



Q3

Unaudited 3rd Quarter results 2017

Headlines

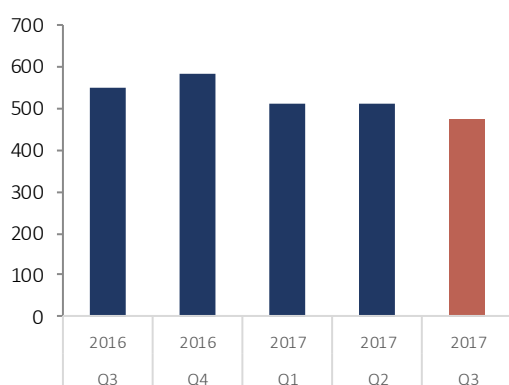
“Market outlook is improving”



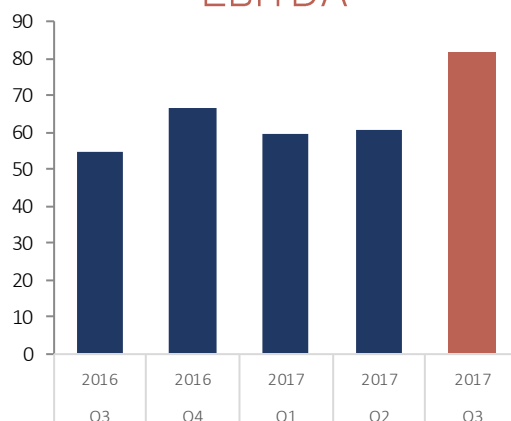
This Quarter

Operating Revenue	471 mNOK
EBITDA	82 mNOK
Cash Flow from Operations	57 mNOK
Order Intake*	520 mNOK
TRIF	4,0
Employees**	1100

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 3rd quarter 2017 was

- Revenue was MNOK 471, down 14 % from 3rd quarter 2016.
- EBITDA of MNOK 82, up from MNOK 55 compared to Q3 2016
- EBITDA margin was 17.3 % compared to 10% in Q3 2016
- Beerenberg secured a new long term contract with Wintershall of MNOK 500 (estimate including options)
- Estimated order backlog at the end of the quarter was BNOK 10

Income Statement

Revenue in 3rd quarter was down 14 % compared to 3rd quarter last year. The decrease in the Service segment is mainly due to new-build project approaching finalization and completed fabric maintenance frame agreement. Activity in Benarx increased significantly compared to last year.

Margin are mainly impacted by a favorable sales mix, improved project execution and finalized cost reduction programs. Some of the favorable margin effects are expected to be temporary.

Financial cost in the 3rd quarter was MNOK 19, up from MNOK 13,3 in 3rd quarter 2016 where the financial cost where influenced by gains related to the debt buy-back program.

The profit before tax was MNOK 51, up from a loss of MNOK 124. 3rd quarter last year was impacted by amortization of goodwill that affected the Q3 result.

Year to date 2017 the revenue is in line with the first 9 months of 2016. Higher activity and external sales in the Benarx segment offset the reduction in the Service segment.

EBITDA margin increased from 10.2% in 2016 to 13.5% year to date 2017. The improved margin is a result of sales mix, improved project execution and lower cost. Some of the favorable margin effects are expected to be temporary.

Balance Sheet

Total assets were MNOK 1 699 at the end of the quarter with an equity ratio of 23.6%,

Working capital has increased with MNOK 52 during the year, in part due to business mix.

Net interest-bearing debt was MNOK 628 compared to MNOK 842 in 3rd quarter 2016.

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

Cash Flow

Cash flow from operations was MNOK 57 in Q3 2017.

Investments in the 3rd quarter was MNOK 2, mainly development investments.

Net cash flow from financing activities was negative by MNOK 17 where the majority is interest payment.

Year to date the cash flow from operations was MNOK 148 compared to negative MNOK 2 in 2016. The net cash flow was MNOK 12, mainly explained by the repayment of debt earlier this year. In 2016 the net cash flow was negative MNOK 110.

Order Backlog & Market

There are signals that the OPEX driven market activity level (maintenance) is picking up. The outlook for new build related projects remains reasonable; however, most of the new build prospects are likely to affect activity level in 2nd half of 2018 and onwards.

The tender activity has been relatively high also during 3rd quarter of 2017 relating both to OPEX (maintenance) and CAPEX (new build) projects.

Total order intake of new contracts was approximately MNOK 520 for the period. The major award was the Brage ISS Service contract with Wintershall currently estimated at MNOK 500 (including estimated value of options).

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

HSEQ

At the end of Q3 2017 Beerenberg had 1100 employees, slightly down from last quarter.

During the 3rd quarter of 2017 Beerenberg recorded 5 incidents compared to 3 same period last year. The SIF and LTIF track record remains spotless.

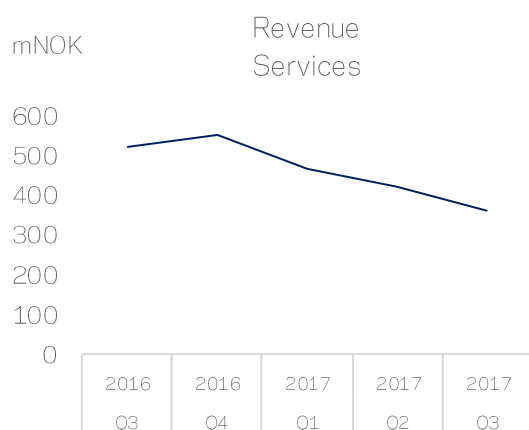
Total recordable incident frequency (TRIF) was 4,0 measured on last twelve months' basis (LTM), compared to 3,1 YTD at the end of 3rd quarter 2016.

“Margin development reflects strong operational performance”

Business Segments

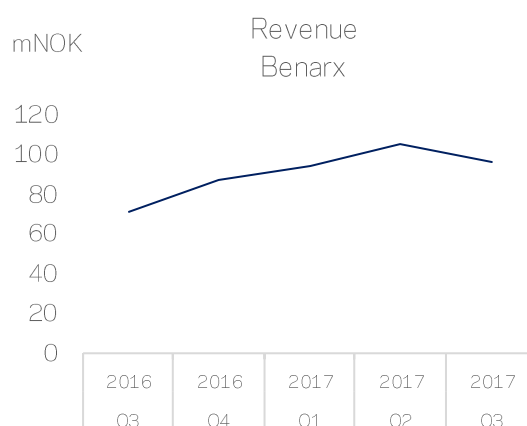
Services

The service segment reports a reduction in revenue of 31% from Q3 2016. Lower activity both in New build projects (Greenfield) and M&M frame agreement is recorded. The EBITDA margin improved from 8.7% in Q3 2016 to 15.9% in Q3 2017.



Benarx

The Benarx segment is reporting an increase in activity of 36% compared to Q3 2016. The higher activity is mainly related to international projects. The EBITDA margin is 25.2% in Q3 2017 compared to 12.5% in Q3 2016.





FIGURES & NOTES

Figures for Beerenberg Holdco II

Condensed Consolidated Income Statement

Group Summary		Q3	Q3	YTD	YTD	FY
Amounts in NOK million	Note	2017	2016	2017	2016	2016
Operating revenue	6	471,3	548,3	1 495,2	1 497,3	2 081,5
Operating expenses		389,8	493,6	1 294,0	1 344,8	1 862,3
EBITDA	7	81,5	54,7	201,3	152,5	219,2
Depreciation		7,6	8,3	22,8	24,2	31,9
EBITA		73,9	46,5	178,5	128,3	187,3
Amortisation	8	3,7	157,3	11,7	173,1	181,5
Operating profit (EBIT)		70,2	-110,9	166,7	-44,7	5,7
Finance costs - net	4	18,9	13,3	87,3	51,5	67,2
Profit before tax (EBT)		51,3	-124,2	79,5	-96,2	-61,5
Estimated tax		12,3	-4,6	19,1	2,4	12,2
Net profit		39,0	-119,5	60,4	-98,6	-73,6
Profit for the period is attributable to:						
Shareholders of the parent company		39,0	-119,5	60,4	-98,6	-73,6
Basic earnings per share (NOK)		0,15	-0,45	0,23	-0,37	-0,28
Diluted earnings per share are identical as there are no dilutive effect						
<i>EBITDA margin</i>		17,3 %	10,0 %	13,5 %	10,2 %	10,5 %
<i>EBITA margin</i>		15,7 %	8,5 %	11,9 %	8,6 %	9,0 %

Condensed Consolidated Statement of Comprehensive Income

		Q3	Q3	YTD	YTD	FY
Amounts in NOK million	Note	2017	2016	2017	2016	2016
Net profit for the period		39,0	-119,5	60,4	-98,6	-73,6
Other comprehensive income:						
Conversion differences		-1,5	0,0	2,5	-0,8	-0,7
Change in value of derivatives		-0,6	3,8	-5,9	3,5	4,7
Total comprehensive income		36,9	-115,8	57,0	-95,8	-69,7

Condensed Consolidated Balance Sheet

Group Summary				
		Q3	Q3	FY
Amounts in NOK million	Note	30.09.2017	30.09.2016	31.12.2016
Goodwill	8	778,7	778,7	778,7
Intangible assets	8	67,0	85,7	76,0
Property, plant and equipment		153,4	176,7	169,0
Financial Fixed Assets		0,0	0,6	0,6
Total non-current assets		999,1	1 041,7	1 024,3
Goods		39,4	41,7	35,0
Accounts receivables from customers		358,2	540,3	416,2
Earned Not Invoiced Revenue (WIP)		69,1	95,1	151,8
Other Short Term Receivables		14,9	20,1	21,0
Prepayments		3,9	0,6	1,1
Cash and cash equivalents		214,2	154,0	225,9
Total Current Assets		699,7	851,9	851,0
TOTAL ASSETS		1 698,9	1 893,6	1 875,3
Share Capital		26,7	26,7	26,7
Share premium		240,3	240,3	240,3
Retained Earnings		74,0	150,4	151,6
Current year result after est. Tax		60,4	-98,6	-73,6
Total equity		401,4	318,8	345,0
Deferred tax liabilities		30,4	39,0	13,4
Pension obligations		9,7	6,9	8,6
Warranty provision		15,3	12,1	13,0
Financial Lease loan		0,2	1,0	0,8
Bond	4	835,1	994,5	904,0
Derivatives		20,5	18,7	14,9
Total non-current liabilities		911,1	1 072,1	954,7
Overdraft & accrued interests		6,5	0,6	0,5
Supplier liabilities		83,1	142,8	182,0
Tax payable		32,2	30,5	35,8
Social Security, VAT and other taxes		57,4	74,1	82,5
Accruals		156,3	170,3	147,8
Deferred Revenue		0,7	24,4	47,5
Other Current Liabilities		50,2	60,1	79,5
Total Current Liabilities		386,4	502,7	575,7
TOTAL EQUITY & LIABILITY		1 698,9	1 893,6	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					60,4	60,4
Other Comprehensive Income			2,5	-5,9		-3,4
Group contribution					-0,6	-0,6
Equity as per 30.09.2017	26,7	240,3	2,2	-7,2	139,4	401,4

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					-98,6	-98,6
Other Comprehensive Income			-0,8	3,5		2,8
Equity as per 30.9.2016	26,7	240,3	-0,4	-2,4	54,6	318,8

Condensed Consolidated Statement of Cash Flow

Amounts in NOK million	Note	Q3 2017	Q3 2016	YTD 2017	YTD 2016	FY 2016
EBITDA		81,5	54,7	201,3	152,5	219,2
Taxes paid		-0,1	0,0	-3,7	-3,4	-33,9
Change in net working capital		-23,6	2,9	-52,2	-147,4	-6,8
Changes to other time restricted items		-0,5	-1,2	3,0	-4,0	-3,5
Net Cash flow from operating activities		57,3	56,4	148,4	-2,3	175,0
Capex		-1,8	-2,9	-9,2	-18,3	-17,1
Net cash flow from investing activities		-1,8	-2,9	-9,2	-18,3	-17,1
Net repayment of interest bearing debt	4	0,5	-35,7	-80,3	-36,3	-127,0
Payment of Group contribution	5	0,0	0,0	-0,8	0,0	0,0
Interest paid	4	-17,8	-16,1	-69,9	-53,9	-69,8
Net cash flow from financing activities		-17,3	-51,9	-151,0	-90,2	-196,7
Total cash flow		38,1	1,6	-11,7	-110,8	-38,9
Opening balance net bank deposits		176,0	152,4	225,9	264,8	264,8
Closing balance net bank deposits		214,2	154,0	214,2	154,0	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 30.09.2017.

Note 5 – Related party transactions

Short term loans given to parent companies Beerenberg Holdco I AS and Beerenberg Invest AS, both MNOK 0,3, was repaid in Q3. Other than that, no related party transactions were conducted in Q3 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.

	Q3	Q3	YTD	YTD	FY
Amounts in NOK million	2017	2016	2017	2016	2016
Services	360,0	521,9	1 250,9	1 345,3	1 900,6
Benarx	95,9	70,5	294,9	275,2	361,7
Eliminations	15,5	-44,0	-50,6	-123,1	-180,8
Total	471,3	548,3	1 495,2	1 497,3	2 081,5

Note 7 – EBITDA by Segment

	Q3	Q3	YTD	YTD	FY
Amounts in NOK million	2017	2016	2017	2016	2016
Services	57,3	45,9	145,3	114,6	168,0
Benarx	24,2	8,8	56,0	37,9	51,2
Other	0,0	0,0	0,0	0,0	0,0
Total	81,5	54,7	201,3	152,5	219,2

Note 8 – Subsequent events

Statoil awarded Beerenberg a 7-year maintenance and modification agreement at the Tjelbergodden facility. The contract value is estimated to MNOK 200.