,6 million, is an unrealized gain on a NOK 200 million fixed-for-floating swap.

Further information about The Group's bond loan and lease liabilities can be found in note 11.

Other financial liabilities per June 30, 2022 of NOK 3,7 million, solely consists of an unrealized loss on a NOK 300 million STIBOR-for-NIBOR and SEK-for-NOK swap.

## Note 9 - Cash and cash equivalents

NOK in million	30.06.2022	31.12.2021
Cash and bank deposits - unrestricted funds	327,4	287,3
Cash and bank deposits - restricted funds	9,8	17,1
<b>Total cash and cash equivalents</b>	<b>337,2</b>	<b>304,4</b>



## Note 10 - Share capital and shareholder information

On June 30, 2022, the share capital of Endúr was NOK 13 726 435 divided into 27 452 869 shares, each with a nominal value of NOK 0,50.

	No. of shares	% of total
ARTEC HOLDING AS	7 528 641	27,4 %
BEVER HOLDING AS	2 087 641	7,6 %
JÖRN RYBERG HOLDING AB	1 748 910	6,4 %
TIGERSTADEN MARINE AS	1 550 000	5,6 %
MIDDELBORG INVEST AS	964 055	3,5 %
CYGNUS OLOR AB	874 221	3,2 %
GIMLE INVEST AS	707 068	2,6 %
FENDER EIENDOM AS	517 670	1,9 %
STEINAR LANGÅKER	328 584	1,2 %
TIGHT HOLDING AS	327 510	1,2 %
BR INDUSTRIER AS	316 351	1,2 %
AS FLYFISK	291 051	1,1 %
ENERGON HOLDING AS	250 000	0,9 %
TATOMI INVEST AS	249 698	0,9 %
ALUNDO INVEST AS	212 000	0,8 %
EIKELAND HOLDING AS	183 128	0,7 %
TRIONOR AS	175 168	0,6 %
GH HOLDING AS	170 000	0,6 %
VALLELØKKEN AS	165 700	0,6 %
LINDVARD INVEST AS	158 211	0,6 %
<b>TOTAL 20 LARGEST SHAREHOLDERS</b>	<b>18 805 607</b>	<b>68,5 %</b>
OTHER (5 550 shareholders)	8 647 262	31,5 %
<b>TOTAL</b>	<b>27 452 869</b>	<b>100,0 %</b>

## Note 11 - Loans and borrowings

NOK in million	30.06.2022	31.12.2021
Other loans	4,1	-
Secured bond loan inc. accrued interest	847,4	890,6
<b>Non-current loans and borrowings</b>	<b>851,5</b>	<b>890,6</b>
<b>Non-current lease liabilities</b>	<b>61,5</b>	<b>73,2</b>
<b>Current lease liabilities</b>	<b>24,1</b>	<b>22,7</b>

Endúr has an outstanding senior secured, non-amortizing callable bond loan with ISIN NO0010935430 with NOK 900 million principal per end of H1 2022. The loan was issued on March 3, 2021. The principal outstanding matures at par on March 3, 2025. The loan incurs interest of the aggregate of 3 month NIBOR and a fixed margin of 7.25% p.a., with quarterly interest payments. Endúr has bought back bonds with a principal amount of NOK 45 million, so that the net principal equals NOK 855 million.

The bond loan is subject to certain financial covenants; (i) maintaining a leverage ratio not greater than 3,75x up to March 3, 2023, then 3,0x up to March 3, 2024 and then 2,5x up to March 3, 2025, and (ii) maintaining minimum liquidity of NOK 75 million.

Included in the book value of the bond loan of NOK 847,4 million per end of H1 2022, are; accrued interests of NOK 5,5 million, amortized bond fees of NOK -13,0 million and the net principal of NOK 855,0 million.

The Group's lease liabilities mature in the period 2022-2027 with an aggregate internal rate of return of approximately 6%.

The carrying amount of assets pledged as securities for the above described liabilities, are as follows:

NOK in million	30.06.2022	31.12.2021
Property, plant and equipment	291,7	304,9
Inventories	34,1	26,2
Contract assets	42,4	44,3
Trade and other receivables	523,0	543,5
Cash and cash equivalents	299,9	178,8

## Note 12 - Subsequent events

Reference is made to section Subsequent Events on page 3. No other material events have taken place subsequent to June 30.

## Note 13 - Transactions with related parties

In Q2 and H1 2022, there have not been any material transactions or agreements entered into with any related parties.

## Note 14 - Alternative performance measures

Endúr presents alternative performance measures as a supplement to measures regulated by IFRS. The alternative performance measures are presented to provide better insight and understanding of operations, financial position and the basis for future developments.

The definitions of these measures are as follows:

### EBITDA

Profit/loss before i) tax, ii) net finance cost, iii) depreciation, amortization, impairment. Corresponds to "Operating profit/loss before depr., impairm" in the consolidated statement of profit or loss

### EBIT

Profit/loss before i) tax, ii) net finance cost, corresponds to "Operating profit/loss" in the consolidated statement of profit or loss

### Net interest-bearing debt

Book value of total interest-bearing debt, less i) interest-bearing receivables and ii) cash

### Equity ratio

Total equity divided by total assets

## Note 15 - External factors and macroeconomic trends

Covid-19 did have a negative impact on The Group's operations, for instance in form of; increased expenses related to travelling and housing, difficulties with moving workers across country borders and delays in private investments. However, these negative effects largely diminished through H2 2021 and Covid-19 can no longer be said to represent a significant external factor for The Group.

The war in Ukraine has impacted the markets for several commodities (and freight) and in combination with high inflation, and a corresponding outlook for increased interest rates, The Group has seen an increase in production costs. However, most of The Group's contracts provide index regulation of prices, so that inflation generally does not impact project performance. While increasing prices may be a factor in the timing of investments in aquaculture facilities, the same applies for salmon prices who have been at historical high levels. Regardless of the current macroeconomic situation, there is expected a significant ramp-up in Swedish public investments. In the Norwegian infrastructure market, political shifts may dampen growth in investments in new constructions, but The Group mainly operates in a smaller niche for rehabilitation and maintenance that is far less sensitive to general trends. As The Group all over experiences strong and increasing demand for the services it provides, and public spending in infrastructure traditionally has been used to stabilize conjunctures, the outlook is considered highly attractive.

With a considerable outstanding bond loan, increasing interest rates will obviously have potential to impact The Group's results, but at the same time The Group's leverage and interest rate sensitivity has decreased materially through H1 2022. The latter being caused by strong operating results, solid cash conversion, established hedges and a partial bond buy-back.

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