

BEERENBERG AS

Unaudited First half year and 2nd Quarter results 2021



Q221

Headlines

“Activity increasing as restrictions soften”

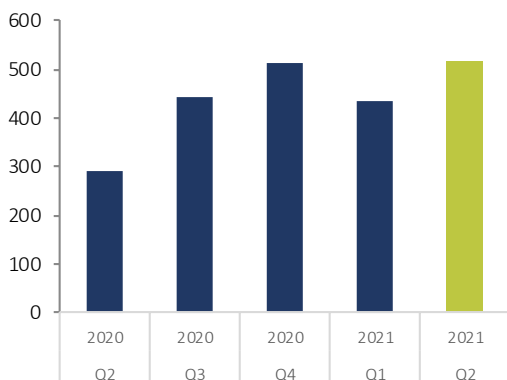
THIS QUARTER

Operating Revenue **518 MNOK**
EBITDA **60 MNOK**

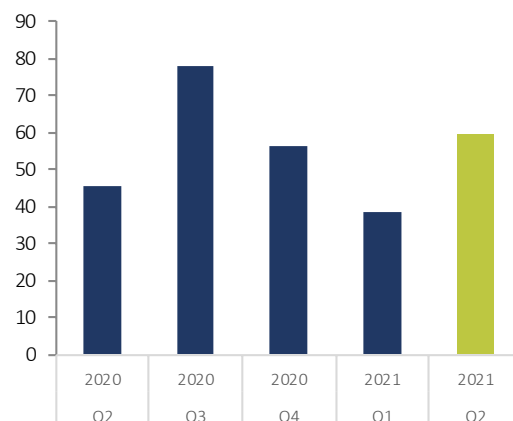
Cash Flow from Operations **-27 MNOK**
Order Intake **400 MNOK**
SIF **1,5**
Employees* **1198**

* Employees end of quarter

REVENUE



EBITDA



Group overview

The highlights for Beerenberg (Beerenberg AS consolidated) in the 2nd quarter 2021 were:

- Activity increased during the period.
- Covid-19 regulations and restrictions on personnel softening in the period.
- Revenue was MNOK 518, up 79% compared to 2nd quarter 2020. The main reason for the increase is the low activity in 2020 due to the Covid-19 pandemic.
- EBITDA of MNOK 60, up from MNOK 45 compared to Q2 2020. Q2 2020 was positively affected by the government compensation program.
- Covid-19 is still having a negative effect on staffing.
- Total order intake in the period was MNOK 400 vs MNOK 140 in the 2nd quarter 2020.
- Estimated order backlog at the end of the quarter was BNOK 7,8 compared to BNOK 8,8 at the end of 2nd quarter last year.
- BBERG03 MNOK 750 bond was listed on Oslo stock exchange in during the period.

Income Statement

Revenue in 2nd quarter was MNOK 518 compared to MNOK 290 in 2nd quarter 2020. The increase from the corresponding quarter last year relates mainly to the Covid-19 lock down in the 2nd quarter 2020 where the activity was low. In the 2nd quarter 2021 the group had relatively high activity within most areas.

EBITDA in 2nd quarter 2021 was MNOK 60 up from MNOK 45 in the corresponding quarter last year. Cost reductions and good operational performance, but also handling the Covid-19 protocols in a good way explains the EBITDA margin.

Financial cost in the 2nd quarter 2021 was MNOK 21, down from MNOK 24 in the 2nd quarter 2020.

Net profit in 2nd quarter 2021 was MNOK 17 compared to a net profit of MNOK 3 in 2nd quarter 2020.



Balance Sheet

The balance sheet reflects the activity level in the quarter compared to last year. 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 1 651 at the end of the quarter, with an equity ratio of 31%.

Total non-current assets were MNOK 1027, down from MNOK 1058 compared to the end of 2nd quarter 2020. Current assets of MNOK 624 were down from MNOK 693.

Total current liabilities of MNOK 481 were down from MNOK 1 227 at the end of 2nd quarter 2020 and total non-current liabilities were MNOK 662 compared to 76 at the end of 2nd quarter 2020. From Q4-2020 the bond is classified as non-current liability following the completion of the refinancing process and issue of the new bond.

The net interest-bearing debt was MNOK 655 compared to MNOK 633 in 2nd quarter 2020.

Net working capital ended at MNOK 172 in the period, compared to MNOK 84 at the end of 2nd quarter 2020. The net working capital level reflects the increase in activity level.

Cash Flow

The Groups cash position was MNOK 69 by the end of 2nd quarter 2021 compared to MNOK 288 as by the end of the 2nd quarter 2020. The main reason for the decline is repayment of the old bond and issue of a new bond of a lower amount but also higher activity with working capital effects.

Cash flow from operating activities was negative by MNOK 27 in 2nd quarter 2021 versus positive MNOK 96 in corresponding period last year. The decrease relates mainly to increasing net working capital in 2nd quarter 2021 as a result of higher activity in the period this year compared to the corresponding period last year.

Total cashflow in 2nd quarter 2021 was negative by MNOK 77 compared to positive MNOK 78 in 2nd quarter 2020. The difference between the periods is mainly explained by increasing net working capital as explained for the operating cash flow.

Capex was MNOK 7 compared to MNOK 5 same quarter last year.

Order Backlog & Market

The tender activity has been stable during the 2nd quarter of 2021 relating both to Benarx/Subsea deliveries and maintenance/new build ISO projects.

Total order intake of new contracts was approximately MNOK 400 for the period. The major portion of the order intake consists of several frame agreement awards related to industry, offshore maintenance and new build projects.

The current estimated order backlog (including frame agreements and options) is BNOK 7,8.

HSEQ

At the end of 2nd quarter Beerenberg had 1198 employees, down from 1215 last quarter.

One serious incident this quarter, results in a total Serious Incident Frequency (SIF) in the period of 1,5 and 1,2 during the last 12 months. The incident resulted in minor injury; personnel fully recovered.

Covid-19

The Covid-19 pandemic still has some effect on the business. As the vaccination program moves forward, we expect the impact of Covid-19 to be less in the future.

Beerenberg has implemented quarantine rules and a Covid-19 test regime for all of our foreign workers where that is mandatory.

Persistent restrictions on travel between countries represents challenges and affects our flexibility and ability to deliver.

Beerenberg has gained experience during the past year in handling the ever-shifting regulations and restrictions as a result of the Covid-19 pandemic.

ESG

Beerenbergs contribution to UN Sustainable Development Goals (SDG).

Beerenberg is in a process to implement an ESG strategy where we combine existing sustainable solutions and KPI's with new sustainable initiatives.

The SDGs described below are those considered the most material for Beerenberg, i.e. those where we can have the greatest impact. The process of defining these areas is still work in progress.

Leading player on reduction of material emissions



By becoming a leader in products and methods that reduce emissions of materials, we contribute to the reduction of plastic to the sea, material consumption and thus also the burden on our own and customers' logistics and climate footprint.

Our focus:

- Sustainable products
- Sustainable methods

Develop people and create social security



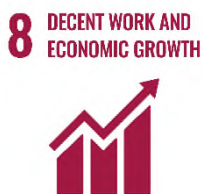
We work in an industry with extreme requirements for regularity and in environments associated with high risk. By being the best in training and competence development, we try to keep our own employees safe and at the same time become an attractive workplace that

attracts the desired competence. Through this we seek to achieve stable operations for our customers.

Our focus:

- Responsible procurement
- Safe work environment
- Attractive workplace

Open and transparent about ESG risk and opportunities



Responsible management and corporate governance have been and will continue to be important priorities for us, and this is becoming increasingly important in creating a sustainable business culture. By clarifying our commitment to sustainability and implementing this in all parts of the organization, sustainability will form the basis of everything we do. This will be visible to employees, customers and investors.

Our focus:

- ESG governance
- Sustainability communication
- Business ethics

Innovation for sustainability



We have our main operations in an industry that over the next few decades will undergo a major transformation in order to increasingly develop energy from renewable sources rather than from fossil sources. By focusing on sustainable innovation, we will minimize the footprint in existing markets while at the same time actively looking at new applications of our products and solutions.

Our focus:

- Take climate action
- Sustainable innovation

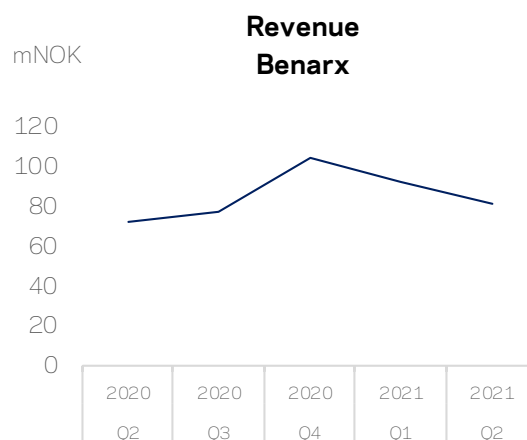
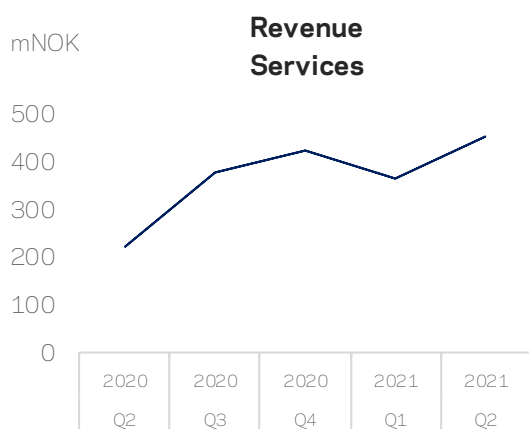
Business segments

Services

The Service segment revenue for 2nd quarter was MNOK 453, an increase of 102% compared to corresponding period last year mainly due to the lock down in relations to Covid-19 in 2nd quarter 2020. The EBITDA margin was 11.3%. Good operational performance explains the margins.

Benarx

The Benarx segment reports a revenue of MNOK 81 for the quarter with an EBITDA of 10%. Revenue was up 13% compared to the same period last year. The quarter was affected by some delays on projects as well as impacts of the Covid-19 pandemic internationally. Cost savings and good operational performance explains the results in the segment during the period.



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 2021 to 30. June 2021 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 19. August 2021

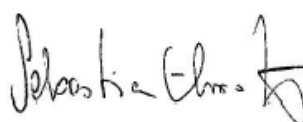
Beerenberg AS Board of Directors and CEO



Geir M. Aarstad
Chairman



Ingelise Arntsen
Director



Sebastian Ehrnrooth
Director



Hilde Drønen
Director



Morten Walde
Director



Arild Apelthun
CEO

Figures & notes



Condensed Consolidated Income Statement

Group Summary		Q2	Q2	YTD	YTD	FY
Amounts in NOK million	Note	2021	2020	2021	2020	2020
Operating revenue	6	518,1	290,1	954,1	770,1	1 722,7
Operating expenses		458,5	244,7	856,1	688,0	1 506,0
EBITDA	6	59,6	45,4	97,9	82,1	216,7
Depreciation		12,4	13,7	24,9	27,0	54,4
EBITA		47,1	31,7	73,0	55,1	162,3
Amortisation		4,0	4,1	8,1	8,4	16,5
Operating profit (EBIT)		43,1	27,6	65,0	46,7	145,8
Finance costs - net	4	21,1	24,0	41,4	31,4	90,8
Profit before tax (EBT)		22,0	3,6	23,5	15,3	55,0
Income Tax expense		4,8	0,7	5,2	3,3	8,5
Net profit		17,2	2,9	18,4	12,0	46,5
Profit for the period is attributable to:						
Shareholders of the parent company		18,7	2,9	18,4	12,0	47,1
Non controlling interests		-1,6	0,0	-1,5	0,0	-0,6
Net profit		17,2	2,8	16,9	12,0	46,5
Basic earnings per share for 1.000.000 A shares (NOK)		0,02	0,00	0,02	0,01	0,05
Diluted earnings per share are identical as there are no dilutive effect						
<i>EBITDA margin</i>		11,5 %	15,6 %	10,3 %	10,7 %	12,6 %
<i>EBITA margin</i>		9,1 %	10,9 %	7,7 %	7,2 %	9,4 %

Condensed Consolidated Statement of Comprehensive Income

Amounts in NOK million	Note	Q2 2021	Q2 2020	YTD 2021	YTD 2020	FY 2020
Net profit for the period		17,2	2,9	18,4	12,0	46,5
<i>Other comprehensive income:</i>						
Conversion differences		0,8	-1,3	-0,3	1,2	-1,1
Change in value of derivatives		0,5	-2,5	3,7	-7,3	0,0
Total comprehensive income		18,5	-1,0	21,7	5,9	45,3

Condensed Consolidated Balance Sheet

Group Summary		Q2	Q2	Q4
Amounts in NOK million	Note	30.06.2021	30.06.2020	31.12.2020
Intangible assets		23,4	39,2	31,1
Goodwill		782,8	782,8	782,8
Property, plant and equipment		210,0	227,5	213,6
Financial fixed assets		10,9	8,7	9,9
Total non-current assets		1 027,1	1 058,1	1 037,3
Inventory		75,7	68,7	66,2
Accounts receivables from customers		250,9	243,1	249,6
Earned, not invoiced accounts receivables		199,5	70,6	144,0
Other receivables		29,2	22,4	39,2
Cash at bank		68,9	288,1	139,7
Total current assets		624,3	692,9	638,8
TOTAL ASSETS		1 651,4	1 751,0	1 676,0
Share capital		26,7	26,7	26,7
Share premium		240,3	240,3	240,3
Other equity		242,3	179,0	219,0
Non controlling interests		-0,7	1,6	0,8
Total equity		508,6	447,6	486,9
Pension liabilities		13,5	10,3	12,2
Deferred tax liabilities		6,6	6,0	0,3
Interest bearing long-term liabilities	4	645,5	60,2	668,4
Derivatives		-3,6	0,0	1,1
Total non-current liabilities		662,0	76,5	682,0
Interest bearing short-term liabilities	4	78,5	861,4	70,8
Supplier liabilities		118,4	39,6	135,3
Tax payable		-0,6	16,4	12,0
Social Security, VAT and other taxes		65,4	81,8	72,3
Other short-term liabilities		199,4	199,4	196,9
Derivatives		0,0	9,3	0,0
Warranty liabilities		19,8	19,0	19,8
Total Current Liabilities		480,9	1 227,0	507,2
TOTAL EQUITY & LIABILITY		1 651,4	1 751,0	1 676,0

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 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

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					12,0	12,0		12,0
Other Comprehensive Income			1,2	-7,3		-6,1		-6,1
Changes in non-controlling interests							1,6	1,6
Equity as per 30.06.2020	26,7	240,3	4,6	-8,1	182,5	446,0	1,6	447,6

Condensed Consolidated Statement of Cash Flow

Amounts in NOK million	Note	Q2 2021	Q2 2020	YTD 2021	YTD 2020	FY 2020
EBITDA		59,6	45,4	97,9	82,1	216,7
Taxes paid		-4,4	0,1	-12,6	0,1	-16,4
Change in net working capital		-80,6	56,9	-77,8	-11,2	-21,7
Changes to other time restricted items		-1,2	-5,9	-0,3	3,9	-4,7
Net Cash flow from operating activities		-26,7	96,4	7,2	74,9	174,0
Capex		-7,0	-4,6	-16,9	-7,2	-17,2
Net cash flow from investing activities		-7,0	-4,6	-16,9	-7,2	-17,2
Net repayment of interest bearing debt		-3,5	3,7	-8,7	-1,0	-186,9
Changes in non-controlling interests		0,0	1,6	0,0	1,6	1,6
Net interest paid	4	-39,3	-18,7	-52,3	-37,1	-88,6
Net cash flow from financing activities		-42,8	-13,4	-61,1	-36,5	-273,8
Total cash flow		-76,6	78,4	-70,8	31,3	-117,1
Opening balance net bank deposits		145,5	209,6	139,7	256,8	256,8
Closing balance net bank deposits		68,9	288,1	68,9	288,1	139,7

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 2020 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 and others	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 2020. The accounting policies applied in the interim financial statements is the same as those described in the Annual Report for 2020.

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 2020 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 2020. Please refer to Note 3 in the Annual Report for 2020.

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 7.0 Q2 2021). The group is in compliance with covenants as of 30th of June 2021.

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 2021.

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	Q2 2021	Q2 2020	YTD 2021	YTD 2020	FY 2020
Services	452,7	223,7	816,8	628,0	1 431,1
Benarx	81,1	71,5	173,5	160,5	341,9
Eliminations	-15,7	-5,1	-36,2	-18,4	-50,3
Total	518,1	290,1	954,1	770,1	1 722,7

EBITDA by Segment

Amounts in NOK million	Q2 2021	Q2 2020	YTD 2021	YTD 2020	FY 2020
Services	51,2	38,2	77,5	66,2	166,6
Benarx	8,3	7,2	20,4	15,8	50,0
Other	0,0	0,0	0,0	0,0	0,0
Total	59,6	45,4	97,9	82,1	216,7

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.