



Q2

Unaudited First half year and 2nd Quarter results 2017

Headlines

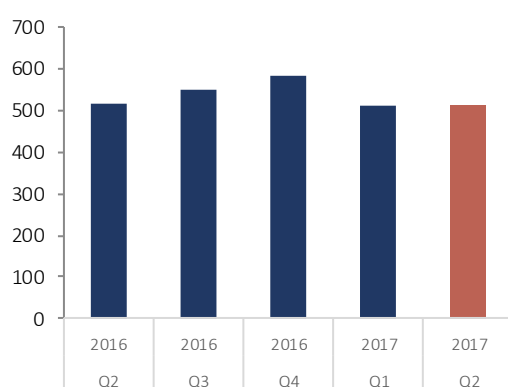
“Stable activity level overall”



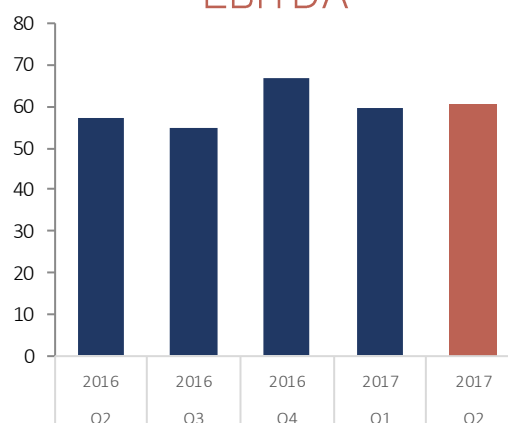
This Quarter

Operating Revenue	511 mNOK
EBITDA	60 mNOK
Cash Flow from Operations	28 mNOK
Order Intake*	600 mNOK
TRIF	3,3
Employees**	1136

REVENUE



EBITDA



* includes frame agreements and exercise of options

** Employees end of quarter



Group Overview

Highlights for Beerenberg (Beerenberg Holdco II AS consolidated) in the 2nd quarter of 2017 was

- Order intake in Q2 includes award of Johan Sverdrup Hook-up contract estimated to MNOK 550
- Revenue was MNOK 511, in line with Q2 2016.
- EBITDA of MNOK 60, up MNOK 3 compared to Q2 2016
- EBITDA margin was 11,8 % compared to 11% in Q2 2016
- Estimated order backlog at the end of the quarter was BNOK 10
- In July Beerenberg finalized the delivery of the expansion project at Nyhamna.

Income Statement

Revenue of MNOK 511 in Q2 2017 is in line with the activity level in Q2 2016. The activity level within Services is overall down due to the loss of Ekofisk frame agreement, but this is offset by a general increase in activity on other frame agreements and higher product sales. The newbuild activity remains relatively stable in the quarter.

EBITDA in the 2nd quarter was MNOK 60. This is up MNOK 3 from 2nd quarter 2016. Overall the margins remain relatively stable.

Financial cost in the 2nd quarter was MNOK 19, a slight increase from 2nd quarter last year. The increase relates to the refinancing of the company.

The profit before tax increased with MNOK 7 in the 2nd quarter compared to 2nd quarter last year.

For the first half of 2017 the revenue has increased by 8% compared to first half in 2016. The increase in activity is mainly related to new build activities and increased activity on existing frame agreements offset by the loss of the Ekofisk contract.

EBITDA margin increased from 10,3% in first half of 2016 to 11.7% in first half of 2017. The increase is mainly relating to lower operating costs in services.

Balance Sheet

Total assets were MNOK 1 791 at the end of the quarter with an equity ratio of 20,4%,

Working capital increased by MNOK 32 in 2nd quarter, mainly due to higher activity towards the end of the quarter.

Net interest bearing debt was MNOK 665 compared to MNOK 882 in 2nd quarter 2016.

The new senior secured bond of MNOK 850 placed in February secures the financing for the company until 2021. In March Beerenberg also repaid the previous bond. In connection with the bond issue, Beerenberg has extended its 300 MNOK facility with Danske Bank. The new bond was listed on Oslo Boers on the 20th of June 2017.

Cash Flow

Cash flow from operations was MNOK 28 in Q2 2017.

Investments in the 2nd quarter was MNOK 2, mainly replacement investments.

Net cash flow from financing activities was negative by MNOK 19 where the majority is interest payment.

Order Backlog & Market

There are some indications that the activity level within maintenance and modification are picking up. The outlook for new build market remains reasonable; however, the majority of the prospects will impact Beerenberg's activity level in 2018 and 2019.

The tender activity has been relatively high also in 2nd quarter of 2017, especially related to Benarx products and services outside Norway.

Total order intake of new contracts was approximately MNOK 600. The major award was the Johan Sverdrup Hook-up contract with Aker Solutions estimated to be worth approximately MNOK 550 (including options).

The current estimated order backlog (including frame agreements and options) is BNOK 10.

HSEQ

At the end of Q2 2017 Beerenberg had 1136 employees, down 82 from last quarter.

During the 2nd quarter of 2017 Beerenberg recorded 3 incidents compared to 3 same period last year.

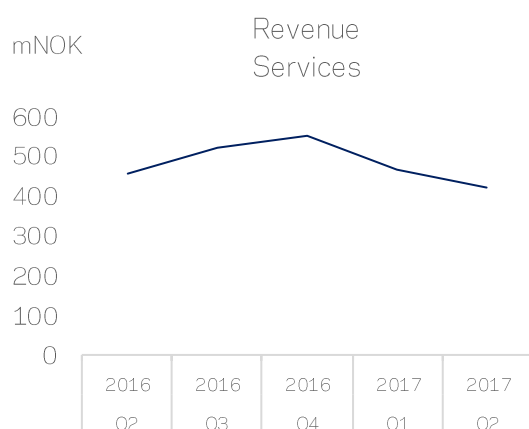
Total recordable incident frequency (TRIF) was 3,3 measured on last twelve months' basis (LTM), compared to 3,1 YTD at the end of 2nd quarter 2016.

“Benarx international growth strategy is starting to be reflected in the activity level”

Business Segments

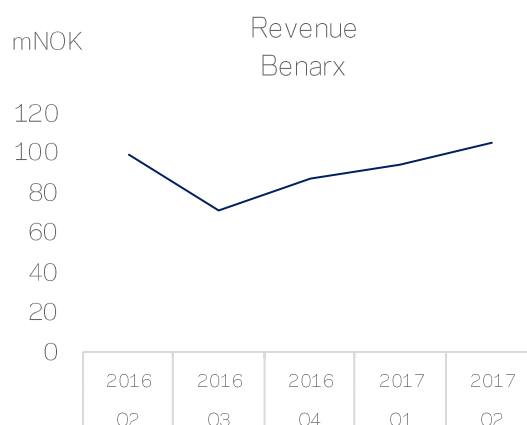
Services

The service segment reports a reduction in revenue of 7% from Q2 2016. High activity within newbuild and existing frame agreements are offset by the loss of Ekofisk frame agreement. The EBITDA margin increased from 9,8% in Q2 2016 to 10,6% in Q2 2017.



Benarx

The Benarx segment reports an increase in revenue in Q2 2017 of 7% compared to Q2 2016. The increase is mainly related to international sales. EBITDA was MNOK 15, this is up from 12,5 MNOK in Q2 2016.

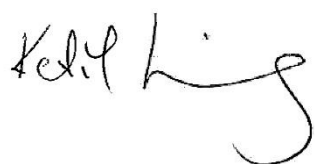


Declaration by the Board of Directors and CEO

The Board confirm that to the best of our knowledge, the condensed set of financial statement for the period 1. January 2017 to 30. June 2017, has been prepared in accordance with all applicable accounting standards, and gives a true and fair view of the group's assets, liabilities, financial position and result for the period. The Board also confirm that the interim first half report includes, to the best of our knowledge, a fair review of any significant events that arose during the six-month period and their effect on the half-yearly financial report, and a description of the principal risks and uncertainties facing the Beerenberg Holdco II AS group.

Bergen 16. August 2017

The Beerenberg Holdco II AS Board of Directors and CEO



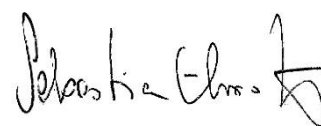
Ketil Lenning

Chairman



Lars Marusson

Director



Sebastian Ehrnrooth

Director



FIGURES & NOTES

Figures for Beerenberg Holdco II

Condensed Consolidated Income Statement

Group Summary		Q2	Q2	YTD	YTD	FY
Amounts in NOK million	Note	2017	2016	2017	2016	2016
Operating revenue	6	511,3	518,6	1 024,0	949,0	2 081,5
Operating expenses		450,9	461,6	904,2	851,2	1 862,3
EBITDA	7	60,4	57,1	119,8	97,8	219,2
Depreciation		7,6	7,8	15,2	15,9	31,9
EBITA		52,7	49,2	104,6	81,9	187,3
Amortisation	8	3,7	7,5	8,0	15,7	181,5
Operating profit (EBIT)		49,0	41,8	96,5	66,1	5,7
Finance costs - net	4	19,2	18,7	68,4	38,2	67,2
Profit before tax (EBT)		29,8	23,0	28,2	27,9	-61,5
Estimated tax		7,1	5,8	6,8	7,0	12,2
Net profit		22,6	17,3	21,4	21,0	-73,6
Profit for the period is attributable to:						
Shareholders of the parent company		22,6	17,3	21,4	21,0	-73,6
Basic earnings per share (NOK)		0,08	0,06	0,08	0,08	-0,28
Diluted earnings per share are identical as there are no dilutive effect						
EBITDA margin		11,8 %	11,0 %	11,7 %	10,3 %	10,5 %
EBITA margin		10,3 %	9,5 %	10,2 %	8,6 %	9,0 %

Condensed Consolidated Statement of Comprehensive Income

		Q2	Q2	YTD	YTD	FY
Amounts in NOK million	Note	2017	2016	2017	2016	2016
Net profit for the period		22,6	17,3	21,4	21,0	-73,6
<i>Other comprehensive income:</i>						
Conversion differences		1,8	-0,4	4,0	-0,8	-0,7
Change in value of derivatives		-0,6	1,6	-5,3	-0,2	4,7
Total comprehensive income		23,9	18,4	20,1	20,0	-69,7

Condensed Consolidated Balance Sheet

Group Summary				
		Q2	Q2	FY
Amounts in NOK million	Note	30.06.2017	30.06.2016	31.12.2016
Goodwill	8	778,7	883,9	778,7
Intangible assets	8	69,6	137,9	76,0
Property, plant and equipment		160,8	182,1	169,0
Financial Fixed Assets		0,6	0,6	0,6
Total non-current assets		1 009,7	1 204,5	1 024,3
Goods		51,8	45,2	35,0
Accounts receivables from customers		464,5	552,3	416,2
Earned Not Invoiced Revenue (WIP)		66,0	56,6	151,8
Other Short Term Receivables		18,9	21,3	21,0
Prepayments		3,9	1,0	1,1
Cash and cash equivalents		176,0	152,4	225,9
Total Current Assets		781,2	829,0	851,0
TOTAL ASSETS		1 790,9	2 033,4	1 875,3
Share Capital		26,7	26,7	26,7
Share premium		240,3	240,3	240,3
Retained Earnings		76,0	146,6	151,6
Current year result after est. Tax		21,4	21,0	-73,6
Total equity		364,5	434,6	345,0
Deferred tax liabilities		18,2	42,3	13,4
Pension obligations		9,1	6,9	8,6
Warranty provision		14,3	10,9	13,0
Financial Lease loan		0,3	1,3	0,8
Bond	4	834,0	1 033,0	904,0
Derivatives		20,8	25,9	14,9
Total non-current liabilities		896,7	1 120,4	954,7
Overdraft & accrued interests		6,5	0,5	0,5
Supplier liabilities		127,4	121,6	182,0
Tax payable		32,3	30,5	35,8
Social Security, VAT and other taxes		88,1	87,3	82,5
Accruals		220,1	163,4	147,8
Deferred Revenue		22,5	34,1	47,5
Other Current Liabilities		32,9	41,1	79,5
Total Current Liabilities		529,8	478,5	575,7
TOTAL EQUITY & LIABILITY		1 790,9	2 033,4	1 875,3

Condensed Consolidated Statement of Change in Equity

Amounts in NOK million	Share capital	Share premium	Conversion reserve	Hedging reserve	Retained earnings	Total
01. January 2017	26,7	240,3	-0,3	-1,3	79,6	345,0
Net profit					21,4	21,4
Other Comprehensive Income			4,0	-5,3		-1,3
Group contribution					-0,6	-0,6
Equity as per 30.06.2017	26,7	240,3	3,6	-6,6	100,4	364,5

Amounts in NOK million	Share capital	Share premium	Conversion reserve	Hedging reserve	Retained earnings	Total
01. January 2016	26,7	240,3	0,4	-6,0	153,2	414,7
Net profit					21,0	21,0
Other Comprehensive Income			-0,8	-0,2		-1,0
Equity as per 30.6.2016	26,7	240,3	-0,4	-6,2	174,2	434,6

Condensed Consolidated Statement of Cash Flow

Amounts in NOK million	Note	Q2 2017	Q2 2016	YTD 2017	YTD 2016	FY 2016
EBITDA		60,4	57,1	119,8	97,8	219,2
Taxes paid		-1,8	15,9	-3,6	-3,4	-33,9
Change in net working capital		-32,8	-114,4	-28,6	-150,3	-6,8
Changes to other time restricted items		2,2	0,3	3,5	-2,8	-3,5
Net Cash flow from operating activities		27,9	-41,2	91,2	-58,7	175,0
Capex		-2,0	-4,7	-7,4	-15,3	-17,1
Net cash flow from investing activities		-2,0	-4,7	-7,4	-15,3	-17,1
Repayment of interest bearing debt	4	-0,2	-0,3	-80,7	-0,5	-127,0
Payment of Group contribution	5	-0,8	0,0	-0,8	0,0	0,0
Interest paid	4	-18,1	-17,2	-52,1	-37,8	-69,8
Net cash flow from financing activities		-19,2	-17,5	-133,7	-38,3	-196,7
Total cash flow		6,8	-63,4	-49,9	-112,4	-38,9
Opening balance net bank deposits		169,3	215,8	225,9	264,8	264,8
Closing balance net bank deposits		176,0	152,4	176,0	152,4	225,9

Notes

Note 1 - General

Beerenberg Holdco II AS is a company domiciled in Norway. The consolidated financial statements of Beerenberg Holdco II comprise the company and its subsidiaries, together referred to as the Group. The Beerenberg Holdco II Group was established 01. March 2013, as a result of the Beerenberg Holdco II AS acquisition of all shares in Beerenberg Holding AS.

Beerenberg is delivering products and services to its customer in complex environments implying operational risk with regards to quality, cost, time and injuries and accidents (HSE). Beerenberg works systematically to mitigate and manage risk on all levels. The annual report for 2016 provides further information on risks and uncertainties applicable to Beerenberg.

Beerenberg Holdco II AS is wholly owned by Beerenberg Holdco I AS which is wholly owned by Beerenberg Invest AS. Shareholders in Beerenberg Invest are specified in table below.

Shareholders Beerenberg Invest	A-Shares	%	B-Shares	%	Total Shares	%
Segulah IV L.P.	818 462	81,8 %	219 445 603	82,5 %	220 264 065	82,5 %
AlpInvest Partners Co-Investments 2012 I C.V.	92 121	9,2 %	24 931 110	9,4 %	25 023 231	9,4 %
AlpInvest Partners Co-Investments 2011 II C.V.	23 319	2,3 %	6 310 883	2,4 %	6 334 202	2,4 %
Management	66 098	6,6 %	15 312 404	5,8 %	15 378 502	5,8 %
Total	1 000 000	100,0 %	266 000 000	100,0 %	267 000 000	100,0 %

Note 2 - Basis for preparation

The interim financial statements for the Group are prepared in accordance with International Financial Reporting Standards (IFRS) as approved by the European Union and their interpretations adopted by the International Accounting Standards Board (IASB).

The interim report does not include all the information required for full annual consolidated financial statements in an Annual Report, and should be read in conjunction with the Annual Report of the Group for 2016. The accounting policies applied in the interim financial statements is the same as those described in the Annual Report for 2016. The condensed consolidated interim financial statements are prepared in accordance with IAS 34 Interim Financial Reporting. The interim financial statements are unaudited.

The Annual Report for 2016 is available at www.Beerenberg.com

Note 3 - Judgments, estimates and assumptions

In applying the accounting policies, management makes judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. The estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revision to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In preparing these interim financial statement, the significant judgments made by management in applying the Group's accounting policies and the key sources of uncertainty in the estimates were consistent with those applied to the consolidated financial statements as at and for the period ended 31. December 2016.

Note 4 – Bond and covenants

A new 4-year Senior Secured Bond of MNOK 850 was issued in Q1 2017, and the previous bond of MNOK 1 100 was repaid. In connection with the bond issue Beerenberg extended its MNOK 300 credit facility agreement with Danske Bank.

The Facility agreement includes covenants related to quarterly Net Total Leverage ratio test (below 9.0) and to Incurrence testing (if applicable). The Group is in compliance with covenants as of 30.06.2017.

Note 5 – Related party transactions

Group contribution of MNOK 0,5 was paid to Beerenberg Invest AS, and Group contribution of MNOK 0,3 was paid to Beerenberg Holdco I AS, other than that no related party transactions were conducted in Q2 2017.

Note 6 – Revenue by Segment

Beerenberg is organized in two operating segments in order to optimize and focus its business. The Services segment includes business related to the traditional ISS-activity in the Group which is mainly related to major framework agreements, and the Benarx segment which consists of advanced insulation topside and subsea.

	Q2	Q2	YTD	YTD	FY
Amounts in NOK million	2017	2016	2017	2016	2016
Services	423,5	456,0	891,0	823,4	1 900,6
Benarx	105,4	98,7	199,0	204,7	361,7
Eliminations	-17,6	-36,0	-66,0	-79,2	-180,8
Total	511,3	518,6	1 024,0	949,0	2 081,5

Note 7 – EBITDA by Segment

	Q2	Q2	YTD	YTD	FY
Amounts in NOK million	2017	2016	2017	2016	2016
Services	45,0	44,6	88,0	68,7	168,0
Benarx	15,3	12,5	31,8	29,1	51,2
Other	0,0	0,0	0,0	0,0	0,0
Total	60,4	57,1	119,8	97,8	219,2

Note 8 – Subsequent events

Beerenberg signed an agreement with regards to delivery of the Nyhamna project on the 12th of August. The agreement concludes the major construction activities at Nyhamna, although some activities relating to start up and commissioning continues at the site. The agreement will give a limited positive financial impact for Beerenberg in Q3 2017.

On Tuesday 15th of August Beerenberg signed a frame agreement with Wintershall for delivery of ISS services on the Brage installation. The 4-year frame agreement includes 3 options of 2 years' extension and is expected to have a value of MNOK 20-40 per year. The contract will commence in Q4 2017.