

“Higher activity in Q1 but market remains challenging”

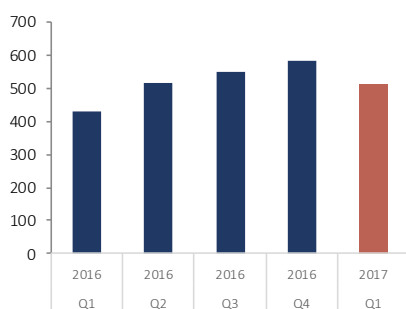
Headlines



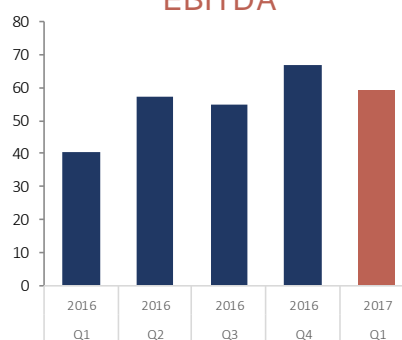
This Quarter

Operating Revenue	513 mNOK
EBITDA	59 mNOK
Cash Flow from Operations	63 mNOK
Order Intake*	76 mNOK
TRIF	3,4
Employees**	1218

REVENUE



EBITDA



* includes frame agreements and exercise of options

** Employees end of quarter



Group Overview

Highlights for Beerenberg (Beerenberg Holdco II AS consolidated) in the 1st quarter of 2017 was

- Revenue was MNOK 513, an increase of 19% compared to Q1 2016.
- EBITDA of MNOK 59, up MNOK 19 compared to Q1 2016
- EBITDA margin was 11,6 % compared to 9,5% in Q1 2016
- Estimated order backlog at the end of the quarter was BNOK 9,8
- Beerenberg secured long term financing by placing a new MNOK 850, 4 year senior secured bond in February. The bond replaces the Bond of MNOK 1100 with maturity in 2018.
- On the 7th of April Beerenberg entered into a new contract with Aker Solutions relating to the Hook-up of Johan Sverdrup. The order value is MNOK 200 not including options.

Income Statement

Revenue of MNOK 513 in Q1 2017 is a 19 % increase compared to Q1 2016. The main reason for the increase is high activity on new build projects.

EBITDA in the 1st quarter was MNOK 59, an increase of MNOK 19 from same quarter last year.

Financial cost in the 1st quarter was MNOK 49, an increase of MNOK 30 from the same quarter last year. The increase relates to the refinancing of the company.

The loss before tax was MNOK 1,6 compared to a profit before tax of MNOK 4,9 in Q1 2016.

Balance Sheet

Total assets was MNOK 1 800 at the end of the quarter with an equity ratio of 18,9 %. The reduction from Q4 2016 is mainly related to repayment of debt.

There were relatively minor changes in working capital during the 1st quarter.

Net interest bearing debt was MNOK 671 compared to MNOK 679 in Q4 2016.

The new senior secured bond of MNOK 850 placed in February secures the financing for the company to 2021. In March Beerenberg also repaid the previous bond. In connection with the bond issue, Beerenberg has extended its 300 MNOK facility with Danske Bank. The new bond will be listed on Oslo Boers before, or on 30 of June 2017.

Cash Flow

Cash flow from operations was MNOK 63 in Q1.

Beerenberg has made investments in machinery connected to enhance production capacity in South Korea. This investment represents the majority of the MNOK 5 capex in the quarter.

Net cash flow from financing activities was negative by MNOK 115 where the majority relates to repayment of bond.

Order Backlog & Market

The prevailing low activity level within maintenance and modification continues to influence Beerenberg outlook. The outlook for new build related projects remains reasonable; however the majority of the prospects are likely to affect activity level in 2018 and 2019.

The tender activity has been relatively high in first quarter of 2017, especially related to Benarx products and services outside Norway. Total order intake of new contracts was MNOK 76. The majority of the awards were related to Benarx. However the order intake includes an ISO/CUI maintenance scope to be carried out under the frame agreement with Statoil on Tjeldbergodden worth approximately MNOK 20.

The current estimated order backlog (including frame-agreements and options) is BNOK 9.8. The backlog does not include awards in April.

HSEQ

At the end of Q4 2016 Beerenberg had 1218 employees, down 126 from last quarter.

During the 1st quarter of 2017 Beerenberg recorded 2 incidents compared to 0 same period last year.

Total recordable incident frequency (TRIF) was 3,4 measured on last twelve months basis (LTM), compared to 2,11 at the end of 1st quarter 2016

“Benarx international growth strategy is starting to be reflected in the activity level”

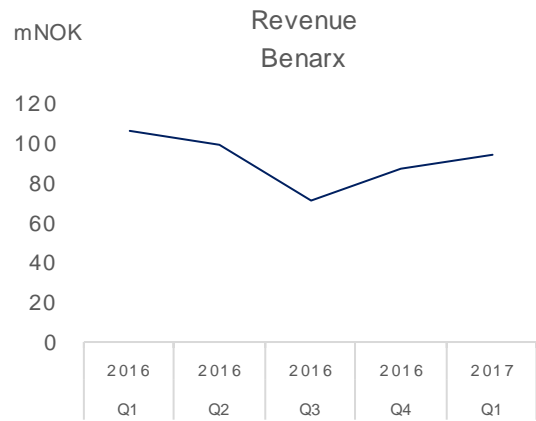
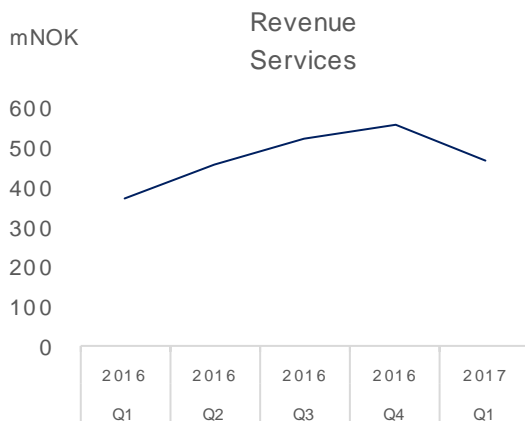
Business Segments

Services

The service segment reports an increase in revenue of 27% from Q1 2016. High activity related to new build projects are the main reason for the increase. The EBITDA was MNOK 43 in Q1 2017 compared to MNOK 24 in Q1 2016.

Benarx

The Benarx segment reports a reduction in revenue in Q1 2017 of 9% compared to Q1 2016. The EBITDA of MNOK 17 is in line with Q1 2016. The margin improvement is partly related to product mix and certain relocation costs in Q1 2016.



FIGURES & NOTES

Figures for Beerenberg Holdco II

Condensed Consolidated Income Statement

Group Summary		Q1	Q1	YTD	YTD	FY
Amounts in NOK million	Note	2017	2016	2017	2016	2016
Operating revenues and other income	6	512,7	430,3	512,7	430,3	2 081,5
Operating Expenses		453,2	389,6	453,2	389,6	1 862,3
EBITDA	7	59,4	40,7	59,4	40,7	219,2
Depreciation		7,6	8,1	7,6	8,1	31,9
EBITA		51,8	32,6	51,8	32,6	187,3
Amortisation	8	4,3	8,3	4,3	8,3	181,5
Operating profit (EBIT)		47,6	24,4	47,6	24,4	5,7
Financial expenses	4	49,2	19,5	49,2	19,5	67,2
Profit before tax (EBT)		-1,6	4,9	-1,6	4,9	-61,5
Estimated tax		-0,4	1,2	-0,4	1,2	12,2
Net profit		-1,2	3,7	-1,2	3,7	-73,6
Profit for the period is attributable to:						
Shareholders of the parent company		-1,2	3,7	-1,2	3,7	-73,6
Basic earnings per share (NOK)		0,00	0,01	0,00	0,01	-0,28
Diluted earnings per share are identical as there are no dilutive effect						
EBITDA margin		11,6 %	9,5 %	11,6 %	9,5 %	10,5 %
EBITA margin		10,1 %	7,6 %	10,1 %	7,6 %	9,0 %

Condensed Consolidated Statement of Comprehensive Income

Amounts in NOK million	Note	Q1 2017	Q1 2016	YTD 2017	YTD 2016	FY 2016
Net profit for the period		-1,2	3,7	-1,2	3,7	-73,6
<i>Other comprehensive income:</i>						
Conversion differences		2,2	-0,3	2,2	-0,3	-0,7
Change in value of derivatives		-4,8	-1,8	-4,8	-1,8	4,7
Total comprehensive income		-3,8	1,5	-3,8	1,5	-69,7

Condensed Consolidated Balance Sheet

Group Summary				
Amounts in NOK million	Note	Q1 31.03.2017	Q1 31.03.2016	FY 31.12.2016
Goodwill	8	778,7	883,9	778,7
Intangible assets	8	72,3	145,4	76,0
Property, plant and equipment		166,9	185,7	169,0
Financial Fixed Assets		0,6	0,6	0,6
Total non-current assets		1 018,5	1 215,5	1 024,3
Inventories		44,0	56,2	35,0
Trade Debtors		417,2	363,2	416,2
Earned Not Invoiced Revenue (WIP)		117,2	94,5	151,8
Other Short Term Receivables		29,6	26,1	21,0
Prepayments		4,6	2,4	1,1
Bank Deposit		169,3	215,8	225,9
Total Current Assets		781,9	758,1	851,0
TOTAL ASSETS		1 800,4	1 973,6	1 875,3
Share Capital		26,7	26,7	26,7
Share premium		240,3	240,3	240,3
Retained Earnings		75,4	145,5	151,6
Current year result after est. Tax		-1,2	3,7	-73,6
Total equity		341,2	416,2	345,0
Deferred tax		11,5	36,1	13,4
Pension Liability		7,7	7,1	8,6
Warranty		13,8	9,4	13,0
Financial Lease loan		0,5	1,5	0,8
Bond	4	832,9	1 031,5	904,0
Derivatives		21,2	30,2	14,9
Total non-current liabilities		887,5	1 115,8	954,7
Overdraft & Accrued interests		6,5	0,5	0,5
Trade Creditors		140,1	84,7	182,0
Current Tax Payable		34,1	14,7	35,8
Social Security, VAT and other taxes		106,4	87,7	82,5
Accruals		163,2	114,9	147,8
Deferred Revenue		29,1	30,8	47,5
Other Current Liabilities		92,4	108,3	79,5
Total Current Liabilities		571,7	441,6	575,7
TOTAL EQUITY & LIABILITY		1 800,4	1 973,6	1 875,3

Condensed Consolidated Statement of Change in Equity

	Share capital	Share premium	Conversion reserve	Hedging reserve	Retained earnings	Total
01. January 2017	26,7	240,3	-0,3	-1,3	79,6	345,0
Profit for the year					-1,2	-1,2
Other Comprehensive Income			2,2	-4,8		-2,6
Equity as per 31.3.2017	26,7	240,3	1,8	-6,0	78,3	341,2

	Share capital	Share premium	Conversion reserve	Hedging reserve	Retained earnings	Total
01. January 2016	26,7	240,3	0,4	-6,0	153,2	414,7
Profit for the year					3,7	3,7
Other Comprehensive Income			-0,3	-1,8		-2,1
Equity as per 31.3.2016	26,7	240,3	0,1	-7,8	156,9	416,2

Condensed Consolidated Statement of Cash Flow

	Note	Q1 2017	Q1 2016	YTD 2017	YTD 2016	FY 2016
EBITDA		59,4	40,7	59,4	40,7	219,2
Taxes paid		-1,7	-19,3	-1,7	-19,3	-33,9
Change in net working capital		4,2	-35,9	4,2	-35,9	-6,8
Changes to other time restricted items		1,3	-3,0	1,3	-3,0	-3,5
Net Cash flow from operating activities		63,2	-17,5	63,2	-17,5	175,0
Capex		-5,4	-10,7	-5,4	-10,7	-17,1
Net cash flow from investing activities		-5,4	-10,7	-5,4	-10,7	-17,1
Repayment of interest bearing debt	4	-80,5	-0,3	-80,5	-0,3	-127,0
Interest paid	4	-34,0	-20,5	-34,0	-20,5	-69,8
Net cash flow from financing activities		-114,5	-20,8	-114,5	-20,8	-196,7
Total cash flow		-56,7	-49,0	-56,7	-49,0	-38,9
Opening balance net bank deposits		225,9	264,8	225,9	264,8	264,8
Closing balance net bank deposits		169,3	215,8	169,3	215,8	225,9

Notes

Note 1 - General

Beerenberg Holdco II AS is a company domiciled in Norway. The consolidated financial statements of Beerenberg Holdco II comprise the company and its subsidiaries, together referred to as the Group. The Beerenberg Holdco II Group was established 01. March 2013, as a result of the Beerenberg Holdco II 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 2016 provides further information on risks and uncertainties applicable to Beerenberg.

Beerenberg Holdco II AS is wholly owned by Beerenberg Holdco I AS which is wholly owned by Beerenberg Invest AS. Shareholders in Beerenberg Invest are specified in table below.

Shareholders Beerenberg Invest	A-Shares	%	B-Shares	%	Total Shares	%
Segulah IV LP.	818 462	81,8 %	219 445 603	82,5 %	220 264 065	82,5 %
Ap Invest Partners Co-Investments 2012 ICV.	92 121	9,2 %	24 931 110	9,4 %	25 023 231	9,4 %
Ap Invest Partners Co-Investments 2011 ICV.	23 319	2,3 %	6 310 883	2,4 %	6 334 202	2,4 %
Management	66 098	6,6 %	15 312 404	5,8 %	15 378 502	5,8 %
Total	1 000 000	100,0 %	2 66 000 000	100,0 %	2 67 000 000	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 2016. The accounting policies applied in the interim financial statements is the same as those described in the Annual Report for 2016. 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 2016 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 these 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 2016.

Note 4 – Bond and covenants

A new 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 extended 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 31.3.2017.

Note 5 – Related party transactions

No related party transactions were conducted in Q1 2017.

Note 6 – Revenue by Segment

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.

Amounts in NOK million	Q1 2017	Q1 2016	YTD 2017	YTD 2016	FY 2016
Services	467,4	367,4	467,4	367,4	1 900,6
Benarx	93,7	106,0	93,7	106,0	361,7
Eliminations	-48,4	-43,1	-48,4	-43,1	-180,8
Total	512,7	430,3	512,7	430,3	2 081,5

Note 7 – EBITDA by Segment

Amounts in NOK million	Q1 2017	Q1 2016	YTD 2017	YTD 2016	FY 2016
Services	42,9	24,1	42,9	24,1	168,0
Benarx	16,5	16,6	16,5	16,6	51,2
Other	0,0	0,0	0,0	0,0	0,0
Total	59,4	40,7	59,4	40,7	219,2

Note 8 – Subsequent events

On Friday 7 April 2017 Beerenberg signed an agreement with Aker Solutions concerning ISS services in connection with the hook-up contract in the Johan Sverdrup field. The contract value is MNOK 200 not including options. Engineering and planning will be integrated with the client in Stavanger and will commence shortly. The offshore hook-up project is expected to take place in 2018 and 2019. The scope of work for Beerenberg involves all our disciplines, including scaffolding, rope access, surface treatment, passive fire protection, insulation, architect services and other associated services.