

BEERENBERG AS

Unaudited 1st Quarter results 2023



Q123

Headlines

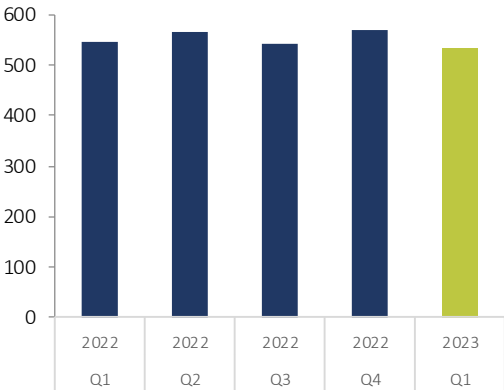
“Solid start of the year and strong market conditions”

THIS QUARTER

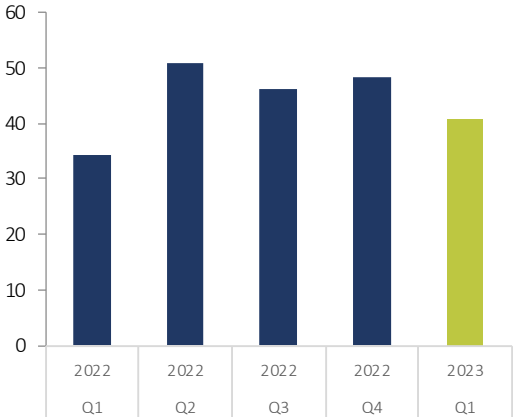
| | |
|---------------------------|-----------------|
| Operating Revenue | 535 MNOK |
| EBITDA | 41 MNOK |
| Cash Flow from Operations | 10 MNOK |
| Order Intake | 70 MNOK |
| SIF | 1.4 |
| Employees* | 1416 |

* Employees end of quarter

REVENUE



EBITDA



Group overview

Highlights

The highlights for Beerenberg (Beerenberg AS consolidated) in the 1st quarter 2023 were:

- Revenue was MNOK 535, in line with revenues 1st quarter 2022.
- Increasing service activity in the period.
- Benarx experienced lower deliveries in 1st quarter compared to 1st quarter 2022.
- EBITDA of MNOK 41, up from MNOK 34 in the 1st quarter 2022.
- Order intake in the period was MNOK 70 down from MNOK 85 in the 1st quarter of 2022.
- Estimated order backlog at the end of the quarter was BNOK 7.5 compared to BNOK 7.0 at the end of the 1st quarter last year (+7%).

Income Statement

Revenue in the 1st quarter was MNOK 535 compared to MNOK 547 in 1st quarter 2022. The decrease from the corresponding quarter last year relates mainly to lower activity within newbuild projects offset by increased service activity.

EBITDA in the 1st quarter 2023 was MNOK 41, up from MNOK 34 in the corresponding quarter last year. EBITDA margin 7.6% compared to 6.3% in the 1st quarter last year. EBITDA was influenced by sales mix and operational performance in the quarter.

Financial cost in the 1st quarter 2023 was MNOK 17, down from MNOK 24 in 1st quarter 2022. Lower financial cost in the 1st quarter 2023 compared to 2022 is due to positive currency effects. Higher interest rate is, to some extent, offset by an interest SWAP.

Net profit in the 1st quarter 2023 was MNOK 4 compared to a negative net profit of MNOK 4 in 1st quarter 2022.



Balance Sheet

Total assets were MNOK 1740 at the end of the quarter, with an equity ratio of 33%. The group's cash position has been reduced from MNOK 146 in the 1st quarter 2022 to MNOK 93 in 1st quarter 2023.

Total non-current assets were MNOK 1051, up from MNOK 1028 compared to the end of 1st quarter 2022. Current assets of MNOK 688 were down from MNOK 738 in the same period last year.

Total current liabilities of MNOK 1122 were up from MNOK 541 at the end of the 1st quarter 2022 and total non-current liabilities were MNOK 45 down from MNOK 681 in the 1st quarter 2022. The main reason for the reduction is reclassification of Bond to current liabilities. The Beerenberg's listed bond matures in November 2023 and the refinancing of the bond is in process. Since it is less than a year to maturity, the Bond has been reclassified as current liabilities.

The net interest-bearing debt was MNOK 612 compared to MNOK 597 in the 1st quarter 2022.

Net working capital ended at MNOK 155 in the period, compared to MNOK 144 at the end of the 1st quarter 2022.

Cash Flow

The Groups cash position was MNOK 93 by the end of the 1st quarter 2023 down from MNOK 146 by the end of the 1st quarter 2022.

Cash flow from operating activities was positive by MNOK 10 in 1st quarter 2023 versus negative MNOK 21 in corresponding period last year. The difference relates mainly to changes in net working capital.

Cash flow from investing activities was negative by MNOK 8 compared to negative MNOK 6 in the 1st quarter 2022. Capex was MNOK 8 compared to MNOK 6 same quarter last year.

Total cashflow in the 1st quarter 2023 was negative by MNOK 20 compared to negative MNOK 47 in the 1st quarter 2022. The difference between the periods is mainly related to changes in net working capital which at the end of the quarter was higher than the historical average.

Order Backlog & Market

The tender activity has been stable during the 1st quarter of 2023 relating both to Benarx/Subsea deliveries and new build/modification projects (oil&gas, industry and infrastructure).

Total order intake of new contracts was approximately MNOK 70 for the period. A major part of the order intake is related to the carbon capture project at Norcem Brevik.

The current estimated order backlog (including frame agreements and options) is BNOK 7,5.

HSEQ

At the end of 1st quarter Beerenberg had 1416 employees, down from 1432 4th quarter 2022.

There was one serious incident in 1st quarter resulting in a total Serious Incident Frequency (SIF) in the period of 1.4 and 1.0 during the last 12 months.

One of Beerenberg's employees was injured in a work accident at Mongstad in January. The employee, who was seriously injured, now in stable condition and receiving treatment at Hospital.

Beerenberg is carrying out a joint investigation of the accident together with the client in addition to relevant authorities' investigations, in line with customary policies pertaining to serious accidents.

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 | 2023 Goal | Q1 2023 Actual | Impact on UN's SDGs |
|----|--|--------------|-------------------|---|
| 1 | Reduced release of microplastics in connection with surface treatment * | >10% | 25 % |   |
| 2 | Reduced CO2 footprint in connection with surface treatment** | >5% | 6 % | |
| 3 | Number of new sustainable technology, materials or solutions studied, tested, developed or adopted | >8 | 1 | |
| 4 | Share of turnover in new and sustainable markets | >8% | 8 % |  |
| 5 | SIF (serious incident frequency) | 0 | 1,4 |   |
| 6 | TRIF (total recordable incident frequency) | 3,0 | 4,3 | |
| 7 | Proportion of sick leave | <6,5% | 8 % | |
| 8 | Competence development - Trade certificates | 30 | 8 | |
| 9 | Planned supplier follow up meetings and audits | 80 % | 12 % |   |
| 10 | Proportion of employees who have completed training in ethics | 90 % | 88 % | |
| 11 | Proportion of operational employees who have completed training in HSE*** | 90 % | 89 % | |
| 12 | Human rights due diligence assessment | 75 % | 28 % | |
| 13 | Regularly publish articles on Beerenbergs ESG initiatives (external) | 10 | 2 | |

* Benchmark 2020. Scope surface treatment Offshore
 ** Benchmark 2020. Scope surface treatment Offshore and Onshore
 *** Reported monthly

This is how we work with innovation, technology & development:



This is how we work with innovation, technology & development:

Beerenberg focuses on innovation, technology, and development to strengthen its competitiveness and contribute to the company's growth. The company looks at both product development and productivity. Recycling insulation products and developing new products in collaboration with other stakeholders are just as important as improving production efficiency and reducing costs and lost time.

"We seek improvement opportunities that contribute to increasing productivity, ensuring quality, and reducing risk and waste. We look at new solutions and opportunities in close dialogue with our suppliers, but also test new applications

for existing technology and tools," says EVP Technology Kjetil Stöckel-Kvamme.

Robotization of surface treatment provides significant opportunities for offshore and onshore facilities. New solutions streamline maintenance work, ensure sustainable maintenance, and reduce challenging and demanding tasks for professionals.

Digitalization has also made everyday life more efficient. Through the FieldBuddy app, foremen and engineers can now document, report, and take notes in the field. The app is continuously developed and contributes to streamlining in more and more areas of expertise.

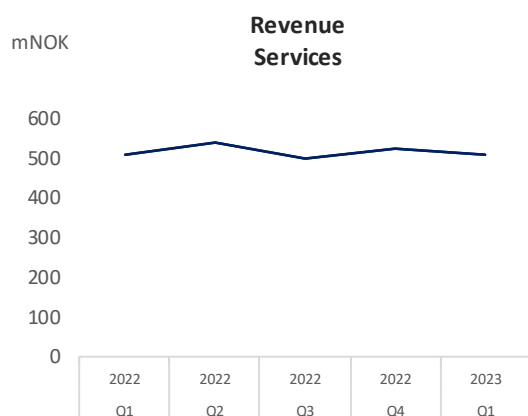
The company's Sustainability Dashboard provides access to measurements on important KPIs. Both solutions collect, simplify, and improve the quality of data capture so that data is always available where it is needed. Another example is 3D scanning of objects for insulation.

Beerenberg is also working on developing cost-effective insulation solutions for the industrial and transportation segments. "We bring with us the experience and expertise from the oil and gas industry to new areas and actively work to adapt our services to new markets," says CEO Arild Apelthun.

Business segments

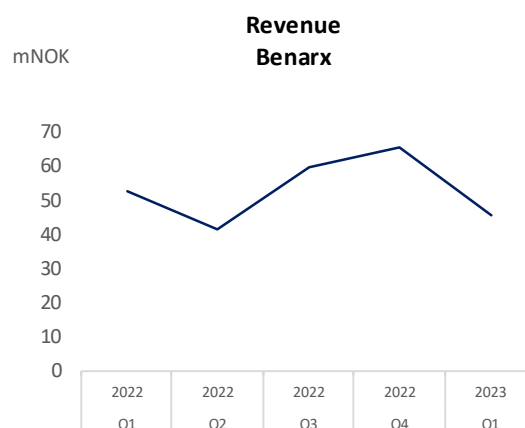
Services

The Service segment revenue for the 1st quarter was MNOK 510, same level as the corresponding period last year. Increased maintenance work replaces lower activity within newbuild project. The EBITDA margin was 8%.



Benarx

The Benarx segment reported a revenue of MNOK 46 for the quarter with a negative EBITDA margin of 3%. The revenue was down 13% compared to the same period last year. The subsea market is gaining momentum at the end of the quarter. Temporarily low activity in Asia.



Figures & notes



Condensed Consolidated Income Statement

Condensed Consolidated Income Statement

| Group Summary | | Q1 | Q1 | YTD | YTD | FY |
|--|------|--------|--------|--------|--------|---------|
| Amounts in NOK million | Note | 2023 | 2022 | 2023 | 2022 | 2022 |
| Operating revenue | 6 | 535,3 | 547,0 | 535,3 | 547,0 | 2 221,9 |
| Operating expenses | | 494,6 | 512,7 | 494,6 | 512,7 | 2 041,9 |
| EBITDA | 6 | 40,7 | 34,3 | 40,7 | 34,3 | 180,0 |
| Depreciation | | 14,5 | 12,5 | 14,5 | 12,5 | 56,7 |
| EBITA | | 26,3 | 21,8 | 26,3 | 21,8 | 123,3 |
| Amortisation | | 4,2 | 3,5 | 4,2 | 3,5 | 25,2 |
| Operating profit (EBIT) | | 22,0 | 18,3 | 22,0 | 18,3 | 98,1 |
| Finance costs - net | 4 | 16,6 | 23,5 | 16,6 | 23,5 | 78,7 |
| Profit before tax (EBT) | | 5,4 | -5,2 | 5,4 | -5,2 | 19,4 |
| Income Tax expense | | 1,2 | -1,1 | 1,2 | -1,1 | 0,0 |
| Net profit | | 4,2 | -4,0 | 4,2 | -4,0 | 19,4 |
| Profit for the period is attributable to: | | | | | | |
| Shareholders of the parent company | | 4,9 | -3,8 | 5,0 | -3,8 | 19,6 |
| Non controlling interests | | -0,7 | -0,2 | -0,8 | -0,2 | -0,2 |
| Net profit | | 4,2 | -4,0 | 4,2 | -4,0 | 19,4 |
| Basic earnings per share for 1.000.000 A shares | | 0,0000 | 0,0000 | 0,0000 | 0,0000 | 0,00002 |
| Diluted earnings per share are identical as there are no dilutive effect | | | | | | |
| EBITDA margin | | 7,6 % | 6,3 % | 7,6 % | 6,3 % | 8,1 % |
| EBITA margin | | 4,9 % | 4,0 % | 4,9 % | 4,0 % | 5,6 % |

Condensed Consolidated Statement of Comprehensive Income

| Amounts in NOK million | Note | Q1 2023 | Q1 2022 | YTD 2023 | YTD 2022 | FY 2022 |
|------------------------------------|------|------------|-------------|-------------|-------------|-------------|
| Net profit for the period | | 4,2 | -4,0 | 4,2 | -4,0 | 19,4 |
| <i>Other comprehensive income:</i> | | | | | | |
| Conversion differences | | 0,4 | -1,1 | 0,4 | -1,1 | -1,1 |
| Change in value of derivatives | | -1,9 | 3,3 | -1,9 | 3,3 | 4,1 |
| Total comprehensive income | | 2,8 | -1,9 | 2,8 | -1,9 | 22,4 |

Condensed Consolidated Balance Sheet

| Group Summary | | Q1 | Q1 | YTD |
|---|------|----------------|----------------|----------------|
| Amounts in NOK million | Note | 31.03.2023 | 31.03.2022 | 31.12.2022 |
| Intangible assets | | 48,1 | 16,3 | 52,1 |
| Goodwill | | 782,8 | 782,8 | 782,8 |
| Property, plant and equipment | | 205,1 | 200,4 | 210,0 |
| Financial fixed assets | | 15,2 | 24,9 | 14,3 |
| Deferred tax assets | | 0,0 | 3,4 | 0,0 |
| Total non-current assets | | 1 051,2 | 1 027,8 | 1 059,2 |
| Inventory | | 100,4 | 53,5 | 93,9 |
| Accounts receivables from customers | | 271,8 | 355,1 | 261,7 |
| Earned, not invoiced accounts receivables | | 169,1 | 148,1 | 215,9 |
| Other receivables | | 53,7 | 35,8 | 41,9 |
| Cash at bank | | 93,3 | 146,2 | 113,3 |
| Total current assets | | 688,3 | 738,6 | 726,7 |
| TOTAL ASSETS | | 1 739,5 | 1 766,4 | 1 785,8 |
| Share capital | | 26,7 | 26,7 | 26,7 |
| Share premium | | 240,3 | 240,3 | 240,3 |
| Other equity | | 305,8 | 277,9 | 302,3 |
| Non controlling interests | | -1,2 | -0,4 | -0,5 |
| Total equity | | 571,6 | 544,6 | 568,8 |
| Pension liabilities | | 20,1 | 17,9 | 19,3 |
| Deferred tax liabilities | | 3,2 | 0,0 | 0,0 |
| Interest bearing long-term liabilities | 4 | 22,3 | 662,9 | 26,1 |
| Total non-current liabilities | | 45,6 | 680,8 | 45,4 |
| Interest bearing short-term liabilities | 4 | 683,3 | 80,7 | 680,0 |
| Supplier liabilities | | 103,8 | 133,7 | 133,9 |
| Tax payable | | -0,9 | 12,2 | 9,4 |
| Social Security, VAT and other taxes | | 66,6 | 83,7 | 83,5 |
| Other short-term liabilities | | 247,0 | 209,3 | 242,7 |
| Warranty liabilities | | 22,5 | 21,4 | 22,2 |
| Total Current Liabilities | | 1 122,3 | 541,0 | 1 171,6 |
| TOTAL EQUITY & LIABILITY | | 1 739,5 | 1 766,4 | 1 785,8 |

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 2023 | 26,7 | 240,3 | -2,1 | 9,2 | 295,2 | 569,3 | -0,5 | 568,8 |
| Net profit | | | | | 4,9 | 4,9 | -0,7 | 4,2 |
| Other Comprehensive Income | | | 0,4 | -1,8 | | -1,4 | | -1,4 |
| Changes in non-controlling interests | | | | | | | | |
| Equity as per 31.03.2023 | 26,7 | 240,3 | -1,8 | 7,5 | 300,1 | 572,8 | -1,2 | 571,6 |

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 | | | | | -3,8 | -3,8 | -0,2 | -4,0 |
| Other Comprehensive Income | | | -1,1 | 3,3 | | 2,2 | | 2,2 |
| Changes in non-controlling interests | | | | | | | | |
| Equity as per 31.03.2022 | 26,7 | 240,3 | -2,2 | 8,5 | 271,6 | 544,9 | -0,4 | 544,6 |

Condensed Consolidated Statement of Cash Flow

| Amounts in NOK million | Note | Q1 2023 | Q1 2022 | YTD 2023 | YTD 2022 | FY 2022 |
|--|------|--------------|--------------|--------------|--------------|---------------|
| EBITDA | | 40,7 | 34,3 | 40,7 | 34,3 | 180,0 |
| Taxes paid | | -10,3 | -6,8 | -10,3 | -6,8 | -19,8 |
| Change in net working capital | | -24,3 | -44,8 | -24,3 | -44,8 | -23,5 |
| Changes to other time restricted items | | 3,3 | -3,5 | 3,3 | -3,5 | 8,0 |
| Net Cash flow from operating activities | | 9,5 | -20,8 | 9,5 | -20,8 | 144,8 |
| Capex | | -8,0 | -5,5 | -8,0 | -5,5 | -36,6 |
| Acquisition of shares in subsidiary | | 0,0 | 0,0 | 0,0 | 0,0 | -50,2 |
| Net cash flow from investing activities | | -8,0 | -5,5 | -8,0 | -5,5 | -86,8 |
| Net repayment of interest bearing debt | | -3,9 | -3,9 | -3,9 | -3,9 | -64,7 |
| Changes in non-controlling interests | | 0,0 | 0,0 | 0,0 | 0,0 | 0,0 |
| Net interest paid | 4 | -17,5 | -16,9 | -17,5 | -16,9 | -73,4 |
| Net cash flow from financing activities | | -21,4 | -20,8 | -21,4 | -20,8 | -138,1 |
| Total cash flow | | -20,0 | -47,2 | -20,0 | -47,2 | -80,1 |
| Opening balance net bank deposits | | 113,3 | 193,3 | 113,3 | 193,3 | 193,3 |
| Closing balance net bank deposits | | 93,3 | 146,2 | 93,3 | 146,2 | 113,3 |

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 2022 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 and others | 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 2022. The accounting policies applied in the interim financial statements is the same as those described in the Annual Report for 2022.

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 2022 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 2022. Please refer to Note 3 in the Annual Report for 2022.

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 Bond matures in November 2023 and the process of refinancing has started. Since it is less than a year to maturity, the Bond has been reclassified as current liabilities.

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 March 2023.

Note 5 – Related party transactions

No related party transactions were conducted in 1st Quarter of 2023.

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

| Amounts in NOK million | Q1 2023 | Q1 2022 | YTD 2023 | YTD 2022 | FY 2022 |
|------------------------|--------------|--------------|--------------|--------------|----------------|
| Services | 509,8 | 506,9 | 509,8 | 506,9 | 2 063,7 |
| Benarx | 45,6 | 52,7 | 45,6 | 52,7 | 219,2 |
| Eliminations | -20,1 | -12,7 | -20,1 | -12,7 | -61,0 |
| Total | 535,3 | 547,0 | 535,3 | 547,0 | 2 221,9 |

EBITDA by Segment

| Amounts in NOK million | Q1 2023 | Q1 2022 | YTD 2023 | YTD 2022 | FY 2022 |
|------------------------|-------------|-------------|-------------|-------------|--------------|
| Services | 42,2 | 35,3 | 42,2 | 35,3 | 159,2 |
| Benarx | -1,5 | -1,0 | -1,5 | -1,0 | 20,9 |
| Total | 40,7 | 34,3 | 40,7 | 34,3 | 180,0 |

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.