

BEERENBERG AS

Unaudited First half year and 2nd Quarter results 2022



Q222

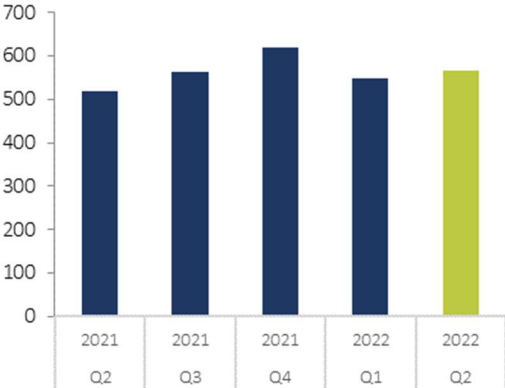
Headlines

THIS QUARTER

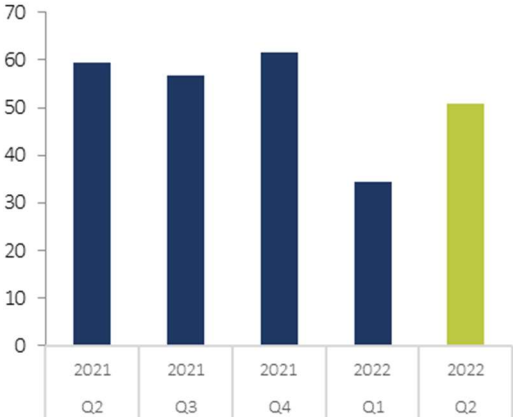
Operating Revenue	565 MNOK
EBITDA	51 MNOK
Cash Flow from Operations	-23 MNOK
Order Intake	32 MNOK
SIF	0
Employees*	1321

* Employees end of quarter

REVENUE



EBITDA



Group overview

Highlights

The highlights for Beerenberg (Beerenberg AS consolidated) in the 2nd quarter 2022 were:

- Strong service activity in the period.
- Low revenues in Benarx in the period.
- Lower effect of the covid pandemic but supply chain issues in the period.
- Revenue was MNOK 565, up 9% compared to 2nd quarter 2021.
- EBITDA of MNOK 51, down from MNOK 60 compared to Q2 2021.
- Total order intake in the period was MNOK 32 vs MNOK 400 in the 2nd quarter of 2021.
- Estimated order backlog at the end of the quarter was BNOK 7,1 compared to BNOK 7,8 at the end of 2nd quarter last year.
- Remotion AS was acquired and consolidated with effect from Q2.

Income Statement

Revenue in 2nd quarter was MNOK 565 compared to MNOK 518 in 2nd quarter 2021. The revenue for the first half of 2022 was MNOK 1 112, up 17% from MNOK 954 the first half of 2021. The increase from the corresponding quarter and first half last year relates mainly to planned shutdowns both onshore and offshore.

EBITDA in 2nd quarter 2022 was MNOK 51 down from MNOK 60 in the corresponding quarter last year. EBITDA margin ending at 9% compared to 11,5% 2nd quarter last year. EBITDA was affected by sales mix and low activity in Benarx. For the first half of 2022 EBITDA ended at MNOK 85 compared to MNOK 98 the first half of 2021.

Financial cost in the 2nd quarter 2022 was MNOK 12, down from MNOK 21 in 2nd quarter 2021. Lower financial cost in Q2 2022 compared to 2021 is due to currency effects.

Net profit in 2nd quarter 2022 was positive MNOK 15 compared to a net profit of MNOK 17 in 2nd quarter 2021.



Balance Sheet

The balance sheet reflects the higher activity level in the quarter compared to last year especially accounts receivables. The group's cash position was somewhat lower end Q2 2022 compared to same period last year. Total assets were MNOK 1777 at the end of the quarter, with an equity ratio of 32%.

Total non-current assets were MNOK 1061, up from MNOK 1027 compared to the end of 2nd quarter 2021. Current assets of MNOK 715 were up from MNOK 624 same period last year.

Total current liabilities of MNOK 547 were up from MNOK 481 at the end of 2nd quarter 2021 and total non-current liabilities were MNOK 668 up from MNOK 662 in 2nd quarter 2021.

The net interest-bearing debt was MNOK 688 compared to MNOK 655 in 1st quarter 2021.

Net working capital ended at MNOK 215 in the period, compared to MNOK 153 at the end of 2nd quarter 2021.

Cash Flow

The Groups cash position was MNOK 42 by the end of 2nd quarter 2022 down from MNOK 69 by the end of the 2nd quarter 2021.

Cash flow from operating activities was negative by MNOK 23 in 2nd quarter 2022 versus negative MNOK 27 in corresponding period last year.

Cash flow from investing activities was affected by the acquisition of Remotion in the quarter.

Total cashflow in 2nd quarter 2022 was negative by MNOK 104 compared to negative MNOK 77 in 2nd quarter 2021. The difference between the periods is mainly related to changes in net working capital due to activity increasing.

Capex was MNOK 8 compared to MNOK 7 same quarter last year.

Order Backlog & Market

The tender activity has been stable during the 2nd quarter of 2022 relating both to Benarx/Subsea deliveries and new build projects.

Total order intake of new contracts was approximately MNOK 32 for the period compared to MNOK 400 the corresponding period in 2021. Order intake in 2nd quarter of 2021 was influenced by several frame agreements awards.

In Q2 2022 the company has carried out a revised market adjustment of the frame agreements adding MNOK 1000 to the order backlog.

The current estimated order backlog (including frame agreements and options) is BNOK 8,1.

HSEQ

At the end of 2nd quarter Beerenberg had 1391 employees, up from 1298 1st quarter 2022.

There were no serious incidents this quarter, results in a total Serious Incident Frequency (SIF) in the period of 0 and 1,6 during the last 12 months.

How we achieve our results is important. Beerenberg's strong commitment to sustainability is applied to everything we do. Sustainability is embedded in our strategy – and many of our primary operations, whether maintenance or insulation products, are inherently about sustainable development.

ESG pillar







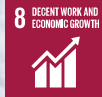


Innovation for reduced emissions and waste



Developing people and providing safety



Transparency and governance

Key KPIs	2021 Actual	Q2 2022 Actual	2022 Goal	Impact on UN's SDGs
1. Reduced release of microplastics in connection with surface treatment	27%*	10%	> 25%**	  
2. Reduced CO2 footprint in connection with surface treatment	NA	11%	> 10%	
3. Number of new sustainable technology or solutions tested and adopted	4	2	> 3	
4. Suppliers with a ESG program	NA	22%	> 50%	
5. Share of turnover in new and sustainable markets	3%	6%	> 10%	
1. TRIF	7,9	4,6	< 3	 
2. Proportion of sick leave	8,9%	6,9%	< 6%	
3. Internal recruitment of managers	78%	56%	> 80%	
4. Proportion of suppliers signed declaration on ethical guidelines and human rights policy	NA	32%	> 80%	
1. Report on ESG in quarterly and annual financial reports	NA	3	5	 
2. Proportion of employees who have completed training in ethics	79%	84%	> 90%	
3. Publish an external article in connection with the quarterly report	NA	3	5	

* Benchmark 2020. Scope surface treatment Offshore

** Benchmark 2020. Scope surface treatment Offshore and Onshore

Environmental, Social and Governance (ESG)

Beerenberg annual reward



Employees are our most valuable assets

Recognizing that our success is built on the input, motivation and skills of each and every employee, Beerenberg launched a new development concept called the Beerenberg Annual Awards – where employees nominate and celebrate their colleagues. - We want Beerenberg to be an exciting place to work, says Gro Hatleskog, EVP Business Support.

- The program is part of a long-term strategy where building and developing skills is key and where the focus is on the individual employee, says CEO Arild Apelthun.

The nomination process generated 183 nominations in five separate categories and the jury had their work cut out to whittle the list down to five winners.

Positive ripple effects

A good working environment results in numerous positive synergies and is vital to ensuring good results and sustainable value creation. - Being happy at work brings out the best in people, and it lets you achieve your main goal: to help ensure that the job is done safely, efficiently and securely. In turn this leads to high productivity, quality and consistency in Beerenberg, Apelthun says.

Individual development plans

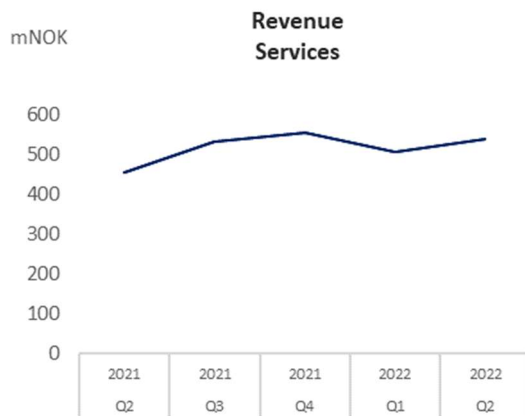
The winners were celebrated at a formal function with the company management in May. Then they received individual development plans in consultation with their line manager and HR. - It's been wonderful to see so many of our onshore and offshore employees get involved, and we are looking forward to even higher engagement from all parts of the organization next time," she says, concluding that Beerenberg feels privileged to have this many dedicated and talented employees.



Business segments

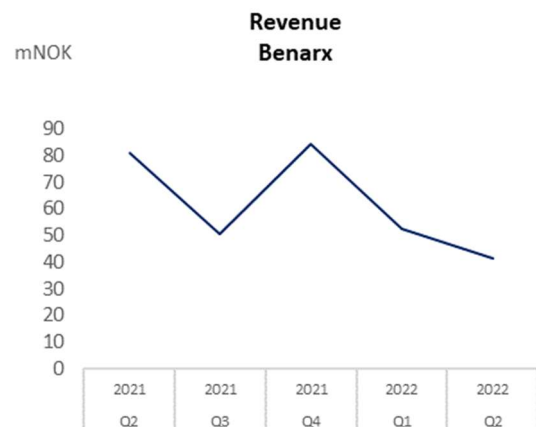
Services

The Service segment revenue for 2nd quarter was MNOK 538, an increase of 19% compared to corresponding period last year mainly due to planned shutdowns both offshore and onshore in 2nd quarter 2022. The EBITDA margin was 9,0%.



Benarx

The Benarx segment reported a revenue of MNOK 48 for the quarter with an EBITDA of 6%. Revenue was down 49% compared to the same period last year. The quarter was affected by delays on projects especially within subsea.



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 2022 to 30. June 2022 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 26. August 2022

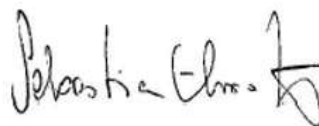
Beerenberg AS Board of Directors and CEO



Geir Aarstad
Chairman



Morten Walde
Director



Sebastian Ehrnrooth
Director



Hilde Drønen
Director



Arild Apelthun
CEO

Figures & notes



Condensed Consolidated Income Statement

Group Summary		Q2	Q2	YTD	YTD	FY
Amounts in NOK million	Note	2022	2021	2022	2021	2021
Operating revenue	6	565,0	518,1	1 112,0	954,1	2 136,0
Operating expenses		514,2	458,5	1 026,9	856,1	1 919,6
EBITDA	6	50,8	59,6	85,1	97,9	216,5
Depreciation		14,3	12,4	26,8	24,9	49,1
EBITA		36,5	47,1	58,3	73,0	167,4
Amortisation		4,4	4,0	7,9	8,1	14,3
Operating profit (EBIT)		32,1	43,1	50,4	65,0	153,1
Finance costs - net	4	12,1	21,1	35,6	41,4	82,2
Profit before tax (EBT)		19,9	22,0	14,7	23,5	70,9
Income Tax expense		4,9	4,8	3,8	5,2	14,4
Net profit		15,0	17,2	11,0	18,4	56,4
Profit for the period is attributable to:						
Shareholders of the parent company		15,3	18,7	11,5	19,9	57,8
Non controlling interests		-0,3	-1,6	-0,5	-1,5	-1,3
Net profit		15,0	17,2	11,0	17,2	56,4
Basic earnings per share for 1.000.000 A shares (NOK)		0,02	0,02	0,01	0,02	0,06
Diluted earnings per share are identical as there are no dilutive effect						
<i>EBITDA margin</i>		9,0 %	11,5 %	7,7 %	10,3 %	10,1 %
<i>EBITA margin</i>		6,5 %	9,1 %	5,2 %	7,7 %	7,8 %

Condensed Consolidated Statement of Comprehensive Income

Amounts in NOK million	Note	Q2 2022	Q2 2021	YTD 2022	YTD 2021	FY 2021
Net profit for the period		15,0	17,2	11,0	18,4	56,4
<i>Other comprehensive income:</i>						
Conversion differences		-0,6	0,8	-1,7	-0,3	-3,4
Change in value of derivatives		1,9	0,5	5,1	3,7	6,1
Total comprehensive income		16,3	18,5	14,5	21,7	59,1

Condensed Consolidated Balance Sheet

Group Summary		Q1	Q2	Q4
Amounts in NOK million	Note	30.06.2022	30.06.2021	31.12.2021
Intangible assets		42,3	23,4	19,2
Goodwill		782,8	782,8	782,8
Property, plant and equipment		208,2	210,0	208,3
Financial fixed assets		28,1	10,9	20,2
Deferred tax assets		0,0	0,0	0,0
Total non-current assets		1 061,4	1 027,1	1 033,6
Inventory		78,7	75,7	77,8
Accounts receivables from customers		468,5	250,9	306,4
Earned, not invoiced accounts receivables		92,8	199,5	195,2
Other receivables		32,9	29,2	23,7
Cash at bank		42,2	68,9	193,3
Total current assets		715,1	624,3	796,4
TOTAL ASSETS		1 776,5	1 651,4	1 830,0
Share capital		26,7	26,7	26,7
Share premium		240,3	240,3	240,3
Other equity		294,5	242,3	279,5
Non controlling interests		-0,6	-0,7	-0,1
Total equity		560,9	508,6	546,4
Pension liabilities		18,8	13,5	17,3
Deferred tax liabilities		2,0	6,6	0,0
Interest bearing long-term liabilities	4	647,5	645,5	665,2
Derivatives		0,0	-3,6	0,0
Total non-current liabilities		668,3	662,0	682,5
Interest bearing short-term liabilities	4	82,3	78,5	78,9
Supplier liabilities		156,1	118,4	188,0
Tax payable		7,2	-0,6	18,5
Social Security, VAT and other taxes		80,5	65,4	91,0
Other short-term liabilities		199,4	199,4	203,2
Warranty liabilities		21,8	19,8	21,5
Total Current Liabilities		547,4	480,9	601,1
TOTAL EQUITY & LIABILITY		1 776,5	1 651,4	1 830,0

Condensed Consolidated Statement of Change in Equity

Amounts in NOK million

	Share capital	Share premium	Conversion reserve	Hedging reserve	Retained earnings	Equity attributable to parent Company	Non Controlling interests	Total equity
01. January 2022	26,7	240,3	-1,0	5,2	275,4	546,5	-0,1	546,4
Net profit					11,5	11,5	-0,5	11,0
Other Comprehensive Income			-1,7	5,1		3,5		3,5
Changes in non-controlling interests								
Equity as per 30.06.2022	26,7	240,3	-2,7	10,4	286,9	561,5	-0,6	560,9

Amounts in NOK million

	Share capital	Share premium	Conversion reserve	Hedging reserve	Retained earnings	Equity attributable to parent Company	Non Controlling interests	Total equity
01. January 2021	26,7	240,3	2,3	-0,9	217,6	486,1	0,8	486,9
Net profit					18,4	19,9	-1,6	18,4
Other Comprehensive Income			-0,3	3,7		3,3		3,3
Changes in non-controlling interests								
Equity as per 30.06.2021	26,7	240,3	2,0	2,8	236,0	509,3	-0,7	508,6

Condensed Consolidated Statement of Cash Flow

Amounts in NOK million	Note	Q2 2022	Q2 2021	YTD 2022	YTD 2021	FY 2021
EBITDA		50,8	59,6	85,1	97,9	216,4
Taxes paid		-6,4	-4,4	-13,1	-12,6	-13,3
Change in net working capital		-74,0	-80,6	-118,8	-77,8	-26,4
Changes to other time restricted items		6,4	-1,2	2,9	-0,3	0,6
Net Cash flow from operating activities		-23,1	-26,7	-43,9	7,2	177,3
Capex		-8,4	-7,0	-13,9	-16,9	-41,8
Acquisition of shares in subsidiary		-25,2	0,0	-25,2	0,0	0,0
Net cash flow from investing activities		-33,5	-7,0	-39,1	-16,9	-41,8
Net repayment of interest bearing debt		-26,2	-28,5	-30,1	-33,7	-12,9
Changes in non-controlling interests		0,0	0,0	0,0	0,0	0,1
Net interest paid	4	-21,2	-14,3	-38,1	-27,3	-69,0
Net cash flow from financing activities		-47,4	-42,8	-68,2	-61,1	-81,8
Total cash flow		-104,0	-76,6	-151,2	-70,8	53,6
Opening balance net bank deposits		146,2	145,5	193,3	139,7	139,7
Closing balance net bank deposits		42,2	68,9	42,2	68,9	193,3

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 customers 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 2021 provides further information on risks and uncertainties applicable to Beerenberg.

Shareholders in Beerenberg AS are specified in table below.

Shareholders	A-Shares	%	B-Shares	%	Total Shares	%
Segulah IV L.P.	820 875	82,1 %	223 247 653	83,9 %	224 068 528	83,9 %
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	63 685	6,4 %	11 510 354	4,3 %	11 574 039	4,3 %
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 2021. The accounting policies applied in the interim financial statements is the same as those described in the Annual Report for 2021.

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 2021 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 this 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 2021. Please refer to Note 3 in the Annual Report for 2021.

Note 4 – Bond and covenants

A 3-year Senior Secured Bond of MNOK 750 was issued in Q4 2020. Discount on nominal value on Bond has been classified net with the Bond. The bond has, every 6-month, amortization of MNOK 25 until maturity, in total MNOK 125. The maturity date of the bond is 13 November 2023.

In connection with the bond issue Beerenberg has signed an MNOK 150 super senior credit facility agreement with Danske Bank.

The Facility agreement includes covenants related to quarterly Net Total Leverage ratio test (below 7.0). The group is in compliance with covenants as of 30th of June 2022.

Amortization due within one year is presented as interest-bearing short-term liabilities.

Note 5 – Related party transactions

No related party transactions were conducted in 2nd Quarter of 2022.

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 for topside and subsea applications.

Revenue by Segment

	Q2	Q2	YTD	YTD	FY
Amounts in NOK million	2022	2021	2022	2021	2021
Services	537,8	452,7	1 044,7	816,8	1 903,0
Benarx	41,3	81,1	94,0	173,5	308,2
Eliminations	-14,1	-15,7	-26,7	-36,2	-75,2
Total	565,0	518,1	1 112,0	954,1	2 136,0

EBITDA by Segment

	Q2	Q2	YTD	YTD	FY
Amounts in NOK million	2022	2021	2022	2021	2021
Services	48,4	51,2	83,6	77,5	175,6
Benarx	2,5	8,3	1,5	20,4	40,9
Total	50,8	59,6	85,1	97,9	216,5

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.