



Q4

Unaudited 4th Quarter and preliminary Annual results 2019

Headlines

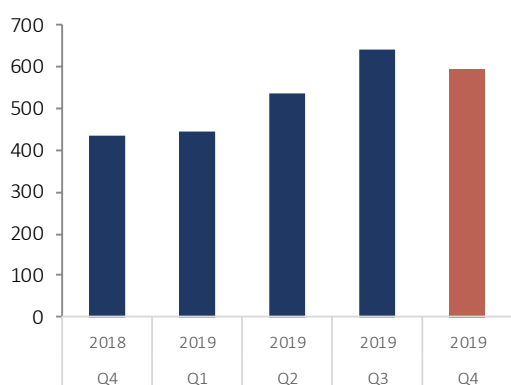
“Activity level seasonally high for the quarter”



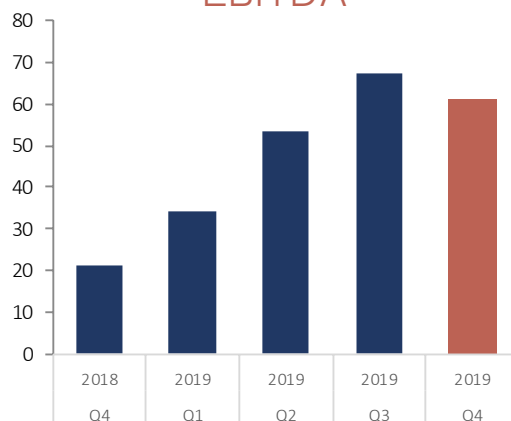
This Quarter

Operating Revenue	593 mNOK
EBITDA	61 mNOK
Cash Flow from Operations	201 mNOK
Order Intake*	13 mNOK
SIF	1,2
Employees**	1312

REVENUE



EBITDA



* includes frame agreements and exercise of options

** Employees end of quarter



Group Overview

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

- Revenue of MNOK 593, up from MNOK 436 in 4th quarter 2018. (+ 36 %)
- EBITDA of MNOK 61, up from MNOK 21 in 4th quarter 2018.
- Total order intake of MNOK 13, down from MNOK 31 in 4th quarter 2018.
- Estimated order backlog at the end of the quarter was MNOK 9.3, up from MNOK 9.1 due to adjustment to estimated value of maintenance agreements.

Income Statement

The Group delivered a solid 4th quarter performance improvement compared to 4th quarter last year. The increase is mainly related to higher activity in maintenance and modification in the Service segment

The full year 2019 shows a significant increase in revenue to MNOK 2210, up 45% compared to MNOK 1520 in 2018.

With a EBITDA of MNOK 61, the EBITDA margin was 10.3%, up from 4.9% compared to 4th quarter 2018, mainly driven by improved operational performance and increased activity.

Full year EBITDA ended at MNOK 216, up 122.6% compared to MNOK 97 in 4th quarter 2018.

Net financial cost in the 4th quarter 2019 were MNOK 22, somewhat higher than the corresponding quarter last year due to negative currency effect. Net financial cost

for the full year ended at MNOK 80, up from MNOK 78 last year.

The net profit in the 4th quarter 2019 was MNOK 12 versus a loss of MNOK 18 in 4th quarter 2018.

Full year net profit of 2019 was MNOK 46 versus a loss of MNOK 31 last year.

Balance Sheet

The balance sheet reflects a higher activity level as well as the IFRS 16 impact. (Note 7)

Total assets were MNOK 1 858 at the end of the quarter, with an equity ratio of 24%.

Total non-current assets were MNOK 1084, up from MNOK 1020. Current assets of MNOK 773 were up from MNOK 608 compared to the end of 4th quarter 2018.

Total current liabilities of MNOK 467 were up from MNOK 350, and total non-current liabilities were MNOK 950 compared to 885 at the end of 4th quarter 2018.

The Net interest-bearing debt was MNOK 664 compared to MNOK 656 in 4th quarter 2018, where the increase relates to the implementation of IFRS 16 offset by increase in cash.

Net working capital ended at MNOK 73, compared to MNOK 66 at the end of 4th quarter 2018.

Cash Flow

Cash flow from operating activities was MNOK 201 in 4th quarter 2019 versus MNOK 75 in corresponding period last year. The increase relates both to increased EBITDA and decrease in Net working capital in the quarter

The Groups cash position by the end of the year was MNOK 257, up from MNOK 199 for 2018.

Order Backlog & Market

The tender activity has been stable during the 4th quarter of 2019 relating both to Benarx deliveries and services projects. The outlook is generally good, especially internationally.

Total order intake of new contracts was relatively low with approximately MNOK 13 for the period. The awards were mainly related to smaller insulation projects both topside and subsea. Forecasts for the ongoing major contracts have in general been increased significantly due to the newly revised activity forecast for the upcoming 2-3 years.

The current estimated order backlog (including frame agreements and options) is BNOK 9,3.

HSEQ

At the end of 4th quarter Beerenberg had 1312 employees, down from 1485 last quarter.

In the quarter there was one serious incident. The SIF (Serious Incident Frequency) was 1,2 in the quarter and 0,96 for 2019.

Business Segments

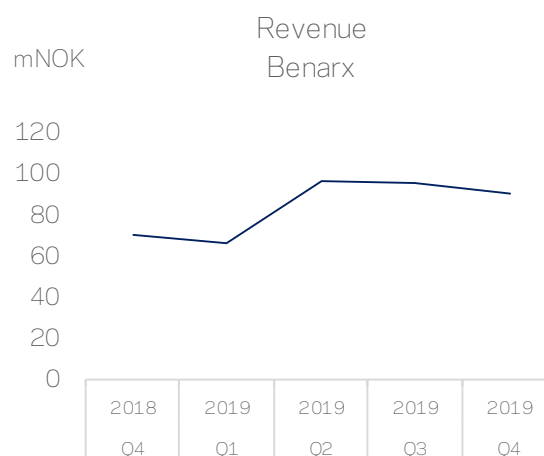
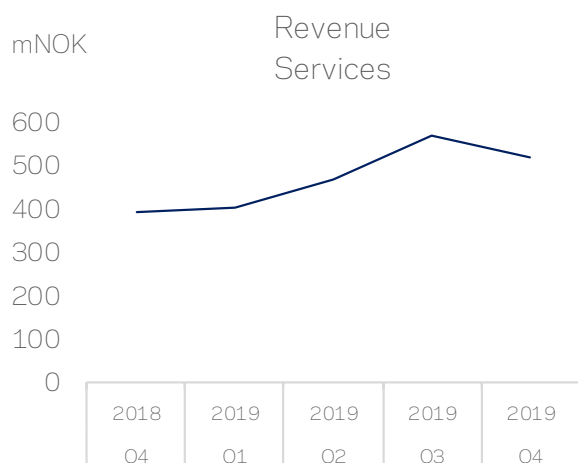
“High activity level in both segments”

Services

The Service segment revenue for 4th quarter was MNOK 520, with an EBITDA margin of 10,8%. The revenue grew 32%, compared to the same period last year mainly due to higher activity in the maintenance and modification segment.

Benarx

The Benarx segment reports a revenue of MNOK 90 for the quarter with an EBITDA of 5,6%. Revenue was up 29% compared to the same period last year. Subsea insulation activity increased markedly in the 4th quarter.





FIGURES & NOTES

Figures for Beerenberg

Condensed Consolidated Income Statement

Group Summary		Q4	Q4	YTD	YTD	FY
Amounts in NOK million	Note	2019	2018	2019	2018	2018
Operating revenue	6	593,0	436,1	2 209,6	1 519,6	1 519,6
Operating expenses		531,9	414,6	1 993,4	1 422,5	1 422,5
EBITDA	6	61,1	21,4	216,1	97,0	97,0
Depreciation		16,3	9,2	56,1	32,1	32,1
EBITA		44,8	12,2	160,1	65,0	65,0
Amortisation		4,4	4,2	18,0	17,3	17,3
Operating profit (EBIT)		40,4	8,0	142,0	47,7	47,7
Finance costs - net	4	21,8	17,9	80,0	77,9	77,9
Profit before tax (EBT)		18,6	-9,9	62,0	-30,2	-30,2
Income Tax expense		6,8	8,1	16,3	1,2	1,2
Net profit		11,9	-18,0	45,7	-31,4	-31,4
Profit for the period is attributable to:						
Shareholders of the parent company		11,9	-18,0	45,7	-31,4	-31,4
Basic earnings per share (NOK)		0,04	-0,07	0,17	-0,12	-0,12
Diluted earnings per share are identical as there are no dilutive effect						
<i>EBITDA margin</i>		10,3 %	4,9 %	9,8 %	6,4 %	6,4 %
<i>EBITA margin</i>		7,6 %	2,8 %	7,2 %	4,3 %	4,3 %

Condensed Consolidated Statement of Comprehensive Income

Amounts in NOK million	Note	Q4 2019	Q4 2018	YTD 2019	YTD 2018	FY 2018
Net profit for the period		11,9	-18,0	45,7	-31,4	-31,4
<i>Other comprehensive income:</i>						
Conversion differences		0,7	2,2	-1,5	-0,6	-0,6
Change in value of derivatives		0,0	-0,9	2,3	3,8	3,8
Total comprehensive income		12,6	-16,7	46,5	-28,2	-28,2

Condensed Consolidated Balance Sheet

Group Summary		Q4	Q4	FY
Amounts in NOK million	Note	31.12.2019	31.12.2018	31.12.2018
Goodwill		782,8	782,8	782,8
Intangible assets		47,5	65,9	65,9
Property, plant and equipment	7	246,2	171,8	171,8
Financial fixed assets		7,8	0,0	0,0
Total non-current assets		1 084,2	1 020,5	1 020,5
Goods		61,2	44,8	44,8
Accounts receivables from customers		251,6	186,4	186,4
Earned Not Invoiced Revenue (WIP)		187,0	163,7	163,7
Other Short Term Receivables		16,8	13,7	13,7
Cash and cash equivalents		256,8	199,3	199,3
Total current assets		773,4	607,8	607,8
TOTAL ASSETS		1 857,6	1 628,3	1 628,3
Share Capital		26,7	26,7	26,7
Share premium		240,3	240,3	240,3
Retained Earnings		127,7	127,0	127,0
Current year result after est. Tax		45,7	0,0	0,0
Total equity		440,4	394,0	394,0
Deferred tax liabilities		5,0	2,7	2,7
Pension obligations		10,1	7,2	7,2
Warranty provision		19,0	16,5	16,5
Financial Lease loan	7	69,0	8,2	8,2
Bond	4	844,9	840,6	840,6
Derivatives		2,2	9,5	9,5
Total non-current liabilities		950,2	884,6	884,6
Overdraft & accrued interests		7,3	6,8	6,8
Supplier liabilities		161,8	147,6	147,6
Tax payable		16,0	0,0	0,0
Social Security, VAT and other taxes		91,1	57,2	57,2
Accruals		108,7	71,7	71,7
Deferred Revenue		0,0	0,0	0,0
Other Current Liabilities		82,1	66,4	66,4
Total Current Liabilities		467,0	349,7	349,7
TOTAL EQUITY & LIABILITY		1 857,6	1 628,3	1 628,3

Condensed Consolidated Statement of Change in Equity

Amounts in NOK million	Share capital	Share premium	Conversion reserve	Hedging reserve	Retained earnings	Total
01. January 2019	26,7	240,3	4,9	-3,080	125,1	394,0
Net profit					45,7	45,7
Other Comprehensive Income			-1,5	2,3		0,7
Equity as per 31.12.2019	26,7	240,3	3,4	-0,83	170,8	440,4

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	156,5	422,2
Net profit					-31,4	-31,4
Other Comprehensive Income			-0,6	3,8		3,3
Equity as per 31.12.2018	26,7	240,3	4,9	-3,1	125,1	394,0

Condensed Consolidated Statement of Cash Flow

Amounts in NOK million	Note	Q4 2019	Q4 2018	YTD 2019	YTD 2018	FY 2018
EBITDA		61,1	21,4	216,2	97,0	97,0
Taxes paid		-0,1	-5,1	-0,1	-41,5	-41,5
Change in net working capital		139,6	57,2	-8,4	75,3	75,3
Changes to other time restricted items		0,4	1,0	-8,0	-10,1	-10,1
Net Cash flow from operating activities		201,0	74,7	199,6	120,8	120,8
Capex		-6,2	-12,1	-52,3	-38,9	-38,9
Net cash flow from investing activities		-6,2	-12,1	-52,3	-38,9	-38,9
Net repayment of interest bearing debt		-3,7	-0,5	-16,8	-3,2	-3,2
Net interest paid	4	-18,7	-16,7	-73,0	-68,8	-68,8
Net cash flow from financing activities		-22,4	-17,2	-89,8	-72,0	-72,0
Total cash flow		172,4	45,4	57,5	9,9	9,9
Opening balance net bank deposits		84,4	153,9	199,3	189,4	189,4
Closing balance net bank deposits		256,8	199,3	256,8	199,3	199,3

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 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 2018 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.	833 732	83,4 %	223 247 653	83,9 %	224 081 385	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	50 828	5,1 %	11 510 354	4,3 %	11 561 182	4,3 %
Total	1 000 000	100 %	266 000 000	100 %	267 000 000	100 %

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 2018. The accounting policies applied in the interim financial statements is the same as those described in the Annual Report for 2018, with the exceptions of IFRS 16 Leasing. This standard is new and implemented as of 01.01.2019. Refer to note 7 for implication effects of this standard and refer to note 3, section New standards and interpretations not yet adopted, in the Annual Report for 2018 for further description of this standard.

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 2018 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 2018. Please refer to Note 3 in the Annual Report for 2018.

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 renewed 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 31.12.2019.

Note 5 - Related party transactions

No related party transactions were conducted in 4th Quarter of 2019.

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 2019	Q4 2018	YTD 2019	YTD 2018	FY 2018
Services	519,9	392,8	1 958,9	1 373,8	1 373,8
Benarx	90,2	70,4	347,8	219,6	219,6
Eliminations	-17,1	-27,1	-97,1	-73,8	-73,8
Total	593,0	436,1	2 209,6	1 519,6	1 519,6

EBITDA by Segment

Amounts in NOK million	Q4 2019	Q4 2018	YTD 2019	YTD 2018	FY 2018
Services	56,0	33,0	186,3	119,1	119,1
Benarx	5,1	-11,6	29,8	-22,1	-22,1
Other	0,0	0,0	0,0	0,0	0,0
Total	61,1	21,4	216,1	97,0	97,0

Note 7 IFRS 16 Leases

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

The group has adopted the standard from 01.01.2019 using the Simplified approach. The group has implemented the standard by applying the exceptions in the standard to exclude short-term and low-value leases. When considering the relevant rental period in the lease contracts, options to extend the contracts are included to the extent that they are very likely to be exercised. When calculating the present value of the lease contracts alternative borrowing rates for similar assets in similar economic environments are applied as discount rate.

The implementation effect of IFRS 16 as at 1st of January 2019 was increased assets "right of use" of the amount MNOK 70, corresponding to an increased liability, lease obligation, of the amount MNOK 70. The effect on Profit and Loss for 2019 compared to what would have been the case using the previous standard, is calculated to the following; operating cost decreased by MNOK 16, Depreciation increased by MNOK 16, Financial cost increased by MNOK 3, and thus EBT decreased by MNOK 3.

The difference between irrevocable operating leasing liabilities in note 22 of the annual accounts for 2018 of MNOK 81 and the implementation effect of IFRS 16 as at 1st January 2019 of MNOK 70 is related to the discounting effect when calculating the lease obligation.

The implementation of IFRS 16 has no cashflow impact.

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 31.12.2019.