



Q2

Unaudited First half year and 2nd Quarter results 2018

Headlines

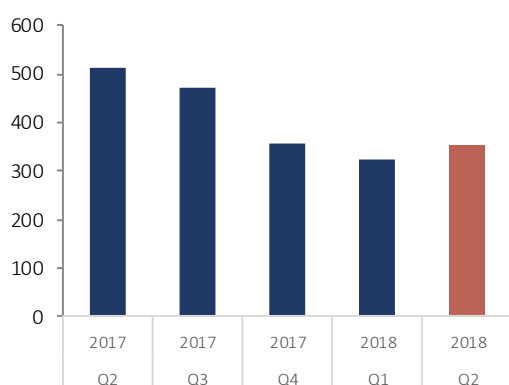
“Slow seasonal pick-up with favorable outlook”



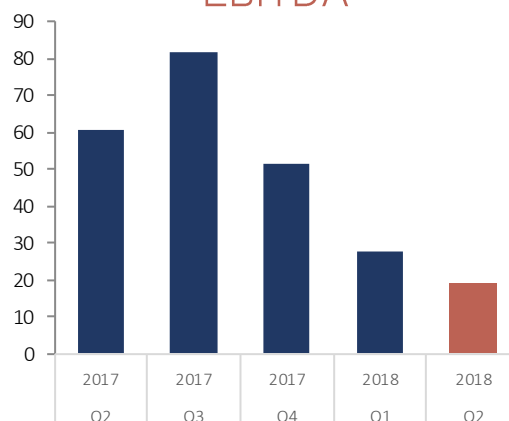
This Quarter

Operating Revenue	352 mNOK
EBITDA	19 mNOK
Cash Flow from Operations	-59 mNOK
Order Intake*	22 mNOK
SIF	2,1
Employees**	1104

REVENUE



EBITDA



* includes frame agreements and exercise of options

** Employees end of quarter



Group Overview

The highlights for Beerenberg (Beerenberg AS consolidated) in the 2nd quarter were:

- Revenue was MNOK 352, down 31% compared to 2nd quarter 2017 while an increase of 9% from last quarter. Low activity in Benarx and Services within new build are the main reasons for the lower volume.
- EBITDA MNOK 19, down from MNOK 60 compared to Q2 2017. Lower activity is the main reason of the reduction
- EBITDA margin 5.4 % compared to 11.8% in Q2 2017.
- Order intake in the period was MNOK 22.
- Estimated order backlog at the end of the quarter was BNOK 10.3

Income Statement

Revenue in 2nd quarter was MNOK 352 compared to MNOK 511 in 2nd quarter 2017, although up 9% from 1st quarter 2018.

The revenue for first half 2018 was MNOK 674, down 34% compared to first half of 2017. Beerenberg has not been able to fully replace contracts that were completed during 2H 2017.

2nd quarter EBITDA was MNOK 19 compared to MNOK 60 in 2nd quarter 2017. Lower volumes are the main reason for the reduction. However, additional non-recurring costs of approx. MNOK 10 related to adjustments in the organization have been incurred this quarter. Adjusted for these costs the margin is 8.5%. In the first half of 2018 costs related to change of CEO,

organizational adjustments and IPO preparation of approx. MNOK 18 MNOK have been incurred.

EBITDA for the first half of 2018 was MNOK 47, down from 120 in first half of 2017. Lower activity and the additional cost are the main reasons for the lower EBITDA

Financial cost in the 2nd quarter 2018 was MNOK 16, down from MNOK 19 in the 2nd quarter of 2017.

Financial cost in the first half of the year of 2018 are MNOK 41 compared to MNOK 68 in first half of 2017. The 2017 financial costs include costs related to refinancing of the company.

Net loss for 2nd quarter 2018 was MNOK 7 compared to a profit of MNOK 23 in 2nd quarter 2017. The Net loss for first half of 2018 was MNOK 14 compared to a profit of MNOK 21 in first half of 2017.

Balance Sheet

Total assets were MNOK 1 597 at the end of the quarter with an equity ratio of 25.7%,

Total non-current assets increased by MNOK 15 compared to 2nd quarter 2017. The increase is mainly due to the acquisition of Bouvet Industries. Current assets were reduced to MNOK 573, down from MNOK 781 at the end 2nd quarter 2017. Total current liabilities were MNOK 302 compared to MNOK 530 at the end of 2nd quarter 2017. The reduction in current assets and liabilities are mainly related to lower activity. Total non-current liabilities were MNOK 884 compared to 897 at the end of 2nd quarter 2017.

Net interest-bearing debt was MNOK 718 compared to MNOK 665 in 2nd quarter 2017.

Cash Flow

Total cash flow for the 2nd quarter 2018 was MNOK -87 compared to MNOK 7 in 2nd quarter of 2017. The main reason is paid taxes and increased working capital due to increased activity towards the end of the quarter. Net cash flow from investment activities was MNOK -10, an increase from -2 the 2nd quarter last year. Net cash flow from financing activities was MNOK -18, mainly payment of interest.

For the first half of 2018 the total cash flow was MNOK -53 compared to MNOK -50 in the first half of 2017.

Order Backlog & Market

Within maintenance and modifications, market activity level is expected to keep increasing in 2018 and onwards. The outlook for new build related projects remains reasonable; however, most of the prospects are likely to affect activity level in 2019 and onwards.

The tender activity has been moderate during 2nd quarter of 2018 relating both to maintenance and new build projects.

Total order intake of new contracts was approximately MNOK 22 for the period. The major award was the Johan Sverdrup upgrade contract on Mongstad Terminal currently estimated to be worth approximately MNOK 8.

Early in August two options on the Johan Sverdrup-contract were exercised, securing additional work for Beerenberg in this project.

The current estimated order backlog (including frame agreements and options) is BNOK 10.3.

HSEQ

At the end of Q1 2018 Beerenberg had 1104 employees, down from 1132 last quarter.

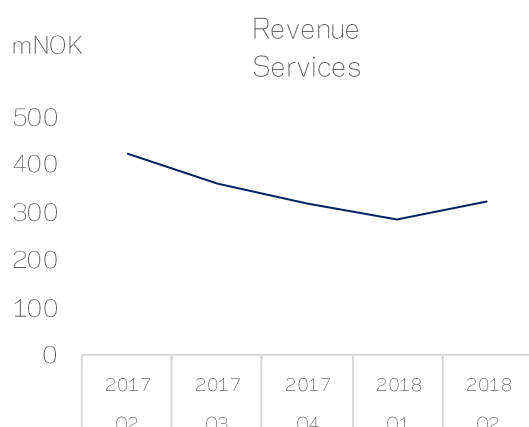
This quarter, one incident related to a falling object, without personal injuries, results in a total recorded Serious Incident Frequency (SIF) in the period of 2,1 and 0,5 during the last 12 months

“The outlook in the Oil & Gas industry is positive”

Business Segments

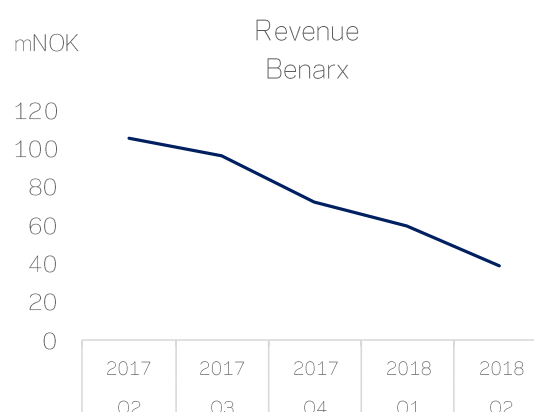
Services

The activity in the service segment is picking up, but fewer new-build projects affects the total revenue compared to 2nd quarter 2017. Nyhamna was successfully completed last year and the gap has not been fully compensated by new contracts. It is expected that the operations in new build projects will increase in the 2nd half of the year. The margin in 2nd quarter is somewhat lower than in 2nd quarter 2017 due to lower revenue and additional costs of one-time nature.



Benarx

Benarx has not secured enough new business and the volume was down significantly in the period. The margin was influenced by the reduction in sales and some adjustments in the organization. In addition, subsea projects have been postponed. The tender activity for Benarx remains high.

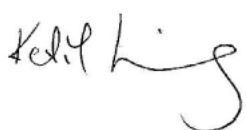


Declarations by the Board of Directors

The Board confirm that to the best of our knowledge, the condensed set of financial statement for the period 1. January 2018 to 30. June 2018, 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 AS Group.

Bergen 15. August 2018

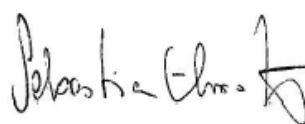
Beerenberg AS Board of Directors and CEO



Ketil Lenning
Chairman



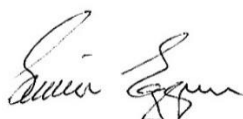
Ingelise Arntsen
Director



Sebastian Ehrnrooth
Director



Hilde Drønen
Director



Svein Eggen
Director



Morten Walde
Director



Arild Apelthun
CEO



FIGURES & NOTES

Figures for Beerenberg

Condensed Consolidated Income Statement

Group Summary		Q2	Q2	YTD	YTD	FY
Amounts in NOK million	Note	2018	2017	2018	2017	2017
Operating revenue	6	352,1	511,3	674,4	1 024,0	1 851,9
Operating expenses		333,0	450,9	627,9	904,2	1 599,0
EBITDA	7	19,0	60,4	46,5	119,8	252,8
Depreciation		7,6	7,6	15,1	15,2	30,4
EBITA		11,4	52,7	31,5	104,6	222,5
Amortisation		4,2	3,7	8,9	8,0	15,5
Operating profit (EBIT)		7,2	49,0	22,5	96,5	207,0
Finance costs - net	4	16,4	19,2	41,0	68,4	102,4
Profit before tax (EBT)		-9,2	29,8	-18,5	28,2	104,6
Income Tax expense		-2,1	7,1	-4,3	6,8	27,0
Net profit		-7,1	22,6	-14,3	21,4	77,6
Profit for the period is attributable to:						
Shareholders of the parent company		-7,1	22,6	-14,3	21,4	77,6
Basic earnings per share (NOK)		-0,03	0,08	-0,05	0,08	0,29
Diluted earnings per share are identical as there are no dilutive effect						
<i>EBITDA margin</i>		5,4 %	11,8 %	6,9 %	11,7 %	13,7 %
<i>EBITA margin</i>		3,2 %	10,3 %	4,7 %	10,2 %	12,0 %

Condensed Consolidated Statement of Comprehensive Income

		Q2	Q2	YTD	YTD	FY
Amounts in NOK million	Note	2018	2017	2018	2017	2017
Net profit for the period		-7,1	22,6	-14,3	21,4	77,6
<i>Other comprehensive income:</i>						
Conversion differences		-2,2	1,8	-2,4	4,0	5,8
Change in value of derivatives		-2,8	-0,6	2,4	-5,3	-5,6
Total comprehensive income		-12,1	23,9	-14,3	20,1	77,8

Condensed Consolidated Balance Sheet

Group Summary		Q2	Q2	FY
Amounts in NOK million	Note	30.06.2018	30.06.2017	31.12.2017
Goodwill		786,2	778,7	786,2
Intangible assets		70,3	69,6	73,0
Property, plant and equipment		168,0	160,8	175,2
Financial Fixed Assets		0,0	0,6	0,0
Total non-current assets		1 024,5	1 009,7	1 034,4
Goods		42,3	51,8	33,8
Accounts receivables from customers		225,7	464,5	337,8
Earned Not Invoiced Revenue (WIP)		141,1	66,0	102,3
Other Short Term Receivables		22,1	18,9	15,5
Prepayments		4,6	3,9	1,0
Cash and cash equivalents		136,8	176,0	189,4
Total Current Assets		572,6	781,2	679,8
TOTAL ASSETS		1 597,1	1 790,9	1 714,2
Share Capital		26,7	26,7	26,7
Share premium		240,3	240,3	240,3
Retained Earnings		157,9	76,0	77,5
Current year result after est. Tax		-14,3	21,4	77,6
Total equity		410,7	364,5	422,2
Deferred tax liabilities		-2,6	18,2	3,4
Pension obligations		10,3	9,1	10,1
Warranty provision		14,0	14,3	14,0
Financial Lease loan		9,8	0,3	11,4
Bond	4	838,4	834,0	836,2
Derivatives		13,6	20,8	18,9
Total non-current liabilities		883,5	896,7	894,1
Overdraft & accrued interests		6,4	6,5	7,2
Supplier liabilities		93,3	127,4	94,6
Tax payable		3,1	32,3	40,1
Social Security, VAT and other taxes		42,6	88,1	72,9
Accruals		116,1	220,1	81,5
Deferred Revenue		0,0	22,5	22,7
Other Current Liabilities		41,4	32,9	79,0
Total Current Liabilities		302,9	529,8	398,0
TOTAL EQUITY & LIABILITY		1 597,1	1 790,9	1 714,2

Condensed Consolidated Statement of Change in Equity

Amounts in NOK million	Share capital	Share premium	Conversion reserve	Hedging reserve	Retained earnings	Total
01. January 2018	26,7	240,3	5,5	-6,9	159,4	425,0
Net profit					-14,3	-14,3
Other Comprehensive Income			-2,4	2,4		-0,1
Equity as per 30.06.2018	26,7	240,3	3,0	-4,5	145,1	410,7

* Due to adjustment of tax calculation for 2017 after preparation of Annual Report for 2017, opening balance of Retained earnings has been adjusted positively by MNOK 2,8.

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

Condensed Consolidated Statement of Cash Flow

Amounts in NOK million	Note	Q2 2018	Q2 2017	YTD 2018	YTD 2017	FY 2017
EBITDA		19,0	60,4	46,5	119,8	252,8
Taxes paid		-19,4	-1,8	-36,4	-3,6	-36,1
Change in net working capital		-59,0	-32,8	-2,7	-28,6	-50,0
Changes to other time restricted items		0,1	2,2	-8,6	3,5	4,3
Net Cash flow from operating activities		-59,3	27,9	-1,2	91,2	171,0
Net cash effect acquisition of subsidiary		0,0	0,0	0,0	0,0	-28,8
Capex		-9,7	-2,0	-15,3	-7,4	-13,3
Net cash flow from investing activities		-9,7	-2,0	-15,3	-7,4	-42,2
Net repayment of interest bearing debt	4	-0,8	-0,2	-1,6	-80,7	-80,3
Payment of Group contribution		0,0	-0,8	0,0	-0,8	-0,8
Net interest paid	4	-16,9	-18,1	-34,5	-52,1	-84,3
Net cash flow from financing activities		-17,7	-19,2	-36,1	-133,7	-165,4
Total cash flow		-86,7	6,8	-52,6	-49,9	-36,6
Opening balance net bank deposits		223,5	169,3	189,4	225,9	225,9
Closing balance net bank deposits		136,8	176,0	136,8	176,0	189,4

Notes

Note 1 - General

Beerenberg AS is a company domiciled in Norway. The consolidated financial statements of Beerenberg AS comprise the company and its subsidiaries, together referred to as the Group. The Beerenberg Group was established 01. March 2013, as a result of the Beerenberg 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 2017 provides further information on risks and uncertainties applicable to Beerenberg.

In order to simplify the Group structure, the parent companies Beerenberg Holdco I AS and Beerenberg Invest AS, was merged with Beerenberg AS in February 2018 with tax effect from 01.01.2018. This was conducted as a reversed merger with Beerenberg AS as the acquiring company. Beerenberg Holdco I AS, and Beerenberg Invest AS have been holding companies where only assets of significance were shares in subsidiary. Furthermore, there were no liabilities in these two holding companies. Therefore, this merger does not materially impact the Consolidated Statement of Financial Position for the Group.

At the Annual General Meeting at the 14th May it was proposed and resolved to change the name of the Company from Beerenberg Holdco II AS to Beerenberg AS. The change of name was registered and effective as of 11th of June 2018.

Shareholders in Beerenberg AS are specified in table below.

Shareholders	A-Shares	%	B-Shares	%	Total Shares	%
Segulah IV L.P.	829 112	82,9 %	221 980 303	83,5 %	222 809 415	83,4 %
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	55 448	5,5 %	12 777 704	4,8 %	12 833 152	4,8 %
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 2017. The accounting policies applied in the interim financial statements is the same as those described in the Annual Report for 2017, with the exceptions of IFRS

9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers. These two standards are new, and implemented as of 01.01.2018, without impacting the financial statements compared to previous periods. Refer to note 3, section New standards and interpretations not yet adopted, in the Annual Report for 2017 for further description of these two standards.

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 2017 is available at www.Beerenberg.com

New standards and interpretations not yet adopted:

IFRS 16 Leases

IFRS 16 was issued in January 2016. It will result in almost all leases being recognized on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognized. The only exceptions are short-term and low-value leases. The accounting for lessors will not significantly change. The new standard must be applied from financial year 2019.

The Groups evaluation of the impact of IFRS 16 is that implementation of the standard will result in significant leases that currently are treated as operating leases, wherein costs are recorded as operating cost, would have to be treated as financial lease and a lease obligation, and an equivalent asset (right to use) would have to be recognized on the balance sheet. Lease expenses according IFRS 16 will be in the form of depreciation and interest expense instead of as operating expenses as under current standard. The effect of implementation of the standard will be increased assets and increased liabilities, and that operating profit before depreciation, financial items and tax (EBITDA) will be improved.

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 2017. Please refer to Note 3 in the Annual Report for 2017.

Note 4 - Bond and covenants

A 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 30.06.2018.

Note 5 – Related party transactions

Refer to note 1 regarding merger of parent companies. Other than this, no related party transactions were conducted in first half of 2018.

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

	Q2	Q2	YTD	YTD	FY
Amounts in NOK million	2018	2017	2018	2017	2017
Services	322,8	423,5	608,2	891,0	1 568,3
Benarx	38,9	105,4	98,3	199,0	367,1
Eliminations	-9,7	-17,6	-32,2	-66,0	-83,6
Total	352,1	511,3	674,4	1 024,0	1 851,9

EBITDA by Segment

	Q2	Q2	YTD	YTD	FY
Amounts in NOK million	2018	2017	2018	2017	2017
Services	29,5	45,0	54,3	88,0	190,6
Benarx	-10,5	15,3	-7,8	31,8	62,3
Other	0,0	0,0	0,0	0,0	0,0
Total	19,0	60,4	46,5	119,8	252,8

Note 7 – 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 30.06.2018.