

BEERENBERG AS

Unaudited 4th Quarter and preliminary Annual results 2022



Q422

Headlines

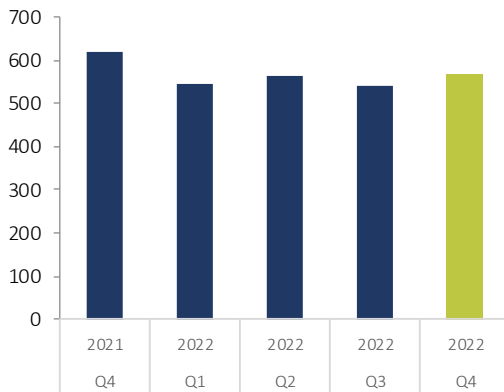
“Solid end to the year based on strong development in maintenance”

THIS QUARTER

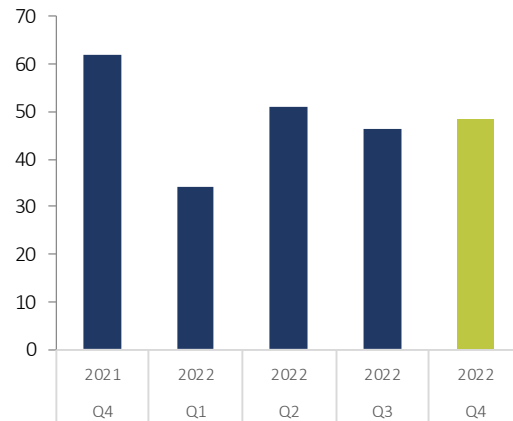
Operating Revenue	569 MNOK
EBITDA	49 MNOK
Cash Flow from Operations	63 MNOK
Order Intake	75 MNOK
SIF	2.6
Employees*	1432

* Employees end of quarter

REVENUE



EBITDA



Group overview

Highlights

The highlights for Beerenberg (Beerenberg AS consolidated) in the 4th quarter 2022 were:

- Revenue was MNOK 569, down 8% compared to the 4th quarter 2021.
- Strong service activity in the period despite low activity within newbuild projects.
- Benarx experienced project delays throughout the year with no exception in Q4.
- Consecutive discussions with customers to mitigate the effect of inflation.
- EBITDA of MNOK 49, down from MNOK 62 4th quarter 2021.
- Order intake in the period was MNOK 75 down from MNOK 130 in the 4th quarter of 2021.
- Estimated order backlog at the end of the quarter was BNOK 7.9 compared to BNOK 7.3 at the end of 4th quarter last year.

Income Statement

The revenue in 2022 of MNOK 2 222 is up 4% from MNOK 2 136 in 2021. Revenue in 4th quarter was MNOK 569 compared to MNOK 619 in 4th quarter 2021. The decrease from the corresponding quarter last year relates mainly to lower activity within newbuild projects.

EBITDA in 4th quarter 2022 was MNOK 49 down from MNOK 62 in the corresponding quarter last year. EBITDA margin 8.5% compared to 10% in the 4th quarter last year. The 2022 EBITDA is 8,1% compared to 10,1% last year. EBITDA was affected by sales mix and operational performance in the quarter. The 2022 EBITDA is MNOK 180 down from MNOK 217 in 2021.

Financial cost in the 4th quarter 2022 was MNOK 24, up from MNOK 22 in 4th quarter 2021. Higher financial cost in the 4th quarter 2022 compared to 2021 is due to currency effects and to some extent increasing interest rates.

Net profit 4th quarter 2022 was MNOK 3 compared to a MNOK 21 in 4th quarter 2021. Net profit in 2022 was MNOK 19 compared to MNOK 56 in 2021.



Balance Sheet

The balance sheet reflects the activity level in the quarter. Total assets were MNOK 1786 at the end of the quarter, with an equity ratio of 32%. The group's cash position has been reduced from MNOK 193 year end 2021 to MNOK 113 year end 2022.

Total non-current assets were MNOK 1059, up from MNOK 1034 compared to the end of 4th quarter 2021. Current assets of MNOK 727 were down from MNOK 796 same period last year.

Total current liabilities of MNOK 1172 were up from MNOK 601 at the end of 4th quarter 2021 and total non-current liabilities were MNOK 45 down from MNOK 683 in 4th quarter 2021. The main reason for these changes is reclassification of Bond to current liabilities. 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.

The net interest-bearing debt was MNOK 593 compared to MNOK 551 in 4th quarter 2021.

Net working capital ended at MNOK 131 in the period, compared to MNOK 99 at the end of 4th quarter 2021.

Cash Flow

The Groups cash position was MNOK 113 by the end of 4th quarter 2022 down from MNOK 193 by the end of the 4th quarter 2021.

Cash flow from operating activities was positive by MNOK 131 in 4th quarter 2022 versus positive MNOK 62 in corresponding period last year. The difference relates mainly to changes in net working capital.

Cash flow from investing activities was negative by 41 MNOK and relates mainly to capex on machinery and equipment as well as acquisition of Remotion AS. Capex was MNOK 16 compared to MNOK 15 same quarter last year. Capex full year 2022 was MNOK 37.

Total cashflow in 4th quarter 2022 was positive by MNOK 43 compared to negative MNOK 2 in 4th quarter 2021. The difference between the periods is mainly related to changes in net working capital.

Order Backlog & Market

The tender activity has been stable during the 4th quarter of 2022 relating both to Benarx/Subsea deliveries and new build/modification projects.

Total order intake of new contracts was approximately MNOK 75 for the period. The major part of the order intake is related to projects where Benarx products, Subsea services and Robotic services are represented.

The current estimated order backlog (including frame agreements and options) is BNOK 7,9.

HSEQ

At the end of 4th quarter Beerenberg had 1432 employees, up from 1409 3rd quarter 2022.

There were two serious incidents this quarter, results in a total Serious Incident Frequency (SIF) in the period of 2,6 and 1.4 during the last 12 months.

After the reporting date one of Beerenbergs employees was injured in a work accident at Mongstad. The employee, who is seriously injured, is in stable condition and receiving treatment at Hospital.

After the accident Beerenberg has been closely following up all parties concerned. Beerenberg are carrying out a joint investigation of the accident together with client in addition to other 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

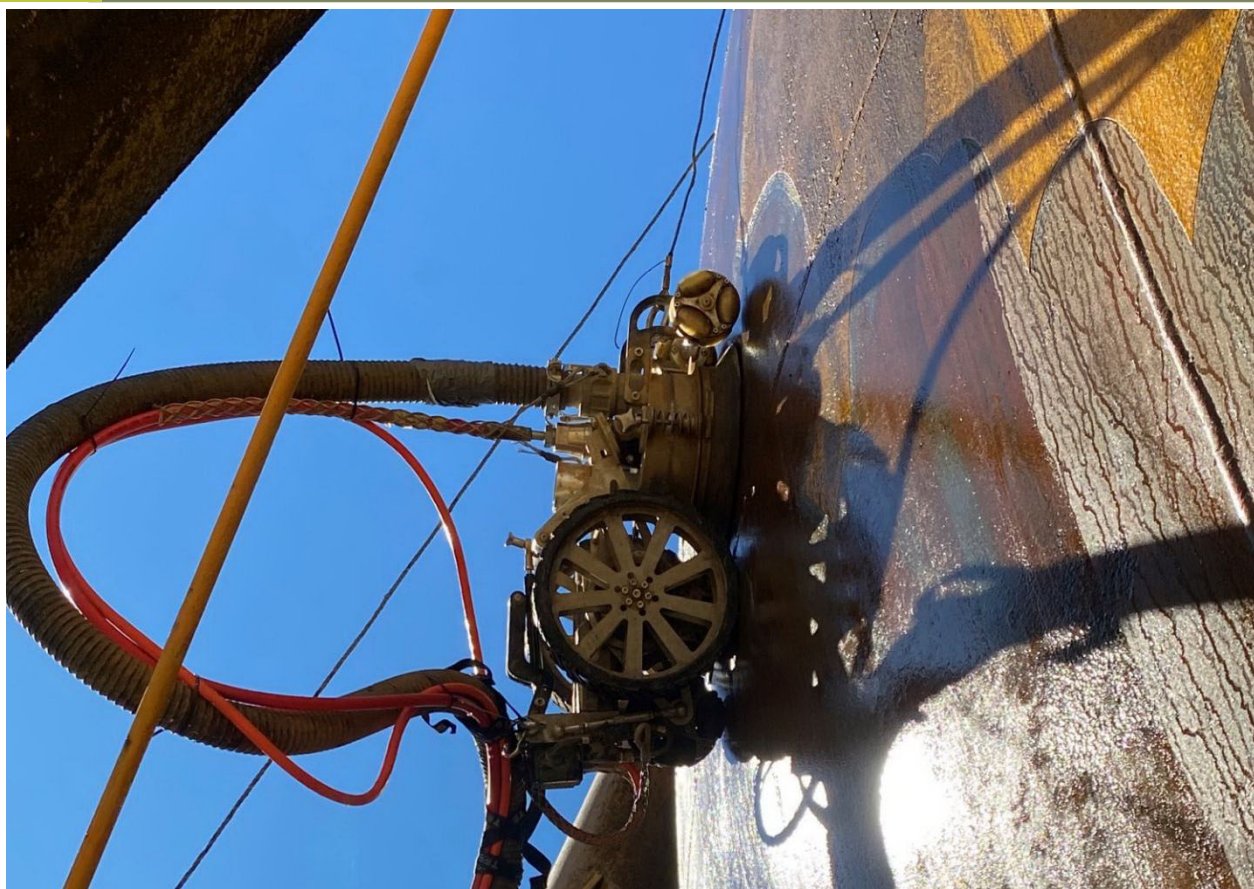


Transparency and governance

Key KPIs	2022	Q4 2022	Impact on UN's SDGs
	Goal	Actual	
1. Reduced release of microplastics in connection with surface treatment	> 25%**	12 %	  
2. Reduced CO2 footprint in connection with surface treatment	> 10%	13 %	
3. Number of new sustainable technology or solutions tested and adopted	> 3	2	
4. Suppliers with a ESG program***	> 50%	32 %	
5. Share of turnover in new and sustainable markets	> 10%	6,6 %	
1. TRIF	< 3	6,8	
2. Proportion of sick leave	< 6%	7,3 %	
3. Internal recruitment of managers	> 80%	71 %	
4. Proportion of suppliers declaration sigend (ethical guidelines/human rights policy)***	>80%	43 %	
1. Report on ESG in quarterly and annual financial reports	5	5	
2. Proportion of employees who have completed training in ethics	> 90%	86 %	
3. Publish an external article in connection with the quarterly report	5	10	
			

* Benchmark 2020. Scope surface treatment Offshore
 ** Benchmark 2020. Scope surface treatment Offshore and Onshore
 *** > critically level 2

Robotic surface treatment of ammonia tanks at Herøya



Complex maintenance can now be carried out by robotic solutions from the oil and gas industry.

Surface treatment of industrial tanks has traditionally meant extensive manual work during both preparation and implementation. Now, with new robotic solutions from the oil and gas industry, such maintenance can be done more efficiently and sustainably, while reducing challenging and burdensome work for personnel.

- Today, only parts of the surface treatment are done with the help of robots, but this will increase along with the technological development. Future maintenance will be both more efficient and sustainable, says CEO Arild Apelthun in Beerenberg. The transition will be done with help from the expertise of our professional personnel.

Complex maintenance work

Maintenance of large industrial tanks is a comprehensive process that includes scaffolding, sandblasting and painting of each tank, in addition to ensuring good HSE for working personnel. Many tanks at Norwegian industrial plants are also covered with lead-containing paint, which is subject to particularly strict HSE and environmental requirements. For Yara, which has tested the new

surface treatment at its facility on Herøya, it was important that all these factors were well taken care of in the process.

- We have two large ammonia tanks (buffer tanks) that have long been in dire need of refurbishment, and we wanted to get the work done this fall. A paint sample revealed lead chromate content, which entails a particularly strict regimen of blood tests and close follow-up of our skilled workers both before and after sandblasting. Beerenberg's solution considered HSE as well as effectively solving the task using robots, says project manager Tom Caspersen.

At Yara's ammonia tank, the robot does 70 percent of the work, which reduces the burden on employees considerably. Where the UHT robot cannot reach, traditional sandblasting is used. Looking at the lead paint specifically, 90 percent of lead paint is removed with the help of a robot. Only the remaining 10 percent, around the structures of the tank, had to be done manually. Each tank is 750 m².

- We were surprised how efficient the robot was. It saves us a lot of work when it comes to sandblasting. Since we must wash the

tanks anyway, it is beneficial to use water jetting and vacuum collection. Robotic pretreatment saves our personnel from exposure to lead chromate and lead-containing paint, enables a 70 percent reduction in sand consumption. It is also an advantage not to have to build a scaffolding tent, because the robot can do the job without it, says Caspersen.

Kristian Henriksen in Beerenberg, sees a great potential in using robotic solutions at industrial land plants and surfaces treated with lead-containing paint.

Sustainable maintenance

Lead-containing paint is still found on many tanks at Norwegian industrial plants. Maintenance of these is subject to particularly strict requirements for HSE and the environment, and here the new technologies can be of great help.

Strict environmental regulations are important for stable and safe operations at the Herøya Yara plant. Today, the robotic maintenance solutions collect 100 percent of the waste, which is then filtered to reduce paint waste and further disposal.

Future solutions are both efficient and environmentally friendly, as well as saving employees from noise and vibrations, says Kristian Henriksen. We therefore recommend the use of more sustainable maintenance solutions like this. What is good for the environment is often also good for business, he adds.

In terms of quality, it is also smoother when using water jetting (UHT) versus traditional pre-treatment. When planning such assignments early, it is possible to simplify the process by using rope access or a lift in areas not covered by the robot, and spray painting manually, rather than setting up scaffolding.

- We have a good cooperation in the project, with a project organization that can deliver. We are now looking forward to see the result when both tanks are fully refurbished by Christmas, says Caspersen.

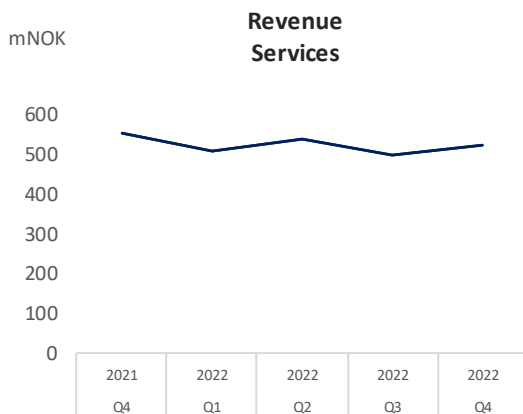
In addition to the robotic maintenance work, Beerenberg has a framework agreement for scaffolding work for Yara's plant at Herøya. The factory area is Norway's largest industrial area with its 1.5 square kilometers.



Business segments

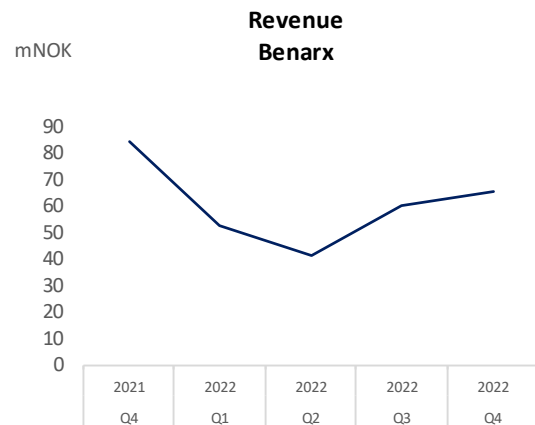
Services

The Service segment revenue for 4th quarter was MNOK 521, a decrease of 6% compared to corresponding period last year mainly due to lower activity in newbuilding projects. Offshore and onshore still with good activity in 4th quarter 2022. The EBITDA margin was 7%.



Benarx

The Benarx segment reported a revenue of MNOK 65 for the quarter with an EBITDA of 21%. Revenue was down 21% compared to the same period last year. Subsea market gaining momentum at the end of the quarter.



Figures & notes



Condensed Consolidated Income Statement

Condensed Consolidated Income Statement

Group Summary		Q4	Q4	YTD	YTD	FY
Amounts in NOK million	Note	2022	2021	2022	2021	2021
Operating revenue	6	569,0	619,4	2 221,9	2 136,0	2 136,0
Operating expenses		520,4	557,7	2 041,9	1 919,6	1 919,6
EBITDA	6	48,6	61,7	180,0	216,5	216,5
Depreciation		15,3	12,5	56,7	49,1	49,1
EBITA		33,3	49,2	123,3	167,4	167,4
Amortisation		12,9	2,2	25,2	14,3	14,3
Operating profit (EBIT)		20,4	47,0	98,1	153,1	153,1
Finance costs - net	4	23,5	21,5	78,7	82,2	82,2
Profit before tax (EBT)		-3,0	25,6	19,4	70,9	70,9
Income Tax expense		-5,5	4,5	0,0	14,4	14,4
Net profit		2,5	21,1	19,4	56,4	56,4
Profit for the period is attributable to:						
Shareholders of the parent company		2,6	21,1	19,6	57,8	57,8
Non controlling interests		-0,1	0,0	-0,2	-1,3	-1,3
Net profit		2,5	21,1	19,4	56,4	56,4
Basic earnings per share for 1.000.000 A shares (NOK)		0,00	0,02	0,02	0,06	0,06
Diluted earnings per share are identical as there are no dilutive effect						
EBITDA margin		8,5 %	10,0 %	8,1 %	10,1 %	10,1 %
EBITA margin		5,8 %	7,9 %	5,6 %	7,8 %	7,8 %

Condensed Consolidated Statement of Comprehensive Income

Amounts in NOK million	Note	Q4 2022	Q4 2021	YTD 2022	YTD 2021	FY 2021
Net profit for the period		2,5	21,1	19,5	56,4	56,4
<i>Other comprehensive income:</i>						
Conversion differences		0,7	0,7	-1,1	-3,4	-3,4
Change in value of derivatives		-1,6	1,1	4,1	6,1	6,1
Total comprehensive income		1,5	22,9	22,4	59,1	59,1

Condensed Consolidated Balance Sheet

Group Summary		Q4	Q4	Q4
Amounts in NOK million	Note	31.12.2022	31.12.2021	31.12.2021
Intangible assets		52,1	19,2	19,2
Goodwill		782,8	782,8	782,8
Property, plant and equipment		210,0	208,3	208,3
Financial fixed assets		14,3	20,2	20,2
Deferred tax assets		0,0	3,0	3,0
Total non-current assets		1 059,2	1 033,6	1 033,6
Inventory		93,9	77,8	77,8
Accounts receivables from customers		261,7	306,4	306,4
Earned, not invoiced accounts receivables		215,9	195,2	195,2
Other receivables		41,9	23,7	23,7
Cash at bank		113,3	193,3	193,3
Total current assets		726,7	796,4	796,4
TOTAL ASSETS		1 785,8	1 830,0	1 830,0
Share capital		26,7	26,7	26,7
Share premium		240,3	240,3	240,3
Other equity		302,3	279,5	279,5
Non controlling interests		-0,5	-0,1	-0,1
Total equity		568,8	546,4	546,4
Pension liabilities		19,3	17,3	17,3
Deferred tax liabilities		0,0	0,0	0,0
Interest bearing long-term liabilities	4	26,1	665,2	665,2
Total non-current liabilities		45,4	682,5	682,5
Interest bearing short-term liabilities	4	680,0	78,9	78,9
Supplier liabilities		133,9	188,0	188,0
Tax payable		9,4	18,5	18,5
Social Security, VAT and other taxes		83,5	91,0	91,0
Other short-term liabilities		242,7	203,2	203,2
Warranty liabilities		22,2	21,5	21,5
Total Current Liabilities		1 171,6	601,1	601,1
TOTAL EQUITY & LIABILITY		1 785,8	1 830,0	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					19,8	19,8	-0,4	19,4
Other Comprehensive Income			-1,1	4,1		3,0		3,0
Changes in non-controlling interests								
Equity as per 31.12.2022	26,7	240,3	-2,2	9,3	295,2	569,3	-0,5	568,8

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					57,8	57,8	-1,3	56,4
Other Comprehensive Income			-3,4	6,1		2,7		2,7
Changes in non-controlling interests							0,4	0,4
Equity as per 31.12.2021	26,7	240,3	-1,0	5,2	275,4	546,5	-0,1	546,4

Condensed Consolidated Statement of Cash Flow

Amounts in NOK million	Note	Q4 2022	Q4 2021	YTD 2022	YTD 2021	FY 2021
EBITDA		48,6	61,7	180,1	216,4	216,4
Taxes paid		-7,4	-0,6	-19,8	-13,3	-13,3
Change in net working capital		87,1	-1,2	-23,5	-26,4	-26,4
Changes to other time restricted items		3,1	2,9	8,0	0,6	0,6
Net Cash flow from operating activities		131,4	62,8	144,9	177,3	177,3
Capex		-15,8	-14,8	-36,6	-41,8	-41,8
Acquisition of shares in subsidiary		-25,0	0,0	-50,2	0,0	0,0
Net cash flow from investing activities		-40,8	-14,8	-86,8	-41,8	-41,8
Net repayment of interest bearing debt		-30,8	-25,2	-64,7	-12,9	-12,9
Changes in non-controlling interests		0,0	0,1	0,0	0,1	0,1
Net interest paid	4	-16,8	-24,5	-73,4	-69,0	-69,0
Net cash flow from financing activities		-47,6	-49,6	-138,1	-81,8	-81,8
Total cash flow		43,0	-1,5	-80,0	53,6	53,6
					0,0	
Opening balance net bank deposits		70,3	194,9	193,3	139,7	139,7
Closing balance net bank deposits		113,3	193,3	113,3	193,3	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 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 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 September 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 4th 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

Amounts in NOK million	Q4 2022	Q4 2021	YTD 2022	YTD 2021	FY 2021
Services	520,9	554,5	2 063,7	1 903,0	1 903,0
Benarx	65,3	84,3	219,2	308,2	308,2
Eliminations	-17,2	-19,3	-61,0	-75,2	-75,2
Total	569,0	619,4	2 221,9	2 136,0	2 136,0

EBITDA by Segment

Amounts in NOK million	Q4 2022	Q4 2021	YTD 2022	YTD 2021	FY 2021
Services	35,0	44,3	159,1	175,6	175,6
Benarx	13,5	17,4	20,9	40,9	40,9
Total	48,6	61,7	180,0	216,5	216,5

Note 7 – Subsequent events

After the reporting date one of Beerenberg's employees was injured in a work accident at Mongstad. The employee, who is seriously injured, is in stable condition and receiving treatment at Hospital.

After the accident Beerenberg has been closely following up all parties concerned. Beerenberg are carrying out a joint investigation of the accident together with client in addition to other relevant authorities' investigations, in line with customary policies pertaining to serious accidents.