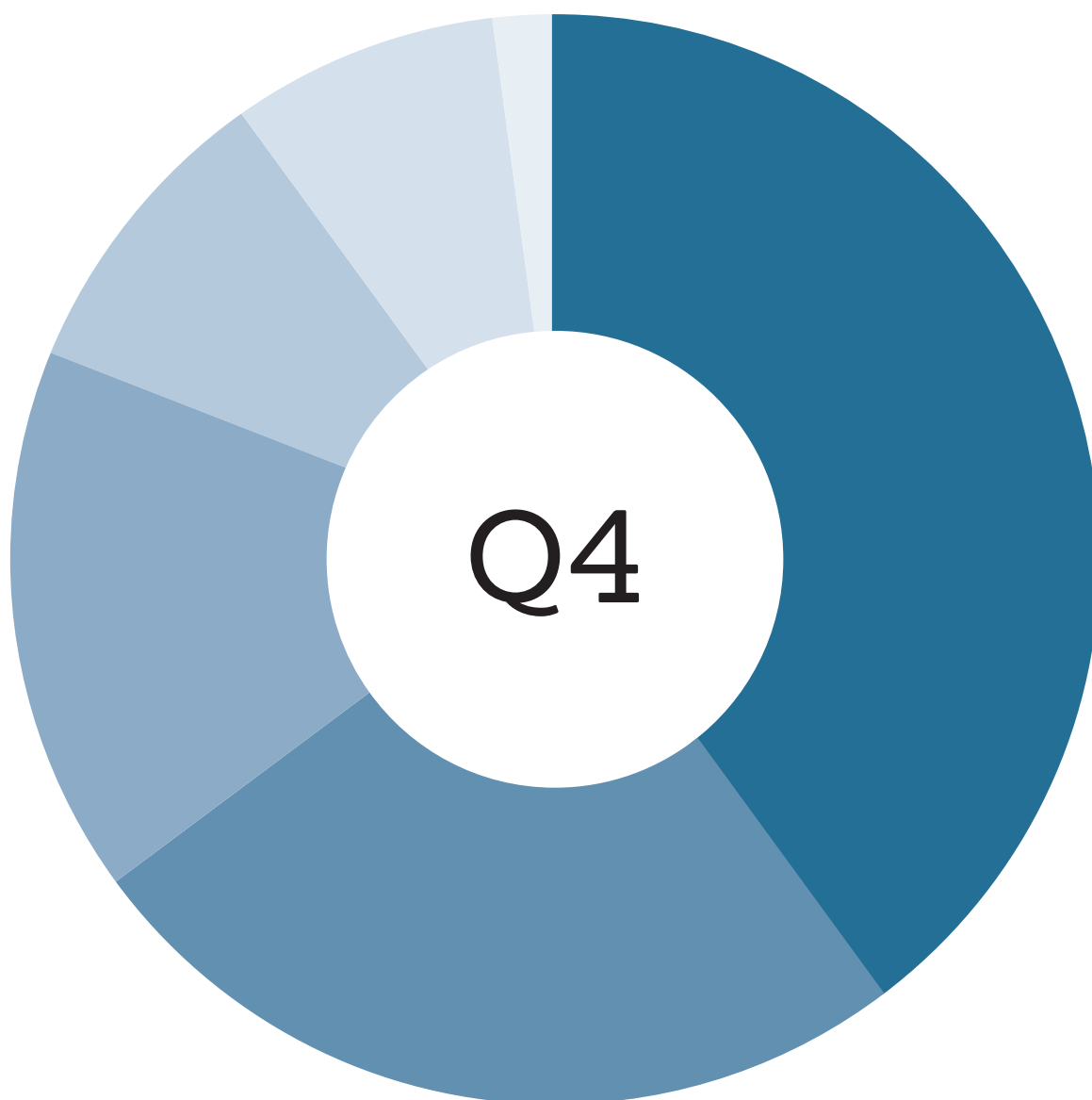


Report 2019



- Effective utilisation of data
- Sustainable and profitable aquaculture
- Simpler registration for hunters
- Improved data for managing wild deer in Norway
- Increased confidence in buying and selling goods in Norway
- Dynamic traffic reporting direct to motorists
- Gearing up for tomorrow's challenges through digital transformation
- Better air quality in major European cities
- Machine learning and data warehousing for good experiences and improved reporting
- Digital health form for Hordaland county residents
- Simplifying processes

bouvet

We change, renew and improve

Key figures

MILLIONS NOK	OCT-DEC 2019	OCT-DEC 2018	CHANGE %	JAN-DEC 2019	JAN-DEC 2018	CHANGE %
Revenue	588.5	535.4	9.9 %	2 132.1	1 846.7	15.5 %
Operating profit (EBIT)	71.4	65.2	9.5 %	232.1	191.6	21.1 %
Ordinary profit before tax	67.3	66.3	1.5 %	228.2	191.6	19.1 %
Profit for the period	54.6	53.5	2.0 %	180.1	150.5	19.7 %
Net cash flow operations	229.8	215.9	6.4 %	277.1	219.0	26.5 %
Cash and cash equivalents	344.7	278.4	23.8 %	344.7	278.4	23.8 %
Number of employees (end of period)	1 557	1 369	13.7 %	1 557	1 369	13.7 %
Number of employees (average)	1 549	1 362	13.7 %	1 474	1 305	12.9 %
Earnings per share	5.34	5.25	1.7 %	17.61	14.80	19.0 %
Diluted earnings per share	5.29	5.21	1.5 %	17.44	14.66	19.0 %
EBIT-margin	12.1 %	12.2 %		10.9 %	10.4 %	
Equity ratio	29.4 %	36.6 %		29.4 %	36.6 %	

Bouvet in brief

We are a Scandinavian consultancy in the field of IT and digital communication. We support both private- and public-sector players in digitalising their operations, and help them to meet the challenges and exploit the opportunities presented by digital technology.

We have long-term client relationships and are a strategic partner for a number of enterprises. We work with these on innovation, development and implementation of solutions. Our good understanding of client activities and our broad range of services in information technology, communication and enterprise management mean we often chosen as a turnkey supplier.

Our clients are important societal players and we contribute through our collaboration with them to the development of society. That is in line with our vision.

A close relationship can be maintained with clients because we pursue our assignments with a high level of integrity. In addition to our standards for delivering good solutions, we set strict

requirements for ethics, avoiding conflicts of interest, security, openness and trustworthiness.

Digital reality is always changing. To be able to handle this and to seize the opportunities which arise, we devote particular attention to the job satisfaction and expertise of our employees, continuous service development and our credibility as a long-term partner.

With a regional model where each office and organisational unit has considerable freedom, we have reduced bureaucracy and shortened decision paths. That gives us an adaptability which is essential for the ability to create good, flexible and durable solutions.

At 31 December 2019, we had 1 557 employees at 10 offices in Norway and three in Sweden.

Highlights of the fourth quarter

- Won new frame agreements with DNV GL and BKK AS
- Sixth place in Universum Professional Survey 2019
- Further improvements in client satisfaction, reputational and employee survey results
- Sesam, Bouvet's data and integration platform, demerged as a separate company
- Operating revenues up by 9.9 per cent or NOK 53.1 million from the fourth quarter of 2018 to NOK 588.5 million
- Operating profit (EBIT) rose by 9.5 per cent from the same period of the year before to NOK 71.4 million
- Cash flow from operations came to NOK 229.8 million, compared with NOK 215.9 million in the fourth quarter of 2018
- The board proposes a dividend of NOK 16.50 per share for 2019
- Employees rose by 12 people from the previous quarter and 188 over the past 12 months.



CEO'S COMMENTS

Stronger together

We state in our vision that we lead the way and build tomorrow's society. During the quarter, we have worked in close collaboration with our clients on solutions which further develop society. We have continued to support clients with their fairly extensive digitalisation and sustainability projects. Our employees do a great job, and their expertise is in demand. The composition of teams where we combine various types of expertise and experience is in ever greater demand by clients. Results from the employee and client satisfaction surveys which have been carried out show that both our employees and our clients believe we help to influence society positively. These surveys also point to our good ability to build and share expertise internally and with clients. The quarter turned out well, and we continued to make good progress.

Our team now counts 1 557 employees, up by 188 from the same time last year. Our good reputation and concentration on recruitment resulted in the acquisition of many able colleagues. All our regions have appointed both new graduates and experienced consultants. It's gratifying that we also succeeded in increasing the proportion of women in our company during the year. Employee numbers are growing because demand for our expertise is steadily increasing. During the quarter, clients continued to place their trust in our company and are using us more and more as long-term partners for digitalisation. The relationship between us and our clients has changed character over the past year. This collaboration is characterised today by a joint pursuit of continuous product development rather than limited-duration projects. Clients request cross-disciplinary teams from us, which develop solutions together with the client's own team. The rapid pace of developments, combined with this change in the mode of collaboration, calls for a focus on organisational development. Demand for our expertise in change

management increased significantly over the quarter. Participation in our courses and breakfast meetings during the period was high. In addition to continuing to develop the expertise of our employees, we worked a lot during the year and the quarter on retaining and further developing our good corporate culture.

Our clients are important societal players, and collaboration with them helps to secure us assignments which continue developing society in a positive way. By making the right use of technology, the clients – and thereby also us – help to promote sustainable growth and development. We find that collaboration within and across sectors yields better resource utilisation and a greater number of integrated solutions. It's both exciting and rewarding for us to participate in such a development.

The client survey we've conducted shows that they're satisfied with us. They also say that they're in a process of continual change. So they invite us on board and want us to be a driver in



“Job satisfaction and loyalty are important factors in work on our corporate culture, as well as key success factors for the good results achieved in 2019 and the quarter.”

their work on innovation and new ideas as well as being a solid partner in creating forward-looking solutions. We accept this invitation with open arms.

Our employee survey shows that we're a place where people thrive and are keen to work for a long time. Job satisfaction and loyalty are important factors in work on our corporate culture, as well as key success factors for the good results achieved in 2019 and the quarter.

We are continuing to build expertise in order to meet steadily growing demand from our clients. The pace of change and development is rapid, and we continued to enhance our expertise in technology, communication and enterprise management during 2019. Where technology is concerned, we're continuing to build on our solid existing architecture and developer capabilities. During 2019, we paid special attention to developing more competence on data analysis and data

platforms, often based on cloud technology. Demand for expertise on the internet of things (IoT), artificial intelligence and machine learning also increased during the quarter.

I'm sure that the pride which characterises the workforce, as well as the rapid and challenging pace of progress in society and at our clients, provides a fantastic opportunity to continue developing our corporate culture. By maintaining client satisfaction, we will also continue to do good business in the time to come.

Sverre Hurum
President and CEO



Financial results

Operating revenues

Bouvet had operating revenues of NOK 588.5 million for the fourth quarter, compared with NOK 535.4 million in the same period of 2018. That represented a rise of 9.9 per cent. Fee income generated by the group's own consultants increased by 11.6 per cent from the fourth quarter of 2018 to NOK 491.4 million. Fee income generated by sub-contractors grew by nine per cent from the same period of the year before to NOK 76.9 million. Other revenues rose by 17.7 per cent from the fourth quarter of 2018 to NOK 20.2 million.

An increase of 13.7 per cent in the average number of employees over the quarter had a positive effect of NOK 60.1 million on operating revenues generated by the group's own workforce. A 5.1 per cent rise in rates for the group's hourly based services compared with the fourth quarter of 2018 increased operating revenues generated by the group's own employees by NOK 24.7 million. A 3.5 percentage-point reduction in the billing ratio for the group's consultants from the fourth quarter of 2018 had a negative effect of NOK 21 million on operating revenues. Operating revenues were also negatively affected by NOK 3.4 million because of changes to estimates related to fixed- and target-price projects. Other factors, such as time off in lieu, sickness absence, holiday take-up and leave of absence, had an additional negative effect of NOK 9.3 million. All told, these factors had a positive effect of NOK 51.1 million on operating revenues generated by the group's own workforce in the fourth quarter.

Sales to existing clients made good progress overall during the quarter. Clients who also used the group in the fourth quarter of 2018 accounted for 94.3 per cent of operating revenues. In addition, clients acquired since 31 December 2018 contributed

a total of NOK 33.7 million to fourth-quarter operating revenues.

Bouvet's strategy is to use services from sub-contractors when it lacks the capacity to meet demand with its own personnel or when clients require leading-edge expertise outside the group's priority areas. The sub-contractor share of total revenues was 13.1 per cent in the fourth quarter, compared with 13.2 per cent in the same period of 2018.

Operating revenues for the full year were NOK 2 132.1 million, compared with NOK 1 846.7 million in 2018. That represented a rise of 15.5 per cent. Fee income generated by the group's own consultants rose by NOK 245.7 million or 16 per cent from 2018. This increase largely reflected a 12.9 per cent rise in the average workforce, a decline of 1.3 percentage points in the billing ratio for the group's consultants, and a 4.2 per cent growth in rates for the group's hourly based services compared with 2018. In addition, operating revenues generated by sub-contractors grew by NOK 36.2 million or 15.1 per cent from 2018. Other revenues rose by NOK 3.5 million or 4.9 per cent from the year before.

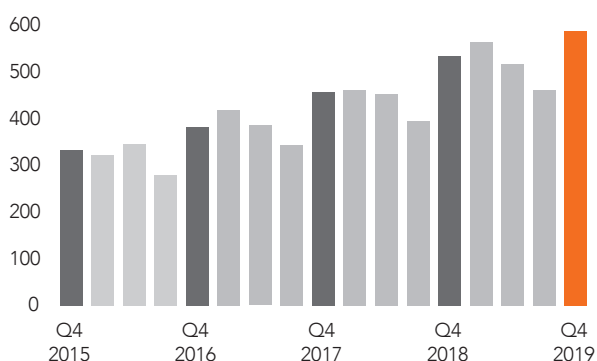
Operating costs

Bouvet's operating costs, including depreciation and amortisation, totalled NOK 517.1 million for the fourth quarter, up from NOK 470.2 million in the same period of 2018. That represented a rise of ten per cent. Payroll costs grew by 12.3 per cent from the fourth quarter of 2018 to NOK 378.3 million, reflecting an increased average number of employees in addition to the general growth in pay rates. The group experienced a general rise in pay of 1.8 per cent over the past 12 months. The cost of sales was NOK 78.3 million, compared with NOK 75.3 million in the fourth quarter of 2018, and primarily comprised procurement of sub-contractor services and software as well as the hire of course instructors. Viewed in isolation, implementing IFRS 16 Leases from 1 January 2019 (see note 1) reduced other operating expenses by NOK 9.8 million compared with the fourth quarter of 2018. An overall NOK 2 million rise in cost, primarily related to office premises meant, that other operating expenses showed a net reduction of NOK 7.8 million from the fourth quarter of 2018 and amounted to NOK 44.6 million in the quarter. Depreciation and amortisation came to NOK 16 million, compared with NOK 5.8 million in the fourth quarter of 2018. Implementing IFRS 16 increased depreciation by NOK 9.4 million from the same period of last year.

Where the full year is concerned, operating costs increased by 14.8 per cent from the same period of 2018 to a total of NOK

Operating revenue

NOK MILLION



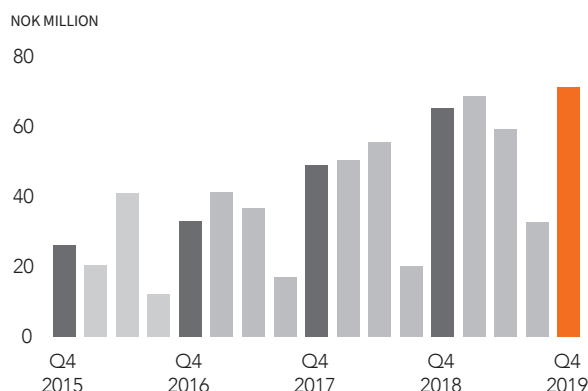
1 900 million. The cost of sales grew by 10.9 per cent to NOK 286.6 million, with the rise primarily reflecting increased use of sub-consultants. Payroll costs were up by 16.9 per cent to NOK 1 377.9 million. Viewed in isolation, implementing IFRS 16 from 1 January 2019 (see note 1) reduced other operating expenses by NOK 38.6 million compared with 2018. An overall rise of NOK 20.5 million in the cost of office premises, recruitment, expertise enhancement and marketing meant that other operating expenses showed a net reduction of NOK 18.1 million from 2018 and amounted to NOK 174.7 million for the full year. Depreciation and amortisation came to NOK 60.7 million, compared with NOK 24.8 million in 2018. Implementing IFRS 16 increased depreciation by NOK 35.9 million from the year before.

Profit

Operating profit (EBIT) for the fourth quarter came to NOK 71.4 million, compared with NOK 65.2 million in the same period of 2018.

The EBIT margin thereby came to 12.1 per cent, compared with 12.2 per cent in the fourth quarter of 2018. Net profit came to NOK 54.6 million, up from NOK 53.5 million in the same period of the year before. Diluted earnings per share were NOK 5.29 for the quarter, compared with NOK 5.21 in the same period of 2018.

Operating profit (EBIT)



Cumulative operating profit for the full year came to NOK 232.1 million, compared with NOK 191.6 million in 2018. That represented a 21 per cent increase. The EBIT margin thereby came to 10.9 per cent, compared with 10.4 per cent the year before. Net profit for the full year came to NOK 180.1 million, up from NOK 150.5 million in the same period of 2018. Diluted earnings per share were NOK 17.44, compared with NOK 14.66 in 2018.

Revenue public/private



- Revenue from customer
100 % public owned: 50.9 %
- Revenue from customer wholly or partially private owned: 49.1 %

Revenue per business



Oil & gas	28.6 %
Public admin	28.5 %
Power supply	10.3 %
Transportation	6.2 %
Retail	6.0 %
Industry	4.5 %
Bank & finance	4.3 %
Info and communication	4.0 %
Service industry	3.9 %
Health	2.0 %
Other	1.7 %

Cash flow, liquidity and capital adequacy

Consolidated cash flow from operations was NOK 229.8 million for the fourth quarter, compared with NOK 215.9 million in the same period of 2018. Cash flow for the quarter was affected positively by a reduction of NOK 87.5 million from the third quarter of 2019 in working capital related to accounts receivable, work in hand and current receivables. Furthermore, an increase of NOK 63.3 million in other current liabilities from the third quarter of 2019 had a positive effect. Where the full year is concerned, consolidated cash flow from operations came to NOK 277.1 million, compared with NOK 219 million for the same period of 2018.

Capital spending in the quarter totalled NOK 5.8 million, including NOK 4 million for the acquisition of new operating assets and NOK 1.8 million for investment in intangible assets. Net investment for the quarter was NOK 4.9 million, compared with NOK 9.9 million for same period of 2018. Where the full year is concerned, capital spending totalled NOK 25.3 million, including NOK 16.4 million for the acquisition of operating assets and NOK 8.9 million for investment in intangible assets. Net investment for 2019 as a whole was NOK 24.0 million, compared with NOK 57.1 million the year before.

The group's client portfolio consists mainly of large, solid listed companies and public enterprises. No significant bad debts were suffered during the quarter or the year as a whole, and the group has good oversight and control of its receivables.

The group has no interest-bearing debt. Bank deposits at 31 December totalled NOK 344.7 million, compared with NOK 278.4 million a year earlier. Of bank deposits at 31 December, the account for employee tax deductions totalled NOK 49.8 million. The group had an undrawn overdraft facility of NOK 100 million at 31 December. Bouvet held 467 of its own shares at 31 December. Equity at 31 December totalled NOK 317.8 million, representing an equity ratio of 29.4 per cent. The corresponding figures for 31 December 2018 were an equity of NOK 277 million and an equity ratio of 36.6 per cent. Implementation of IFRS 16 had a negative effect of 7.2 percentage points on the equity ratio at 31 December 2019 compared with the year before.

Segment reporting

The group does not report internally by separate business areas. Its business is homogenous and pursued within the Scandinavian market for IT consultancy services. Risk and return are followed up for the business as a whole, with shared markets, on a project basis and per consultant. On that basis, the group has one reportable segment.



Progress and market

The market for Bouvet's services was good in the fourth quarter. Its clients have needed leading-edge expertise and continuity to secure gains from their digitalisation initiatives. That has yielded good results for Bouvet.

Types of assignments awarded by clients have developed from limited-duration projects to more continuous product development. That calls for an overall understanding of business, technology, design and communication. Bouvet has seen a growing demand for its broad range of services, service deliveries and cross-disciplinary teams. The shift to continuous product development affects delivery, launch and introduction models. Together with the clients, delivery capacity and expertise are being scaled to the pace of development. The project manager role is being adapted to this trend. Bouvet experienced increased demand for this kind of expertise during the quarter.

The shift by the company's clients towards business-driven development is increasing interest in its services related to customer experience and consultancy. Bouvet has contributed by developing digital services and by identifying areas for automation and efficiency improvements as well as technology consultancy. To look after and develop these enterprises, Bouvet has contributed expertise with innovation processes, digital leadership, testing and change management.

A number of Bouvet's clients are shifting towards more data-driven organisations. Exploiting data and making provision for scalability call for platform-oriented development, which is usually based on cloud technology. During the quarter, Bouvet experienced the realisation of several proofs of concept which have revealed a big potential for gains. To achieve rapid and value-driven progress, this type of assignment includes cross-disciplinary expertise from the company's whole service portfolio, such as design thinking, user experience, analysis, data science, consultancy, project management and development. Examples of deliveries include predictive maintenance, digital twins, and the use of artificial intelligence and machine learning in technical applications. Demand for expertise with data analysis increased during the quarter,

Sesam, Bouvet's data and integration platform, was demerged as a separate subsidiary during the quarter. This company is

experiencing increased interest in its platform, and entered into partnerships during the quarter which provide new market opportunities both in Norway and internationally.

Digitalisation makes growing demands on security expertise in all service areas. Bouvet has strengthened this aspect and experienced increased demand during the quarter.

Greater expertise is required to understand the potential for and the consequences of introducing new technology. The course department's courses and breakfast seminars have been very well attended. A particular increase has been seen in company-tailored courses. Popular subjects include service design, change management, agile development, process management, business-to-business e-commerce, sustainability and profitability, and Office 365.

Clients see the benefits of Bouvet's sharing of experience and expertise across sectors. Acquiring insight into the experience of others increases the potential for innovation and making gains. One example is Bouvet's contribution to the development of applications introduced in the Netherlands during the quarter by Erex. The latter makes European rail services more efficient and cheaper to operate. This product has attracted attention as an example of how technology is utilised to reduce negative climate footprints.

Clients who continued to award Bouvet interesting assignments in the quarter included Svenska Kräftnett, Vestland county council, BIR AS, the Swedish Public Employment Service, the Swedish National Agency for Education, the Swedish Transport Agency, the Swedish Transport Administration, the Swedish Post and Telecom Authority, Equinor, the Brønnøysund Register Centre, the Norwegian University of Science and Technology, the Norwegian Courts Administration, the Norwegian Labour Inspection Authority, Tensio AS, the Central Norway Regional Health Authority, the Norwegian Public Service Pension Fund, the Norwegian Tax Administration, Cappelen Damm and the Norwegian State Housing Bank.

Results from this year's client satisfaction survey have risen further from an already high level, and Bouvet has seen a positive trend in this year's reputational survey.



Employees

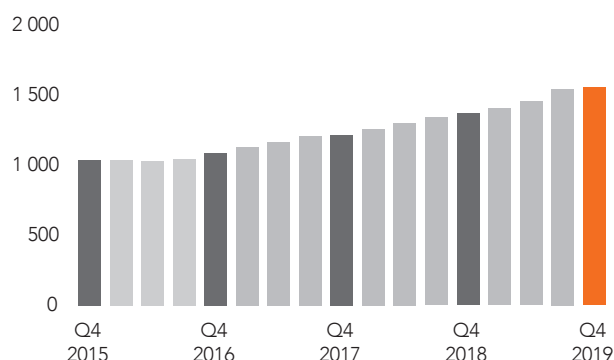
Bouvet had 1 557 employees at 31 December – up by 12 from 30 September and 188 from the end of 2018.

Bouvet's ambition is to be the consultancy with the most content employees. Satisfied personnel contribute to the quality of deliveries, satisfied clients and lower staff turnover. The company works continuously to create professional challenges, job satisfaction, social cohesion and team spirit at its 13 offices in Norway and Sweden. A good composition of ages, nationalities, gender, experience and expertise creates an inclusive and diversified working environment with good conditions for a sense of security and learning. Many new graduates have chosen Bouvet as their first employer.

As a knowledge company, Bouvet devotes constant attention to expertise development and sharing of professional expertise among its employees. Important arenas include the internal specialist conferences, which are staged regularly. One of the biggest of these programmes for employees during the quarter involved some 400 participants and about 70 papers.

The company's long-term client relations provide security and predictability for its recruitment work. Although the recruitment market is tough and challenging, familiarity with and knowledge of Bouvet's culture, values and ambitions are increasing. The annual Universum Professional Survey for 2019 put the company in sixth place, compared with eighth the year before. That means it succeeds in attracting relevant expertise.

Number of employees (end of quarter)



Bouvet's new vision – "We lead the way and build tomorrow's society" – has inspired the workforce, particularly where sustainability is concerned. Through a survey, employees have contributed suggestions on what they regard as the most important issues and how the company should continue working to reduce its environmental footprint.

Conducted during the quarter, the annual employee satisfaction survey yielded very good results. It shows that Bouvet has a strong internal reputation, driven to a great extent by a clear and inspiring leadership.



Risk

The group is exposed at any given time to various forms of operational, market and financial risk. The board and executive management work continuously on risk management and control. This is described in more detail under corporate

governance in the annual report for 2018 (section 10: risk management and internal control). In the board's view, no significant changes occurred over the past three months in the various risks to which the group is exposed.



Outlook

Digitalisation has become a natural part of business development for many enterprises in their encounter with such external influences as globalisation, problems in the world economy, demographic changes and climate challenges. Complexity creates unpredictability, and many enterprises are changing their structures to become agile and to increase their ability to innovate.

Technology development is shifting from project development to continuous product development and administration of larger product portfolios. That often includes platform models and cloud technology. Data provides flexibility and opportunities in such areas as the IoT, artificial intelligence and machine learning. Collating data in new ways will change information flows and lay the basis for flexible, responsive and informed organisations.

An overall understanding is expected to be necessary for exploiting technology in the most appropriate way strategically and operationally, given future complexity. Collaboration between a number of specialist disciplines can identify and overcome dilemmas which arise. Expertise on security, ethics and sustainability forms part of this.

Satisfied employees and laying the basis for cross-disciplinary collaboration, openness and knowledge-sharing have demonstrated that Bouvet is able to sustain an organisation with the right expertise and personality to pursue continuous service development. The company therefore remains well positioned to deliver to its clients and contribute to social development.

Contacts

Sverre Hurum

President and CEO

Tel: +47 23 40 60 00 | +47 913 50 047

Erik Stubø

CFO

Tel: +47 23 40 60 00 | +47 950 36 011

Declaration by the board and CEO

We hereby confirm to the best of our knowledge that the interim financial statements for the fourth quarter of 2019 and the preliminary financial statements for 1 January-31 December 2019 have been prepared in accordance with IAS 34, and that the information in the financial statements provides a true and fair picture of the overall assets, liabilities, financial position and financial results of the Bouvet ASA group. We also confirm to the best of our knowledge that the interim report provides a true and fair view of important events in the accounting period and their influence on the interim financial statements, the most important risk and uncertainty factors facing the business in the next accounting period, and significant transactions with close associates.

Oslo, 25 February 2020
The board of directors of Bouvet ASA



Pål Egil Rønn
Chair of the board



Tove Raanes
Deputy chair



Grethe Høiland
Director



Ingeborg Steen Jensen
Director



Egil Christen Dahl
Director



Sverre Hurum
President and CEO

Consolidated income statement

NOK 1 000	UNAUDITED OCT-DEC 2019	UNAUDITED OCT-DEC 2018	CHANGE	CHANGE %	UNAUDITED JAN-DEC 2019	JAN-DEC 2018	CHANGE	CHANGE %
Revenue	588 533	535 397	53 136	9.9 %	2 132 052	1 846 711	285 341	15.5 %
Operating expenses								
Cost of sales	78 282	75 253	3 029	4.0 %	286 639	258 514	28 125	10.9 %
Personell expenses	378 271	336 783	41 488	12.3 %	1 377 938	1 178 968	198 970	16.9 %
Depreciation fixed assets	14 079	4 190	9 889	236.0 %	53 851	17 388	36 463	209.7 %
Amortisation intangible assets	1 947	1 652	295	17.9 %	6 826	7 414	-588	-7.9 %
Other operating expenses	44 563	52 337	-7 774	-14.9 %	174 747	192 865	-18 118	-9.4 %
Total operating expenses	517 142	470 215	46 927	10.0 %	1 900 001	1 655 149	244 852	14.8 %
Operating profit	71 391	65 182	6 209	9.5 %	232 051	191 562	40 489	21.1 %
Financial items								
Interest income	930	613	317	51.7 %	3 245	1 815	1 430	78.8 %
Financial income	174	640	-466	-72.8 %	316	929	-613	-66.0 %
Interest expense	-4 607	-39	-4 568	N/A	-5 206	-104	-5 102	N/A
Finance expense	-555	-80	-475	593.8 %	-2 192	-2 627	435	-16.6 %
Net financial items	-4 058	1 134	-5 192	-457.8 %	-3 837	13	-3 850	N/A
Ordinary profit before tax	67 333	66 316	1 017	1.5 %	228 214	191 575	36 639	19.1 %
Income tax expense								
Tax expense on ordinary profit	12 748	12 780	-32	-0.3 %	48 081	41 078	7 003	17.0 %
Total tax expense	12 748	12 780	-32	-0.3 %	48 081	41 078	7 003	17.0 %
Profit for the period	54 585	53 536	1 049	2.0 %	180 133	150 497	29 636	19.7 %
Assigned to:								
Shareholders in parent company	54 601	53 536			180 149	150 497		
Non-controlling interests	-16	0			-16	0		
Diluted earnings per share	5.29	5.21	0.08	1.6 %	17.44	14.66	2.78	19.0 %
Earnings per share	5.34	5.25	0.08	1.6 %	17.61	14.80	2.81	19.0 %

Consolidated statement of other income and costs

NOK 1 000	UNAUDITED OCT-DEC 2019	UNAUDITED OCT-DEC 2018	CHANGE	CHANGE %	UNAUDITED JAN-DEC 2019	JAN-DEC 2018	CHANGE	CHANGE %
Profit for the period	54 585	53 536	1 049	2.0 %	180 133	150 497	29 636	19.7 %
Items that may be reclassified through profit or loss in subsequent periods								
Currency translation differences	239	563	-325	-57.6 %	-304	-28	-276	N/A
Sum other income and costs	239	563	-325	-57.6 %	-304	-28	-276	N/A
Total comprehensive income	54 824	54 099	724	1.3 %	179 829	150 469	29 360	19.5 %
Assigned to:								
Shareholders in parent company	54 840	54 099			179 845	150 469		
Non-controlling interests	-16	0			-16	0		

Consolidated balance sheet

NOK 1 000	UNAUDITED 31.12.2019	31.12.2018	CHANGE	CHANGE %
ASSETS				
NON-CURRENT ASSETS				
Intangible assets				
Deferred tax asset	1 133	0	1 133	N/A
Goodwill	32 722	32 944	-222	-0.7 %
Other intangible assets	35 932	34 070	1 862	5.5 %
Total intangible assets	69 787	67 014	2 773	4.1 %
Fixed assets				
Office equipment	24 868	25 187	-319	-1.3 %
Office machines and vehicles	4 865	5 907	-1 042	-17.6 %
IT equipment	19 510	20 112	-602	-3.0 %
Right-of-use assets	232 611	0	232 611	N/A
Total fixed assets	281 854	51 206	230 648	450.4 %
Financial non-current assets				
Other financial assets	10	11	-1	-9.1 %
Other long-term receivables	1 927	1 935	-8	-0.4 %
Total financial non-current assets	1 937	1 946	-9	-0.5 %
Total non-current assets	353 578	120 166	233 412	194.2 %
CURRENT ASSETS				
Work in progress	67 842	55 520	12 322	22.2 %
Trade accounts receivable	276 167	269 718	6 449	2.4 %
Other short-term receivables	37 142	32 765	4 377	13.4 %
Cash and cash equivalents	344 725	278 388	66 337	23.8 %
Total current assets	725 876	636 391	89 485	14.1 %
TOTAL ASSETS	1 079 454	756 557	322 897	42.7 %

Consolidated balance sheet

NOK 1 000	UNAUDITED 31.12.2019	31.12.2018	CHANGE	CHANGE %
EQUITY AND LIABILITIES				
EQUITY				
Paid-in capital				
Share capital	10 250	10 250	0	0.0 %
Own shares - nominal value	0	-1	1	-100.0 %
Share premium fund	10 000	10 000	0	0.0 %
Total paid-in capital	20 250	20 249	1	0.0 %
Earned equity				
Other equity	296 706	256 744	39 962	15.6 %
Total earned equity	296 706	256 744	39 962	15.6 %
Non-controlling interests	795	0	795	N/A
Total equity	317 751	276 993	40 758	14.7 %
DEBT				
Long-term debt				
Lease liabilities	201 352	0	201 352	N/A
Deferred tax	0	574	-574	-100.0 %
Total long-term debt	201 352	574	200 778	N/A
Short-term debt				
Current lease liabilities	33 520	0	33 520	N/A
Trade accounts payable	51 661	58 012	-6 351	-10.9 %
Income tax payable	46 434	41 279	5 155	12.5 %
Public duties payable	181 807	169 088	12 719	7.5 %
Deferred revenue	11 268	16 678	-5 410	-32.4 %
Other short-term debt	235 661	193 933	41 728	21.5 %
Total short-term debt	560 351	478 990	81 361	17.0 %
Total liabilities	761 703	479 564	282 139	58.8 %
TOTAL EQUITY AND LIABILITIES	1 079 454	756 557	322 897	42.7 %

Consolidated statement of cash flows

NOK 1 000	UNAUDITED OCT-DEC 2019	UNAUDITED OCT-DEC 2018	UNAUDITED JAN-DEC 2019	JAN-DEC 2018
Cash flow from operating activities				
Ordinary profit before tax	67 333	66 317	228 214	191 576
Paid tax	-10 585	-7 351	-44 732	-30 807
(Gain)/loss on sale of fixed assets	-26	-21	-168	-406
Ordinary depreciation	14 078	4 190	53 851	17 388
Amortisation intangible assets	1 947	1 652	6 826	7 414
Share based payments	2 126	1 894	8 044	7 272
Changes in work in progress, accounts receivable and accounts payable	86 977	71 696	-25 121	-14 658
Changes in other accruals	67 923	77 558	50 142	41 193
Net cash flow from operating activities	229 774	215 935	277 054	218 971
Cash flows from investing activities				
Sale of fixed assets	81	47	568	574
Purchase of fixed assets	-3 969	-5 361	-16 433	-30 609
Purchase of intangible assets	-1 806	-4 606	-8 921	-13 718
Purchase/sale of non-controlling interests in subsidiaries	812	0	812	-13 390
Net cash flow from investing activities	-4 882	-9 921	-23 973	-57 143
Cash flows from financing activities				
Purchase of own shares	-24 650	-8 924	-35 991	-19 544
Sales of own shares	21 152	17 858	21 152	17 858
Payments on lease liabilities	-9 845	0	-38 655	0
Dividend payments	0	0	-133 250	-87 125
Net cash flow from financing activities	-13 343	8 934	-186 744	-88 811
Net changes in cash and cash equivalents	211 548	214 948	66 337	73 017
Cash and cash equivalents at the beginning of the period	133 177	63 440	278 388	205 371
Cash and cash equivalents at the end of the period	344 725	278 388	344 725	278 388

Consolidated statement of changes in equity

NOK 1 000	SHARE CAPITAL	OWN SHARES	SHARE PREMIUM	TOTAL PAID-IN EQUITY	OTHER EQUITY	TRANSLATION DIFFERENCES	TOTAL OTHER EQUITY	NON-CON- TROLLING INTERESTS	TOTAL EQUITY
Equity at 01.01.2018	10 250	-47	10 000	20 203	197 659	-472	197 186	3 019	220 408
Profit for the period					150 497		150 497		150 497
Other income and costs						-28	-28		-28
Purchase/sale of own shares (net)		46		46	-1 680		-1 680		-1 634
Employee share scheme					8 264		8 264		8 264
Change non-controlling interests					-10 371		-10 371	-3 019	-13 390
Dividend					-87 125		-87 125		-87 125
Equity at 31.12.2018	10 250	-1	10 000	20 249	257 244	-500	256 744	0	276 993
Equity at 01.01.2019	10 250	-1	10 000	20 249	257 244	-500	256 744	0	276 993
Profit for the period					180 149		180 149	-16	180 133
Other income and costs						-304	-304		-304
Purchase/sale of own shares (net)		1		1	-14 796		-14 796		-14 795
Employee share scheme					8 162		8 162		8 162
Change non-controlling interests								811	811
Dividend					-133 250		-133 250		-133 250
Equity at 31.12.2019 (Unaudited)	10 250	0	10 000	20 250	297 509	-804	296 706	795	317 751

Notes

Note 1: Accounting principles

The group made no changes to the accounting principles applied in 2018. This interim report is presented in accordance with the International Financial Reporting Standards (IFRS) and interpretations determined by the European Union, and have been prepared in accordance with IAS 34. The interim financial statements have not been audited, do not include all the information required in annual financial statements and should be viewed in conjunction with the group's annual report for 2018.

The accounting policies applied are consistent with those applied in previous financial year, except for the implementation of IFRS 16 Leases.

IFRS 16 Leases

The Group has adopted IFRS 16 Leases on 1 January 2019. The standard replaces IAS 17 Leases and sets out the principles for the recognition, measurement and presentation of leases. The new standard requires lessees to recognise assets and liabilities for most leases. Bouvet has chosen to adopt IFRS 16 using the modified retrospective approach, with its exemptions, where lease contracts for which the lease terms ends within 12 months as of date of initial application, and lease contracts for which the underlying asset is of low value is not included.

For the Group mainly leases related to office premises was affected by IFRS 16. Bouvet leases office premises at the 13 places where business is operated. At 1 January 2019 it was capitalised right-of-use-assets and lease liabilities of NOK 265 611 thousand. This reduced the equity ratio of 9.6 percentage points.

Reconciliation of lease commitments (IAS 17) to lease liabilities (IFRS 16):

NOK 1 000	01.01.2019
Operating lease commitments at 31 December 2018	289 210
Short-term leases	-1 252
Low-value leases	-419
Change in existing leases	548
Discounted using incremental borrowing rate	-22 476
Lease liabilities	265 611
Incremental borrowing rate	2 %

See note 4 for statement of right-to-use-assets and lease liabilities per 31 December 2019.

In accordance with the new regulations leases recognised in the balance sheet will be depreciated over the lease period and recognised together with the Group's remaining depreciations. Interest effect from the discount calculation will be recognised as financial items. Due to the new regulations the Group's EBIT will slightly increase, provided the same type and number of lease objects.

Comparative figures IFRS 16 versus IAS 17

NOK 1 000	IFRS 16	IAS 17	
	OCT-DEC 2019	OCT-DEC 2019	OCT-DEC 2018
Revenue	588 533	588 533	535 397
Operating expenses (ex. depreciation and amortisation)	501 116	510 930	464 373
EBITDA	87 417	77 603	71 024
Depreciation and amortisation	16 026	6 675	5 842
EBIT	71 391	70 928	65 182
Financial items	-4 058	477	1 134
Ordinary profit before tax	67 333	71 405	66 316

NOK 1 000	IFRS 16	IAS 17	
	JAN-DEC 2019	JAN-DEC 2019	JAN-DEC 2018
Revenue	2 132 052	2 132 052	1 846 711
Operating expenses (ex. depreciation and amortisation)	1 839 324	1 877 948	1 630 347
EBITDA	292 728	254 104	216 364
Depreciation and amortisation	60 677	24 822	24 802
EBIT	232 051	229 282	191 562
Financial items	-3 837	1 192	13
Ordinary profit before tax	228 214	230 474	191 575

In connection with the annual and quarterly settlement a new evaluation of the lease agreements has been made. This resulted in an adjustment of interest costs of NOK 3 332 thousand. The adjustment has been made in the fourth quarter.

Note 2: Revenue from contracts with customers

The Group is primarily delivering its services based on time and material used and has in most cases legal rights for payment for services delivered at date. In cases where the Group has income from projects with predefined results at a fixed price or which has elements causing the income per hour

to be unknown before completion of the project, the income is recorded in correlation with the degree of completion.

Progress is measured as incurred hours in relation to totally estimated hours. For these projects the customer controls the asset being made or improved.

Specification revenue:

NOK 1 000	OCT-DEC 2019	OCT-DEC 2018
Contract category		
Fixed- and target price	8 003	8 012
Variable contracts	580 530	527 385
Total revenue	588 533	535 397
Business sector		
Bank & finance	25 113	26 076
Power supply	60 520	52 898
Health	11 825	12 733
Industry	26 581	21 035
Info and communication	23 504	19 130
Public admin	167 501	151 222
Oil & gas	168 243	134 944
Service industry	22 801	28 309
Transportation	36 761	47 065
Retail	35 534	30 355
Other	10 150	11 629
Total revenue	588 533	535 397
Public/privat sector		
Public sector (100% owned)	299 575	283 454
Privat sector	288 958	251 943
Total revenue	588 533	535 397
Work in progress	67 842	55 520
Deferred revenue	11 268	16 678

At the balance sheet date, processed but not billed services amounted to NOK 67.84 million (2018.12.31: NOK 55.52 million). This is mainly services delivered on running account, invoiced to customers at the beginning of the next month.

Note 3: Intangible assets

Intangible assets and goodwill are related to added value from the acquisitions of subsidiaries, businesses, and costs related to development of software and internally developed internet homepage.

NOK 1 000	SOFTWARE	OTHER INTANGIBLE ASSETS	GOODWILL	JAN-DEC 2019	SOFTWARE	OTHER INTANGIBLE ASSETS	GOODWILL	JAN-DEC 2018
Book value 1 January	27 906	6 165	32 944	67 014	20 002	7 762	33 460	61 224
Additions of the period	0	0	0	0	0	931	0	931
Self-developed software	8 920	0	0	8 920	12 787	0	0	12 787
Amortisation	-5 837	-989	0	-6 826	-4 883	-2 531	0	-7 414
Exchange rate variances	0	-233	-222	-455	0	3	-516	-513
Book value end of period	30 989	4 943	32 722	68 654	27 906	6 165	32 944	67 014
Amortisation rate	20 %	10-20 %	N/A		20 %	10-20 %	N/A	
Economic life	5 years	5-10 years	not decided		5 years	5-10 years	not decided	
Amortisation method	linear	linear	N/A		linear	linear	N/A	

The group is developing a software for sale, Sesam, that works as a search engine for enterprise data. Sesam can collect all type of information, tie it together and make use of the compound information in a range of valuable services. Version 3 of Sesam was completed September 2016 with investment costs of NOK 10 783 thousand. Version 4 of Sesam was completed December 2017 with investment costs of NOK 12 250 thousand. Version 5 is under development and consists of several modules. Module GDPR was completed in June 2018 and module Swarm was completed June 2019. The rest has an expected completion during fourth quarter of 2019. So far, the investment costs is NOK 22 621 thousand. All versions have an economic life of 5 years.

Note 4: Leases

Right-of-use-assets

NOK 1 000	PREMISES	OTHER LEASES	JAN-DEC 2019
Book value 1 January	264 941	70	265 011
Additions of the period	3 577	0	3 577
Depreciation	-35 790	-65	-35 855
Exchange rate variances	-122	0	-122
Book value end of period	232 606	5	232 611
Economic life	1-9 years	1-2 years	
Depreciation method	linear	linear	

Lease liabilities

NOK 1 000	FUTURE LEASE PAYMENTS	FUTURE LEASE PAYMENTS PER YEAR					
		2020	2021	2022	2023	2024	> 2024
Lease liabilities 31.12.2019	234 872	33 520	32 761	31 993	32 015	32 184	72 399
Incremental borrowing rate	2 %						

In connection with the annual and quarterly settlement a new evaluation of the lease agreements has been made. This resulted in an increase in book value 1 January for lease liabilities and right-of-use-assets of NOK 1 650 thousand. The new book value is presented in the table above for right-of-use-assets.

Note 5: Share capital and dividend

SHARES IN THOUSANDS	31.12.2019	31.12.2018
Ordinary shares, nominal value NOK 1	10 250	10 250
Total number of shares	10 250	10 250

The nominal value of the share is NOK 1. All shares in the company have equal voting rights and are equally entitled to dividend.

Changes in share capital and premium

NOK 1 000	NO. OF SHARES		SHARE CAPITAL	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Ordinary shares issued and fully paid at 31.12.	10 250	10 250	10 250	10 250
Own shares at nominal value	0	-1	0	-1

In the period, Bouvet ASA, has purchased 70 000 own shares at an average price of NOK 352.14 per share and sold 107 237 own shares to employees within the group at a total amount of NOK 28 801 thousand, giving an average sales price of NOK 268.57 per share (which includes the element of remuneration). The cash consideration for these shares was NOK 17 474 thousand. The Company owns 467 own shares at the end of the period.

Proposed dividend to be approved at the annual general meeting May 2020 amounts to NOK 16.50 per share.

Note 6: Transactions with related parties

Shares in the company directly or indirectly owned by the board and management

NAME	ROLE	NO. OF SHARES			
		30.09.2019	BUY	SALE	31.12.2019
Pål Egil Rønn	Chairman of the Board	5 000			5 000
Tove Raanes	Vice-chairman of the Board	895			895
Grethe Høiland	Board member	0			0
Ingebrigt Steen Jensen	Board member	1 640			1 640
Egil Christen Dahl	Board member	453 502			453 502
Sverre F. Hurum	CEO	491 779	289	-30 000	462 068
Erik Stubø	CFO	238 279	289		238 568
Total		1 191 095	578	-30 000	1 161 673

Note 7: Events after the balance sheet date

There have been no events after the balance sheet date significantly affecting the Group's financial position.

Alternative Performance Measures

The European Securities and Markets Authority (“ESMA”) issued guidelines on Alternative Performance Measures (“APMs”) that came into force on July 3, 2016. Bouvet discloses APMs that are frequently used by investors, analysts, and other interested parties. The management believes that the disclosed APMs provide improved insight into the operations, financing, and prospects of Bouvet. Bouvet has defined the following APMs:

EBITDA is short for earnings before interest, taxes, depreciation, and amortization. EBITDA is calculated as profit for the period before tax expense, financial items, depreciation, and amortization.

EBIT is short for earnings before interest and taxes. EBIT corresponds to operating profit in the consolidated income statement.

Net free cash flow is calculated as net cash flow from operations plus net cash flow from investing activities.

EBITDA-margin is calculated as EBITDA divided by revenue.

EBIT-margin is calculated as EBIT divided by revenue.

Cash flow margin is calculated as Net cash flow from operations divided by revenue.

Equity ratio is calculated as total equity divided by total assets.

Liquidity ratio is calculated as current assets divided by short-term debt.

Key figures Group

NOK 1 000	OKT-DEC 2019	OKT-DEC 2018	CHANGE %	JAN-DEC 2019	JAN-DEC 2018	CHANGE %
INCOME STATEMENT						
Operating revenue	588 533	535 397	9.9 %	2 132 052	1 846 711	15.5 %
EBITDA	87 417	71 024	23.1 %	292 728	216 364	35.3 %
Operating profit (EBIT)	71 391	65 182	9.5 %	232 051	191 562	21.1 %
Ordinary profit before tax	67 333	66 316	1.5 %	228 214	191 575	19.1 %
Profit for the period	54 585	53 536	2.0 %	180 133	150 497	19.7 %
EBITDA-margin	14.9 %	13.3 %	12.0 %	13.7 %	11.7 %	17.2 %
EBIT-margin	12.1 %	12.2 %	-0.4 %	10.9 %	10.4 %	4.9 %
BALANCE SHEET						
Non-current assets	353 578	120 166	194.2 %	353 578	120 166	194.2 %
Current assets	725 876	636 391	14.1 %	725 876	636 391	14.1 %
Total assets	1 079 454	756 557	42.7 %	1 079 454	756 557	42.7 %
Equity	317 751	276 993	14.7 %	317 751	276 993	14.7 %
Long-term debt	201 352	574	N/A	201 352	574	N/A
Short-term debt	560 351	478 990	17.0 %	560 351	478 990	17.0 %
Equity ratio	29.4 %	36.6 %	-19.6 %	29.4 %	36.6 %	-19.6 %
Liquidity ratio	1.30	1.33	-2.5 %	1.30	1.33	-2.5 %
CASH FLOW						
Net cash flow operations	229 774	215 935	6.4 %	277 054	218 971	26.5 %
Net free cash flow	224 891	206 014	9.2 %	253 081	161 828	56.4 %
Net cash flow	211 548	214 948	-1.6 %	66 337	73 017	-9.1 %
Cash flow margin	39.0 %	40.3 %	-3.2 %	13.0 %	11.9 %	9.6 %
SHARE INFORMATION						
Number of shares	10 250 000	10 250 000	0.0 %	10 250 000	10 250 000	0.0 %
Weighted average basic shares outstanding	10 219 372	10 191 679	0.3 %	10 228 839	10 169 093	0.6 %
Weighted average diluted shares outstanding	10 325 937	10 292 204	0.3 %	10 332 463	10 268 110	0.6 %
EBIT per share	6.99	6.40	9.3 %	22.69	18.84	20.4 %
Diluted EBIT per share	6.92	6.33	9.2 %	22.46	18.66	20.4 %
Earnings per share	5.34	5.25	1.7 %	17.61	14.80	19.0 %
Diluted earnings per share	5.29	5.21	1.5 %	17.44	14.66	19.0 %
Equity per share	31.00	27.02	14.7 %	31.00	27.02	14.7 %
Dividend per share	0.00	0.00	N/A	13.00	8.50	52.9 %
EMPLOYEES						
Number of employees (year end)	1 557	1 369	13.7 %	1 557	1 369	13.7 %
Average number of employees	1 549	1 362	13.7 %	1 474	1 305	12.9 %
Operating revenue per employee	380	393	-3.3 %	1 447	1 415	2.2 %
Operating cost per employee	334	345	-3.3 %	1 289	1 268	1.7 %
EBIT per employee	46	48	-3.7 %	157	147	7.3 %

Definitions

Cash flow margin	Net cash flow operations / Operating revenue
Diluted earnings per share	Profit for the period assigned to shareholders in parent company / weighted average diluted shares outstanding
Diluted EBIT per share	EBIT assigned to shareholders in parent company / weighted average diluted shares outstanding
Dividend per share	Paid dividend per share throughout the year
Earnings per share	Profit for the period assigned to shareholders in parent company / weighted average basic shares outstanding
EBIT	Operating profit
EBIT per employee	EBIT / average number of employees
EBIT per share	EBIT assigned to shareholders in parent company / weighted average basic shares outstanding
EBITDA	Operating profit + depreciation fixed assets and intangible assets
EBITDA-margin	EBITDA / operating revenue
EBIT-margin	EBIT / operating revenue
Equity per share	Equity / number of shares
Equity ratio	Equity / total assets
Liquidity ratio	Current assets / Short-term debt
Net free cash flow	Net cash flow operations - Net cash flow investments
Number of shares	Number of issued shares at the end of the year
Operating cost per employee	Operating cost / average number of employees
Operating revenue per employee	Operating revenue / average number of employees
Weighted average basic shares outstanding	Issued shares adjusted for own shares on average for the year
Weighted average diluted shares outstanding	Issued shares adjusted for own shares and share scheme on average for the year



Our regions and offices

The Group has 13 offices in Norway and Sweden. Our philosophy is that competence should be utilized across the company, while projects are attached locally.

OSLO

Sørkedalsveien 8
NO-0369 Oslo
P. O. Box 5327 Majorstuen
NO-0304 Oslo
Tel: (+47) 23 40 60 00

ARENDAL

Frolandsveien 6
NO-4847 Arendal
Tel: (+47) 23 40 60 00

BERGEN

Solheimsgaten 15
NO-5058 Bergen
Tel: (+47) 55 20 09 17

GRENLAND

Uniongata 18
Klosterøya
NO-3732 Skien
Tel: (+47) 23 40 60 00

KRISTIANSAND

Kjøita 25
NO-4630 Kristiansand
Tel: (+47) 23 40 60 00

STAVANGER

Laberg 28
NO-4020 Stavanger
P. O. Box 130
NO-4065 Stavanger
Tel: (+47) 51 20 00 20

HAUGESUND

Diktervegen 8
NO-5538 Haugesund
Tel: (+47) 52 82 10 17

TRONDHEIM

Kjøpmannsgata 35
NO-7011 Trondheim
Tel: (+47) 23 40 60 00

SANDVIKA

Leif Tronstads plass 7
NO-1337 Sandvika
Tel: (+47) 23 40 60 00

SANDEFJORD

Fokserødveien 12
NO-3241 Sandefjord
Tel: (+47) 23 40 60 00

STOCKHOLM

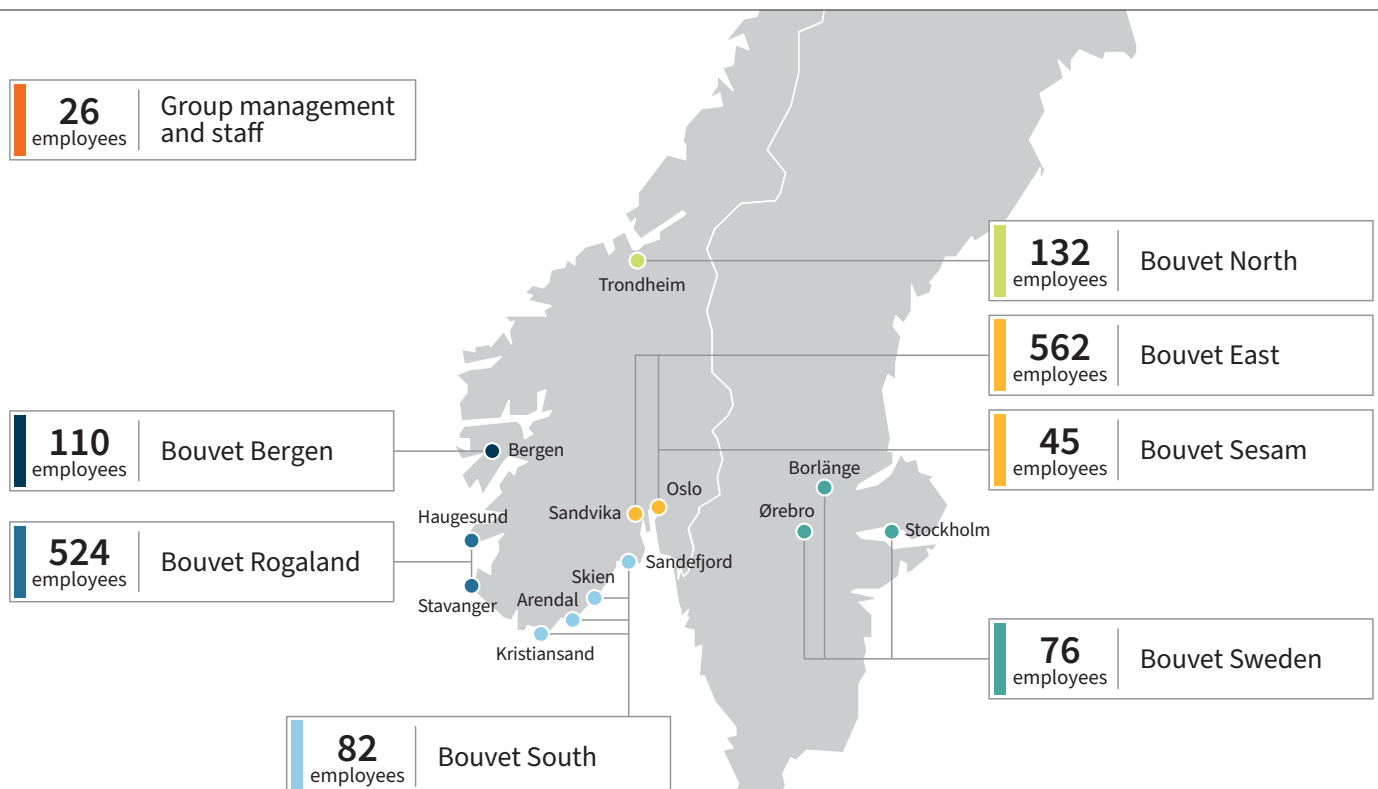
Östermalmsgatan 87 A
114 59 Stockholm
Tel: (+46) 0 771 611 100

BORLÄNGE

Forskargatan 3
781 70 Borlänge
Tel: (+46) 0 771 611 100

ÖREBRO

Kungsgatan 1
702 11 Örebro
Tel: (+46) 0 709 431 411



bouvet

en.bouvet.no