



Q4

Unaudited 4th Quarter and preliminary Annual results 2020

Headlines

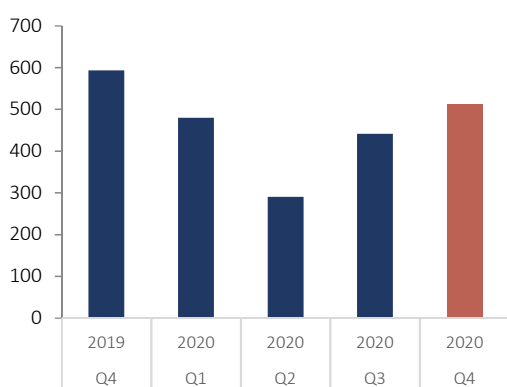
“Strong performance in difficult environment 2020”



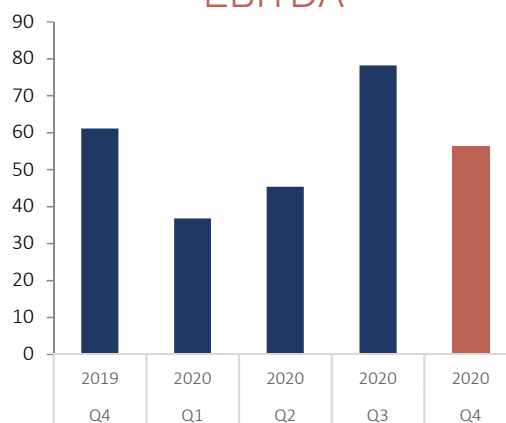
This Quarter

Operating Revenue	511 mNOK
EBITDA	57 mNOK
Cash Flow from Operations	58 mNOK
Order Intake*	22 mNOK
SIF	0
Employees**	1203

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:

- Activity continued to increase as the Covid-19 restrictions and quarantine regulations are being managed more efficiently by the Group and the customers.
- Revenue was MNOK 511, down 14% compared to 4th quarter 2019.
- EBITDA of MNOK 57, down 7 % compared to Q4 2019.
- Lower activity within most areas due to the Covid-19 pandemic explains the decrease in revenues compared to Q4 2019. The still strong EBITDA is mostly explained by good operational performance.
- Total order intake in the period was MNOK 22 vs MNOK 13 in the 4th quarter 2019.
- Estimated order backlog at the end of the quarter was BNOK 8.3 compared to BNOK 9,3 at the 4th quarter last year
- The refinancing process was completed in the quarter with a new bond of NOK 750 million in place.

Income Statement

Revenue in 4th quarter was MNOK 511 compared to MNOK 593 in 4th quarter 2019. The decrease from the corresponding quarter last year relates mainly to Covid-19 effects, such as restrictions on travel i.e.

The revenue year to date of MNOK 1723 is down 22% from MNOK 2210 year end 2019. The decrease in activity is related to Covid-19 effects from the middle of March.

EBITDA in 4th quarter 2020 was MNOK 57 down from MNOK 61 compared to corresponding quarter last year. Cost reductions and strong operational performance explains the improved margins.

Financial cost in the 4th quarter 2020 was MNOK 38, up from MNOK 22 in the 4th quarter 2019. The difference is mainly due to the refinancing of the bond and currency effects due to the strengthening of the NOK compared to other currencies, mainly USD.

Net profit in 4th quarter 2020 was MNOK 4 compared to a net profit of MNOK 12 in 4th quarter 2019.

Balance Sheet

The balance sheet reflects increased activity level towards the end of the quarter compared to earlier periods. The groups cash position has decreased compared to last year mainly due to the repayment of the old bond (MNOK 850) and the new 3-year bond issue (MNOK 750). Total assets were MNOK 1 676 at the end of the quarter, with an equity ratio of 29%.

Total non-current assets were MNOK 1037, down from MNOK 1084 compared to the end of 4th quarter 2019. Current assets of MNOK 639 were down from MNOK 773.

Total current liabilities of MNOK 420 were down from MNOK 467 at the end of 4th quarter 2019 and total non-current liabilities were MNOK 769 compared to 950 at the end of 4th quarter 2019.

The net interest-bearing debt was MNOK 599 compared to MNOK 664 in 4th quarter 2019.

Net working capital ended at MNOK 95 in the period, compared to MNOK 73 at the end of 4th quarter 2019.

Cash Flow

The Groups cash position was MNOK 140 by the end of 4th quarter 2020 compared to MNOK 257 as by the end of the 4th quarter 2019. The reason is repayment of the old bond and issue of a new and smaller bond.

Cash flow from operating activities was positive by MNOK 58 in 4th quarter 2020 versus positive MNOK 201 in corresponding period last year. The decrease relates mainly to changes in the net working capital in the quarter.

Total cashflow in 4th quarter 2020 was negative MNOK 165 compared to positive MNOK 172 in 4th quarter 2019. The difference between the periods is mainly explained by repayment of bond, acquisition of own bonds and changes in net working capital.

Capex was MNOK 9 compared to MNOK 6 same quarter last year.

Order Backlog & Market

The tender activity has been stable during the 4th quarter of 2020 relating both to Benarx/Subsea deliveries and maintenance/new build ISO projects.

Total order intake of new contracts was approximately MNOK 22 for the period. The order intake consists of several minor awards mainly related to Benarx/Subsea and Decommissioning deliveries/projects.

The current estimated order backlog (including frame agreements and options) is BNOK 8,3.

HSEQ

At the end of 4th quarter Beerenberg had 1203 employees, down from 1220 last quarter.

Zero serious incidents this quarter, results in a total Serious Incident Frequency (SIF) in the period of 0 and 2,2 during the last 12 months.

Environment, Social and Governance

For Beerenberg attention to ESG is fundamentally about safeguarding our own future, secure sustainable conditions for the environment and generally help create positive social development.

ESG is directly linked to the long-term success of Beerenberg. It is our vision to go "Beyond expectations" - to seek solutions that exceed the expectations of the wider world and we therefore have a responsibility to drive necessary changes, while continually seeking out and creating more sustainable solutions.

We have consistently been working on our HSEQ performance and we are working on strengthen our approach to the wider ESG scope. We are in the process of formalizing reporting in line with recognized ESG frameworks and stakeholder expectations.

Covid-19

From the middle of March, the covid-19 pandemic has had an immediate disruptive effect on the company, with most projects shifting from high activity to minimum activity as both the Norwegian authorities and customers implemented regulations to reduce the spread of the virus. Beerenberg took immediate action to manage its cost and adapted the organization to the lower activity level.

Beerenberg is not going through this crisis unaffected but from the middle of April a slow recovery started which continued during the subsequent quarters. The constantly evolving Covid-19 situation remains unpredictable. Beerenberg's ability to deliver products and services is good but will be subject to changes in regulations on the flow of products and manpower. Persistent restrictions on travel between countries and closed borders represents challenges and affects our flexibility and ability to deliver.

Beerenberg has implemented quarantine rules and covid-19 test regime for all of our foreign workers in order to prevent outbreak of covid-19 at our projects.

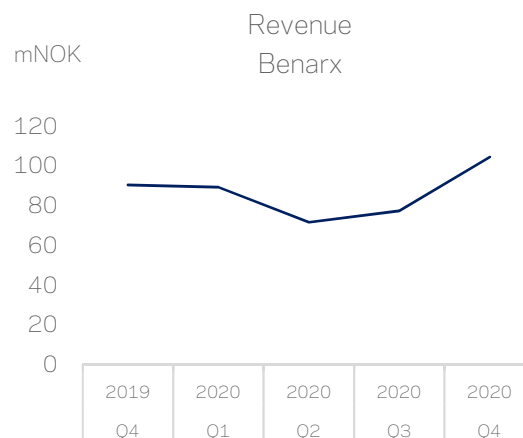
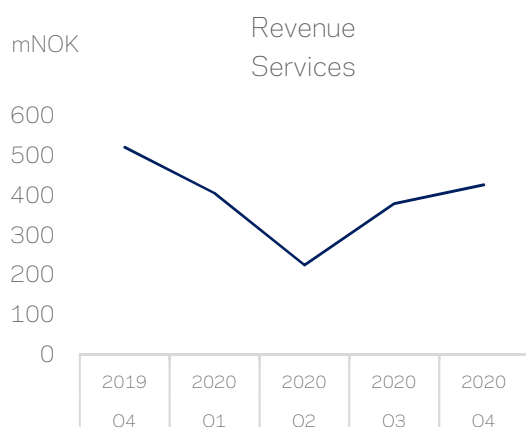
Business Segments

Services

The Service segment revenue for 4th quarter was MNOK 425, a drop of 18% compared to last year mainly due to covid-19. The EBITDA margin was 9.2%. Cost related to Covid-19 protocols, but also cost reductions, and strong operational performance explains the margins.

Benarx

The Benarx segment reports a revenue of MNOK 104 for the quarter with an EBITDA of 16,8%. Revenue was up 15% compared to the same period last year. Despite impacts of the Covid-19 pandemic in the whole period, cost savings and solid operational performance results in improved margins in in the segment during the period.





FIGURES & NOTES

Condensed Consolidated Income Statement

Group Summary		Q4	Q4	YTD	YTD	FY
Amounts in NOK million	Note	2020	2019	2020	2019	2019
Operating revenue	6	511,2	593,0	1 722,7	2 209,6	2 209,6
Operating expenses		454,8	531,9	1 506,0	1 993,4	1 993,4
EBITDA	6	56,5	61,1	216,7	216,1	216,1
Depreciation		14,1	16,3	54,4	56,1	56,1
EBITA		42,4	44,8	162,3	160,1	160,1
Amortisation		4,1	4,4	16,5	18,0	18,0
Operating profit (EBIT)		38,3	40,4	145,8	142,0	142,0
Finance costs - net	4	38,3	21,8	90,8	80,0	80,0
Profit before tax (EBT)		0,0	18,6	55,0	62,0	62,0
Income Tax expense		-3,5	6,8	8,5	16,7	16,7
Net profit		3,6	11,9	46,5	45,4	45,4
Profit for the period is attributable to:						
Shareholders of the parent company		3,6	11,9	46,5	45,4	45,4
Non controlling interests		0,0	0,0	0,0	0,0	0,0
Net profit		3,6	11,9	46,5	45,4	45,4
Basic earnings per share (NOK)		0,01	0,04	0,17	0,17	0,17
Diluted earnings per share are identical as there are no dilutive effect						
<i>EBITDA margin</i>		11,0 %	10,3 %	12,6 %	9,8 %	9,8 %
<i>EBITA margin</i>		8,3 %	7,6 %	9,4 %	7,2 %	7,2 %

Condensed Consolidated Statement of Comprehensive Income

Amounts in NOK million	Note	Q4 2020	Q4 2019	YTD 2020	YTD 2019	FY 2019
Net profit for the period		3,6	11,9	46,4	45,4	45,4
<i>Other comprehensive income:</i>						
Conversion differences		-1,9	0,7	-1,1	-1,5	-1,5
Change in value of derivatives		5,4	0,0	0,0	2,3	2,3
Total comprehensive income		7,1	12,6	45,3	46,1	46,1

Condensed Consolidated Balance Sheet

Group Summary		Q4	Q4	FY
Amounts in NOK million	Note	31.12.2020	31.12.2019	31.12.2019
Goodwill	7	782,8	782,8	782,8
Intangible assets		31,1	47,5	47,5
Property, plant and equipment		213,6	246,2	246,2
Financial fixed assets		9,9	7,8	7,8
Total non-current assets		1 037,3	1 084,2	1 084,2
Goods		66,2	61,2	61,2
Accounts receivables from customers		249,6	251,6	251,6
Earned Not Invoiced Revenue (WIP)		144,0	187,0	187,0
Other Short Term Receivables		39,2	16,8	16,8
Cash and cash equivalents		139,7	256,8	256,8
Total current assets		638,8	773,4	773,4
TOTAL ASSETS		1 676,0	1 857,6	1 857,6
Share Capital		26,7	26,7	26,7
Share premium		240,3	240,3	240,3
Retained Earnings		173,4	173,1	173,1
Current year result after est. Tax		46,5	0,0	0,0
Total equity		486,9	440,1	440,1
Deferred tax liabilities		0,3	5,0	5,0
Pension obligations		12,2	10,1	10,1
Warranty provision		19,8	19,0	19,0
Financial Lease loan		54,6	69,0	69,0
Bond	4	680,8	844,9	844,9
Derivatives		1,1	2,2	2,2
Total non-current liabilities		768,8	950,2	950,2
Overdraft & accrued interests		3,7	7,3	7,3
Supplier liabilities		135,3	161,8	161,8
Tax payable		12,0	16,4	16,4
Social Security, VAT and other taxes		72,3	91,1	91,1
Accruals		103,6	108,7	108,7
Deferred Revenue		22,4	0,0	0,0
Other Current Liabilities		71,0	82,1	82,1
Total Current Liabilities		420,3	467,4	467,4
TOTAL EQUITY & LIABILITY		1 676,0	1 857,6	1 857,6

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 2020	26,7	240,3	3,4	-0,8	170,5	440,1	0,0	440,1
Net profit					46,5	47,1	-0,6	46,5
Other Comprehensive Income			-1,1	0,0		-1,1		-1,1
Changes in non-controlling interests							1,5	1,5
Equity as per 31.12.2020	26,7	240,3	2,3	-0,9	217,0	486,1	0,8	486,9

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 2019	26,7	240,3	4,9	-3,1	125,1	394,0	0,0	394,0
Net profit					45,4	45,4		45,4
Other Comprehensive Income			-1,5	2,3		0,7		0,7
Equity as per 31.12.2019	26,7	240,3	3,4	-0,8	170,4	440,1	0,0	440,1

Condensed Consolidated Statement of Cash Flow

Amounts in NOK million	Note	Q4 2020	Q4 2019	YTD 2020	YTD 2019	FY 2019
EBITDA		56,5	61,1	216,7	216,2	216,2
Taxes paid		-16,4	-0,1	-16,4	-0,1	-0,1
Change in net working capital		22,9	139,6	-21,7	-8,4	-8,4
Changes to other time restricted items		-5,3	0,4	-4,7	-8,0	-8,0
Net Cash flow from operating activities		57,7	201,0	174,0	199,6	199,6
Capex		-8,5	-6,2	-17,2	-52,3	-52,3
Net cash flow from investing activities		-8,5	-6,2	-17,2	-52,3	-52,3
Net repayment of interest bearing debt		-180,9	-3,7	-186,9	-16,8	-16,8
Changes in non-controlling interests		0,0	0,0	1,6	0,0	0,0
Net interest paid	4	-33,3	-18,7	-88,6	-73,0	-73,0
Net cash flow from financing activities		-214,2	-22,4	-273,8	-89,8	-89,8
Total cash flow		-164,9	172,4	-117,1	57,5	57,5
Opening balance net bank deposits		304,7	84,4	256,8	199,3	199,3
Closing balance net bank deposits		139,7	256,8	139,7	256,8	256,8

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 2019 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	100,0 %	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 2019. The accounting policies applied in the interim financial statements is the same as those described in the Annual Report for 2019.

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 2019 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 2019. Please refer to Note 3 in the Annual Report for 2019.

Note 4 - Bond and covenants

A 3-year Senior Secured Bond of MNOK 750 was issued in Q4 2020, and the previous bond of MNOK 850 was repaid. In total Beerenberg repaid MNOK 100 and acquired MNOK 50 in own bonds. 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 9.0 Q4 2020). The group is in compliance with covenants as of 31st of December 2020.

Note 5 - Related party transactions

No related party transactions were conducted in 4th Quarter of 2020.

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 2020	Q4 2019	YTD 2020	YTD 2019	FY 2019
Services	425,2	519,9	1 431,1	1 958,9	1 958,9
Benarx	104,2	90,2	341,9	347,8	347,8
Eliminations	-18,1	-17,1	-50,3	-97,1	-97,1
Total	511,2	593,0	1 722,7	2 209,6	2 209,6

EBITDA by Segment

Amounts in NOK million	Q4 2020	Q4 2019	YTD 2020	YTD 2019	FY 2019
Services	39,0	56,0	166,6	186,3	186,4
Benarx	17,5	5,1	50,0	29,8	29,7
Other	0,0	0,0	0,0	0,0	0,0
Total	56,5	61,1	216,7	216,1	216,1

Note 7 - Goodwill

Goodwill is allocated to the two operating segments with MNOK 200 to Benarx and MNOK 583 to Services. Goodwill is tested annually for impairment by comparing net present value of expected future cashflows to net capital employed for both operating segments. IAS 36 also requires an entity at each reporting date to assess whether there is any indication that an asset may need to be impaired.

Refer to note 12 in the annual report for further description of Goodwill and test for impairment. The impairment test in the 4th Quarter of 2020 has been performed with the same underlying assumptions, however updated with revised future cash flows following the new market situation. The conclusion of this test is that recoverable amount through expected future cashflows exceeds the carrying amount of net capital employed in both segments, and that no impairment was required in either segment.

The table below set out changes in assumptions that results in an impairment situation and shows good headroom.

Change in assumption	Benarx	Services
Required rate of return*	+ 10,4 %	+4,5 %
Revenue **	- 42 %	-33 %
Operating Result	-52 %	-42 %

* The group has applied a nominal WACC after tax of 9,3%. The figure shows that if the WACC was set to 19,7% for Benarx and 13,8% for Services it will result in an impairment.

**margins as before change of assumption

Note 8 - Investment in Subsidiary

Together with DSL Thailand, a subsidiary Beerenberg DSL Ltd was established in the 2nd Quarter of 2020. The first project for the company is supply and installation of insulation material to the Johan Sverdrup phase 2 project under construction at the Aibel yard in Thailand. The investment by DSL Thailand in Beerenberg DSL Ltd represents a non-controlling interest, thus net profit that is attributable to non-controlling interest is presented in the Condensed Statement of Income and in the Condensed Consolidated Statement of Change in Equity.

Note 9 - Subsequent events

The covid-19 pandemic will continue to have an impact on the business after the reporting date, but no events occurred that are of significant impact when considering the financial position or result in the group as at 31.12.2020.