



Q4

Unaudited 4th Quarter and preliminary Annual results 2017

Headlines

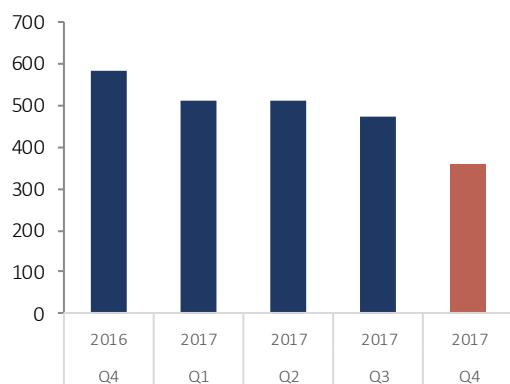
“Market outlook is favorable”



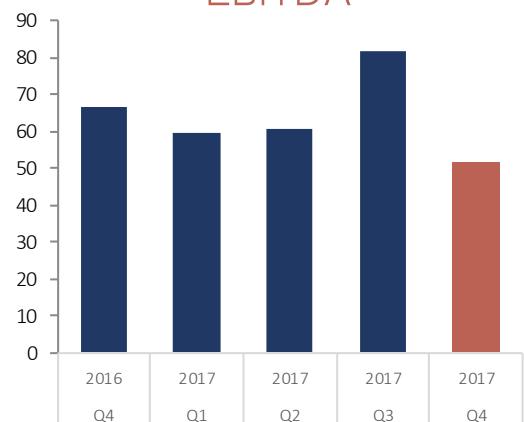
This Quarter

Operating Revenue	357 mNOK
EBITDA	52 mNOK
Cash Flow from Operations	23 mNOK
Order Intake*	250 mNOK
TRIF	4.3
Employees**	1146

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 4th quarter 2017 was

- Revenue was MNOK 357 down 39 % from 4th quarter 2016. Lower activity within newbuild contracts is the main reason.
- EBITDA of MNOK 52, down MNOK 15 compared to Q4 2016
- EBITDA margin was 14.5 % compared to 11.4% in Q4 2016.
- Beerenberg secured a new long term service agreement with Statoil on Tjeldbergodden.
- Estimated order backlog at the end of the quarter was BNOK 10.5, up from BNOK 10 in Q3.
- Beerenberg acquired Bouvet Industries in late December 2017. (See note 7 for further details).

Income Statement

Revenue in 4th quarter was down 39 % compared to 4th quarter last year. The reduction is mainly related to lower activity in Service where new-build projects were completed partially offset by higher activity on existing frame agreements.

EBITDA was MNOK 52 compared to MNOK 67 in 4th quarter 2016. Lower activity offset by higher margin is the main reason for the change in EBITDA.

EBITDA margin of 14.5% in the quarter represents a significant improvement from 4th quarter 2016. The improved margin is the result of a mix of expected temporary effects such as product mix and finalization of projects combined with lower operational and overhead cost from cost reduction programs

Financial cost in the 4th quarter was MNOK 15, broadly in line with last year.

Net profit was MNOK 17, somewhat down from MNOK 25 in 4th quarter 2016.

For the year 2017 the revenue is down 11% compared to 2016. The reduction is mainly related to Services, where the non-renewal of Ekofisk and lower activity on new build, partially was offset by higher activity on existing frame agreements. Benarx revenue is on the same level as 2016, however, a growing share of Benarx sales are to external clients which is contributing to an increase in overall group revenue.

EBITDA margin increased from 10.5% in 2016 to 13.7% in 2017. The improved margin is a result of a favorable sales mix, finalized cost reduction initiatives, some improved productivity and finalization of projects.

Net financial cost increased from MNOK 67 to MNOK 102. The increase in cost mainly relates to the refinancing done in the beginning of 2017.

Net profit improved with MNOK 151 compared to 2016. The higher profit is mainly related to the impairment done in 2016.

Balance Sheet

Total assets were MNOK 1 714 at the end of the quarter with an equity ratio of 24.6%,

Total non-current assets increased by MNOK 10 compared to 2016, reaching MNOK 1 034. The increase is mainly due to the acquisition of Bouvet Industries. Current assets were reduced to MNOK 680, down from MNOK 851 at the end of 2016. Total current liabilities were MNOK 398 compared to MNOK 576 at year end 2016. The reduction in current assets and liabilities are mainly related to lower activity. Total non-current

liabilities were MNOK 894, a reduction of MNOK 61 compared to end of 2016.

Net interest bearing debt was MNOK 665 compared to MNOK 679 in 4th 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 Oslo Boers on the 20th of June 2017.

Cash Flow

Total cash flow for the 4th quarter was negative with MNOK 25. The cash flow for 2017 was negative with MNOK 37. The net cash position at end of 2017 was MNOK 189.

Cash flow from operating activities was MNOK 23 in the 4th quarter of 2017 and MNOK 171 for the year 2017. Working capital was marginally down in the quarter, but increased by MNOK 50 during the year. The increase mainly relates to higher working capital from product sales. In 2016 the cash flow from operations was MNOK 175

Negative cash flow from investing activities was MNOK 33 in the 4th quarter and MNOK 42 for 2017. The acquisition of Bouvet Industries represents the most significant investment. In 2016 the negative cash flow from investing activities was 17.

Negative cash flow from financing activities was MNOK 14 in the 4th quarter mainly related to paid interest. For 2017 the cash flow from financing activities was MNOK 165 where MNOK 84 relate to net financial cost and MNOK 80 relates to repayment of debt. In 2016 the negative cash flow from financing activities was MNOK

197 where MNOK 70 related to net financial costs and MNOK 127 related to repayment of debt.

Order Backlog & Market

Beerenberg is seeing increased market activity within its sectors. Within the maintenance and modifications market activity level is expected to increase in 2018 as the oil & gas operators are expected to initiate OPEX spending to increase maintenance from a low level in the recent years. The outlook for new build relates projects remains reasonable with several new PDOs (Plan for development and operations) being delivered at the end of 2017. Most of the prospects are likely to affect activity level in 2019 and later. The tender activity has been relatively high also during 4th quarter of 2017 relating both to maintenance and new build projects.

Total order intake of new contracts was approximately MNOK 250 for the period. The major award was the Tjeldbergodden Maintenance Contract with Statoil, currently valued to approximately MNOK 210.

The current estimated order backlog (including frame agreements and options) is BNOK 10.5.

HSEQ

At the end of Q4 2017 Beerenberg had 1146 employees, up from 1100 last quarter. The increase is mainly related to the recent acquisition of Bouvet Industries.

During the 4th quarter of 2017 Beerenberg recorded 2 TRIF happenings compared to 2 the same period last year.

Total recordable incident frequency (TRIF) was 4.3 measured on last twelve months' basis (LTM), compared to 2.9 YTD at the end of 4th quarter 2016.

“Lower activity in new build projects only partially offset by higher activity on maintenance contracts”

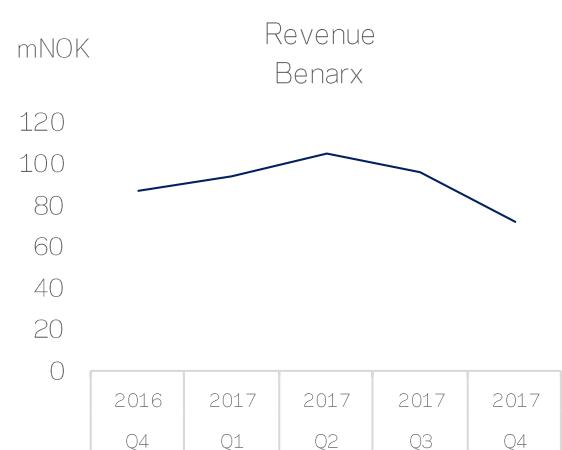
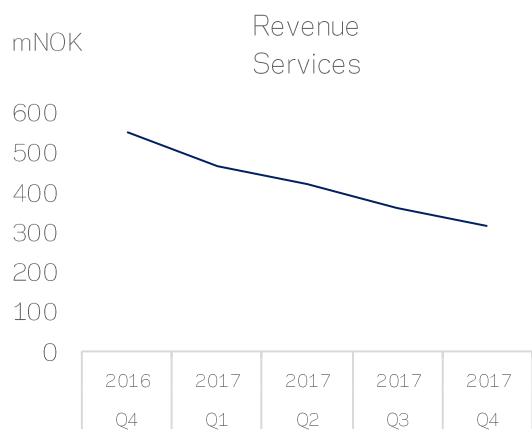
Business Segments

Services

The service segment reports a significant lower activity in 4th quarter 2017 compared to 4th quarter 2016. Finalization of Nyhamna Expansion and Gina Krog Hook-Up in addition is only partially offset by increased activity in other maintenance contracts. The EBITDA margin was 14.3% in 4th quarter 2017 compared to 9.6% in 4th quarter 2016. The margin improvement is mainly related to cost reduction initiatives, finalization of projects and productivity improvements.

Benarx

Activity in Benarx was down 16% in 4th quarter 2017 compared to 4th quarter 2016. Lower activity in Asia than previous quarters and finalization of projects were the main reasons. The EBITDA margin was 8.7% compared to 15.5% in 2016. The main reasons for the lower margin are product mix and low volume.





FIGURES & NOTES

Figures for Beerenberg Holdco II

Condensed Consolidated Income Statement

Group Summary		Q4	Q4	YTD	YTD	FY
Amounts in NOK million	Note	2017	2016	2017	2016	2016
Operating revenue	6	356,6	584,2	1 851,9	2 081,5	2 081,5
Operating expenses		305,1	517,5	1 599,0	1 862,3	1 862,3
EBITDA	6	51,6	66,7	252,8	219,2	219,2
Depreciation		7,6	7,7	30,4	31,9	31,9
EBITA		44,0	58,9	222,5	187,3	187,3
Amortisation		3,8	8,5	15,5	181,5	181,5
Operating profit (EBIT)		40,2	50,5	206,9	5,7	5,7
Finance costs - net	4	15,1	15,7	102,4	67,2	67,2
Profit before tax (EBT)		25,1	34,8	104,6	-61,5	-61,5
Income Tax expense		7,9	9,8	27,0	12,2	12,2
Net profit		17,2	25,0	77,6	-73,6	-73,6
Profit for the period is attributable to:						
Shareholders of the parent company		17,2	25,0	77,6	-73,6	-73,6
Basic earnings per share (NOK)		0,06	0,09	0,29	-0,28	-0,28
Diluted earnings per share are identical as there are no dilutive effect						
EBITDA margin		14,5 %	11,4 %	13,7 %	10,5 %	10,5 %
EBITA margin		12,3 %	10,1 %	12,0 %	9,0 %	9,0 %

Condensed Consolidated Statement of Comprehensive Income

Amounts in NOK million	Note	Q4		YTD		FY 2016
		2017	2016	2017	2016	
Net profit for the period		17,2	25,0	77,6	-73,6	-73,6
<i>Other comprehensive income:</i>						
Conversion differences		3,3	0,1	5,8	-0,7	-0,7
Change in value of derivatives		0,3	1,1	-5,6	4,7	4,7
Total comprehensive income		20,8	26,2	77,8	-69,7	-69,7

Condensed Consolidated Balance Sheet

Group Summary Amounts in NOK million	Note	Q4	Q4	FY
		31.12.2017	31.12.2016	31.12.2016
Goodwill	7	786,2	778,7	778,7
Intangible assets	7	73,0	76,0	76,0
Property, plant and equipment	7	175,2	169,0	169,0
Financial Fixed Assets		0,0	0,6	0,6
Total non-current assets		1 034,4	1 024,3	1 024,3
Goods		33,8	35,0	35,0
Accounts receivables from customers	7	337,8	416,2	416,2
Earned Not Invoiced Revenue (WIP)		102,3	151,8	151,8
Other Short Term Receivables		15,5	21,0	21,0
Prepayments		1,0	1,1	1,1
Cash and cash equivalents		189,4	225,9	225,9
Total Current Assets		679,8	851,0	851,0
TOTAL ASSETS		1 714,2	1 875,3	1 875,3
Share Capital		26,7	26,7	26,7
Share premium		240,3	240,3	240,3
Retained Earnings		77,5	151,6	151,6
Current year result after est. Tax		77,6	-73,6	-73,6
Total equity		422,2	345,0	345,0
Deferred tax liabilities		3,4	13,4	13,4
Pension obligations		10,1	8,6	8,6
Warranty provision		14,0	13,0	13,0
Financial Lease loan	7	11,4	0,8	0,8
Bond	4	836,2	904,0	904,0
Derivatives		18,9	14,9	14,9
Total non-current liabilities		894,1	954,7	954,7
Overdraft & accrued interests		7,2	0,5	0,5
Supplier liabilities		94,6	182,0	182,0
Tax payable		40,1	35,8	35,8
Social Security, VAT and other taxes	7	72,9	82,5	82,5
Accruals		81,5	147,8	147,8
Deferred Revenue		22,7	47,5	47,5
Other Current Liabilities	7	79,0	79,5	79,5
Total Current Liabilities		398,0	575,7	575,7
TOTAL EQUITY & LIABILITY		1 714,2	1 875,3	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					77,6	77,6
Other Comprehensive Income			5,8	-5,6		0,2
Group contribution					-0,6	-0,6
Equity as per 31.12.2017	26,7	240,3	5,5	-6,9	156,5	422,2

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					-73,6	-73,6
Other Comprehensive Income			-0,7	4,7		4,0
Equity as per 31.12.2016	26,7	240,3	-0,3	-1,3	79,6	345,0

Condensed Consolidated Statement of Cash Flow

Amounts in NOK million	Note	Q4	Q4	YTD	YTD	FY
		2017	2016	2017	2016	2016
EBITDA		51,6	66,7	252,8	219,2	219,2
Taxes paid		-32,4	-30,5	-36,1	-33,9	-33,9
Change in net working capital		2,2	140,6	-50,0	-6,8	-6,8
Changes to other time restricted items		1,3	0,5	4,3	-3,5	-3,5
Net Cash flow from operating activites		22,6	177,3	171,0	175,0	175,0
Net cash effect acquisition of subsidiary	7	-28,8	0,0	-28,8	0,0	-17,1
Capex		-4,2	1,2	-13,3	-17,1	-17,1
Net cash flow from investing activities		-33,0	1,2	-42,2	-17,1	-34,1
Net repayment of interest bearing debt	4	0,0	-90,7	-80,3	-127,0	-127,0
Payment of Group contribution	5	0,0	0,0	-0,8	0,0	0,0
Net interest paid	4	-14,4	-15,9	-84,3	-69,8	-69,8
Net cash flow from financing activities		-14,4	-106,6	-165,4	-196,7	-196,7
Total cash flow		-24,8	71,9	-36,6	-38,9	-38,9
Opening balance net bank deposits		214,2	154,0	225,9	264,8	264,8
Closing balance net bank deposits		189,4	225,9	189,4	225,9	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	%	266 000 000	%	267 000 000	%

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.

IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers are new standards that are adopted as of 01.01.2018. IFRS 15 regulates revenue recognition from customer contracts and replaces IAS 11 and IAS 18 with accompanying interpretations. In the Financial Statements in 2016, the Group presented several items that could potentially be affected. During 2017, the Group has made quantitative and qualitative assessments of how IFRS 15 will affect the Financial Statements.

Updated assessment of impact of IFRS 15 are that there will be no impact regarding changing of periods for recognizing revenue, or other accounting effects. However, this is based on the current contract agreements, and the Group will continue to evaluate new contracts with customers according to the 5-step model in the standard. The Group has decided to adopt to IFRS 15 using the modified retrospective method.

Implementation of IFRS 9 will affect how the group makes provisions for possible losses on accounts receivables, but it is not expected that this will lead to any substantial changes in the financial statements.

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. Please refer to Note 3 in the Annual Report for 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 31.12.2017.

Note 5 - Related party transactions

No related party transactions were conducted in Q4 2017.

Note 6 Operating segments

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.

Revenue by Segment

Amounts in NOK million	Q4	Q4	YTD	YTD	FY
	2017	2016	2017	2016	2016
Services	317,4	555,3	1 568,3	1 900,6	1 900,6
Benarx	72,3	86,6	367,1	361,7	361,7
Eliminations	-33,0	-57,7	-83,6	-180,8	-180,8
Total	356,6	584,2	1 851,9	2 081,5	2 081,5

EBITDA by Segment

Amounts in NOK million	Q4	Q4	YTD	YTD	FY
	2017	2016	2017	2016	2016
Services	45,3	53,3	190,6	167,8	168,0
Benarx	6,3	13,4	62,3	51,4	51,2
Other	0,0	0,0	0,0	0,0	0,0
Total	51,6	66,7	252,8	219,2	219,2

Note 7 - Acquisition of Vetlesen Stillas AS

At the 28th of December, the purchase of 100 % of the shares in the company Vetlesen Stillas AS organization number 974.472.902, now renamed Bouvet Industries, by the Group Company Beerenberg Corp. AS was finalized. Bouvet Industries is a Company which main business is building and rental of scaffolding and associated services. The Company is based in Skien, Norway.

The rationale for the Acquisition is to implement the Groups project execution models to further develop the company and take advantage of synergies and to gain a foothold in the in the Grenland Industry Area.

The payment for the equity is MNOK 30, and Cash received from Bank Accounts in Bouvet Industries are MNOK 1. Main assets in Bouvet are Fixed assets of MNOK 26 (mainly Scaffolding) and Accounts Receivables of MNOK 18. Main liabilities are Financial lease loans of MNOK 11, Social Security, VAT and other tax liabilities of MNOK 7, and other current liabilities of MNOK 5.

Bouvet Industries, has been fully consolidated in the Group figures with regards to the Balance Sheet, however no elements from the P&L of Bouvet Industries has been included in the 2017 figures as the acquisition took place at YE 2017. If the acquisition had taken place at the beginning of the reporting period, at 01.01.2017, the Operating Revenue in the Group would have been increased by MNOK 82, and Earnings before Interest and Taxes would have been increased by MNOK 8.

A Purchase Price Allocation analysis in connection to the acquisition has been carried out. The conclusion is an allocation of excess value to Customer Relationship of MNOK 8 and to Goodwill of MNOK 7. The estimation of value of Customer Relationship is based on expected revenues from 3 large customers where continuous sales are reasonable certain.

Note 8 – Subsequent events

No events have occurred after the reporting date that are of significant impact when considering the financial position or result in the Group as of 31.12.2017.