

BEERENBERG AS

Unaudited 3rd quarter results 2023



Q323

Headlines

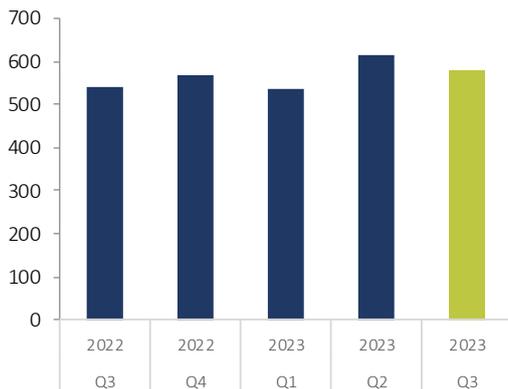
“Revenue growth of 7% in 3rd quarter and strong market outlook.

THIS QUARTER

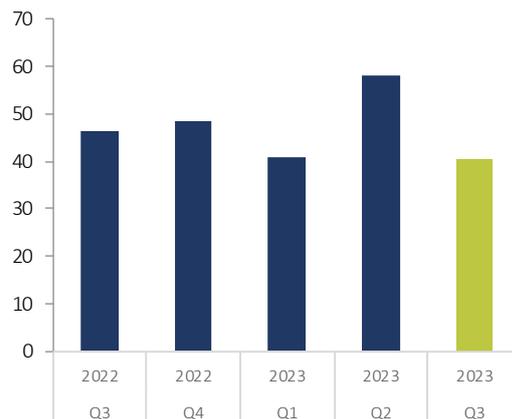
Operating Revenue	579 MNOK
EBITDA	41 MNOK
Cash Flow from Operations	-14 MNOK
Order Intake	353 MNOK
SIF	1,4
Employees*	1442

* Employees end of quarter

REVENUE



EBITDA



Group overview

Highlights

The highlights for Beerenberg (Beerenberg AS consolidated) in the 3rd quarter 2023 were:

- Revenue was MNOK 579, up 7% compared 3rd quarter last year.
- 10% increase in service activity in the period compared to same period last year.
- Benarx experienced lower deliveries in 3rd quarter compared to 3rd quarter 2022 due to delays in projects in Asia.
- EBITDA of MNOK 41, down from MNOK 46 in the 3rd quarter 2022. EBITDA affected by MNOK 7 in one offs in connection with the public listing process.
- Order intake in the period was MNOK 353 in the 3rd quarter 2023 compared to MNOK 93 same period last year.
- Estimated order backlog at the end of the quarter was BNOK 7 compared to BNOK 8.3 at the end of the 3rd quarter last year.
- Refinancing finalized mid-July where the Bond has been repaid and replaced by a MNOK 600 loan in SpareBank 1 SR-bank.
- Beerenberg has been listed on the Euronext Growth marketplace on the 5th of October. In connection with the public listing of the company in October the MNOK 200 in interest bearing short-term liabilities has been repaid.

Income Statement

Revenue in the 3rd quarter was MNOK 579 compared to MNOK 541 in 3rd quarter 2022. The Service segment had a 10% increase in activity compared to the same period last year. Benarx had a 27% drop in deliveries in the quarter compared to the corresponding period last year. Delays on projects in Asia is the main explanation to the decrease.

EBITDA in the 3rd quarter 2023 was MNOK 41, down from MNOK 46 in the corresponding quarter last year. EBITDA margin 7.0% compared to 8.6% in the 3rd quarter last year. EBITDA was influenced by one off cost in relation to listing Beerenberg at the Euronext Growth marketplace of MNOK 7. Adjusted for one offs, EBITDA in the 3rd quarter is MNOK 47 with an EBITDA margin of 8.2%. YTD the EBITDA is MNOK 139 with EBITDA margin of 8.1% compared EBITDA margin of 8.0% YTD 2022. Adjusted YTD EBITDA is MNOK 146 compared to 131 last year, with an adjusted EBITDA margin of 8.5%.

Financial cost in the 3rd quarter 2023 was MNOK 29, up from MNOK 20 in 3rd quarter 2022. Higher financial cost in the 3rd quarter 2023 compared to 2022 is mostly due to effects related to redemption of the old bond.

Net profit in the 3rd quarter 2023 was negative by MNOK 5 compared to a net profit of MNOK 6 in the 3rd quarter 2022.



Balance Sheet

Total assets were MNOK 1761 at the end of the quarter, with an equity ratio of 33%. The group's cash position has increased from MNOK 70 in the 3rd quarter 2022 to MNOK 82 in the 3rd quarter 2023.

Total non-current assets were MNOK 1095, up from MNOK 1049 compared to the end of 3rd quarter 2022. Current assets of MNOK 666 were down from MNOK 670 in the same period last year.

Total current liabilities of MNOK 736 were up from MNOK 485 at the end of the 3rd quarter 2022 and total non-current liabilities were MNOK 445 down from MNOK 667 in the 3rd quarter 2022. The main reason for the reduction is reclassification of part of the Bank debt (MNOK 200) to current liabilities. In connection with the public listing of the company in October the MNOK 200 in interest bearing short-term liabilities has been repaid.

Net interest-bearing debt was MNOK 606 compared to MNOK 659 in the 3rd quarter 2022. After the balance date MNOK 200 has been repaid to SR Bank.

Net working capital ended at MNOK 113 in the period, compared to MNOK 229 at the end of the 3rd quarter 2022. The decrease relates mainly to lower accounts receivables.

Cash Flow

The Groups cash position was MNOK 82 by the end of the 3rd quarter 2023 up from MNOK 70 same period last year.

Cash flow from operating activities was negative by MNOK 14 in period versus positive by MNOK 57 in corresponding period last year. The difference relates mainly to changes in net working capital which is greatly influenced by the timing of payments on invoices related to our major framework contracts. The due date of these invoices fell in October for this quarter. The development of working capital needs to be assessed over a period and not solely at the end of the quarter.

Cash flow from investing activities was negative by MNOK 12 compared to negative MNOK 7 in the 3rd quarter 2022. Investing activities were Capex related to machinery and equipment in both quarters.

Cash flow from financing activities was negative by MNOK 76 compared to negative MNOK 22 in the 3rd quarter 2022. Redemption of the bond, and the replacement of this with a bank

loan explains the difference. The total cash effect of the refinancing in the period was MNOK 61.

Total cashflow in the 3rd quarter 2023 was negative by MNOK 102 compared to positive MNOK 28 in the 3rd quarter 2022. The difference between the periods is mainly explained by changes in net working capital and effects of refinancing.

Order Backlog & Market

The tender activity has been stable during the 3rd quarter of 2023 relating both to Benarx/Subsea deliveries and new build/modification projects (oil&gas, industry and infrastructure).

Total order intake of new contracts and increase in scope of existing contracts was approximately MNOK 353 for the period. A major part of the order intake is related to being awarded the Gina Krogh platform under the existing offshore frame agreement with Equinor (valued at MNOK 258).

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

HSEQ

At the end of 3rd quarter Beerenberg had 1442 employees, up from 1413 2nd quarter 2023.

It was one serious incident in 3rd quarter resulting in a total Serious Incident Frequency (SIF) in the period of 1,4 and 1.3 during the last 12 months.

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



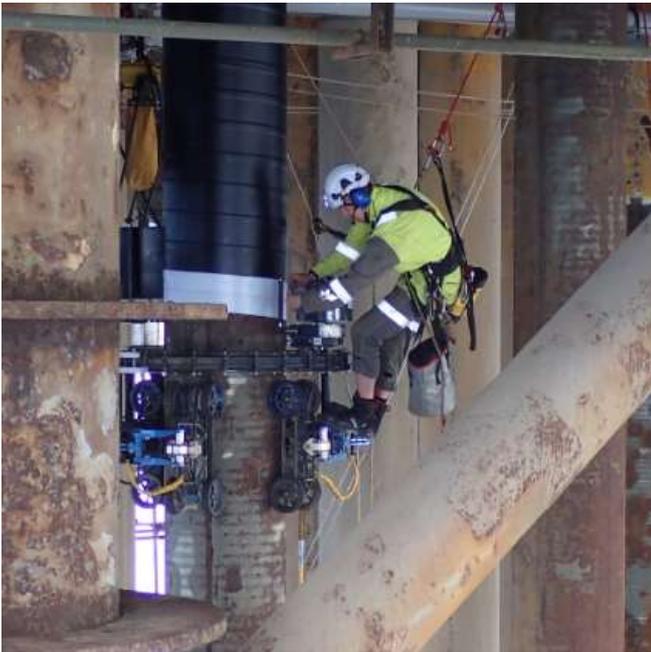
Developing people and providing safety



Transparency and governance

Focus area	#	Key KPIs	2023 Goal	Q3 2023 Actual	Impact on UN's SDGs
 Sustainable materials  Sustainable methods  Climate action	1	Reduced release of microplastics in connection with surface treatment *	>20%	10 %	 12 RESPONSIBLE CONSUMPTION AND PRODUCTION  13 CLIMATE ACTION  14 LIFE BELOW WATER
	2	Reduced CO2 footprint in connection with surface treatment**	>10%	16 %	
	3	Number of new sustainable technology, materials or solutions studied, tested, developed or adopted	>8	7	
	4	Share of turnover in new and sustainable markets	>8%	9 %	
 Safe work environment  Responsible procurement  Attractive workplace	5	SIF (serious incident frequency) - YTD	0	0,9	 3 GOOD HEALTH AND WELL-BEING  8 DECENT WORK AND ECONOMIC GROWTH
	6	TRIF (total recordable incident frequency) - YTD	3,0	6,4	
	7	Proportion of sick leave	<6,5%	8 %	
	8	Competence development - Trade certificates	30	32	
	9	Planned supplier follow up meetings and audits	80 %	33 %	
 ESG governance  Business ethics  ESG communication	10	Proportion of employees who have completed training in ethics	90 %	80 %	 8 DECENT WORK AND ECONOMIC GROWTH  9 INDUSTRIAL INNOVATION AND INFRASTRUCTURE
	11	Proportion of operational employees who have completed training in HSE***	90 %	65 %	
	12	Human rights due diligence assessment	75 %	66 %	
	13	Regularly publish articles on Beerenbergs ESG initiatives (external)	10	9	

* Benchmark 2020. Scope surface treatment Offshore
 ** Benchmark 2020. Scope surface treatment Offshore and Onshore
 *** Reported monthly



Robotic surface treatment in Brazil

In the Campos basin just east of Rio de Janeiro, Beerenberg has now finished maintenance of 16 conductors on one of the wellhead platforms. The guide pipes underneath the platform are particularly exposed to wear and tear and maintenance here is an important part of ensuring the lifetime of the facility. Now these pipes have been completely rehabilitated in an efficient and safe manner using a robot, with reduced risk and strain for employees and a reduced environmental footprint.

Efficiency, good HSE and a reduced footprint

The robot Icarus is particularly suitable for such operations on long pipe runs and the quality is also better than with manual work. Even with rigging, which can be complex and time-consuming (video), Icarus ensures that the efficiency of the entire mission increases by 150 percent, compared to traditional maintenance. The most important thing, however, is that the work is done with good HSE and a reduced environmental footprint.

Specially designed technology

The entire mission is carried out with the robot Icarus, which is designed to perform maintenance on pipes. The method provides increased efficiency and safety and has already shown its value on several different assignments in the North Sea.

- Icarus was used to pre-treat conductors on the Troll B and Sleipner A platforms in 2021 and 2022. In connection with the projects, Icarus was further developed to be able to perform more tasks, says technical manager in Beerenberg, Kristian Henriksen.

Beerenberg's team of experienced access technicians, robot technicians and project management are dedicated to solving any challenges that may arise.

- Our problem solvers on site provide specific proposals for changes and contribute to improvements and further development of the robot be able to perform more maintenance tasks, along with the technology developers in Remotion. This is the main reason we are successful with this type of assignment, says Henriksen.

Value creation through innovation

Together with Remotion, complete solutions are developed that benefit the customers. Henriksen is clear about the fact that the company does not choose robotization at any cost.

- Our experience is that it is the combination of machine and personnel that gives the optimal effect, regarding both efficiency and quality. The robots do not replace professional personnel but reduce strain and exposure for our employees. We get to do more for the customer, while at the same time getting a more exciting working day. Robots have now become a natural part of everyday life, says Henriksen. **Reference projects:**

1. Troll B and Sleipner A platform maintenance

<https://www.beerenberg.com/om-beerenberg/nyheter/skal-benyttte-robot-paa-troll-b-og-sleipner-a>

2. Solving maintenance challenges using robot technology:

<https://www.beerenberg.com/om-beerenberg/nyheter/loeser-vedlikeholds-utfordringer-med-robot-teknologi>

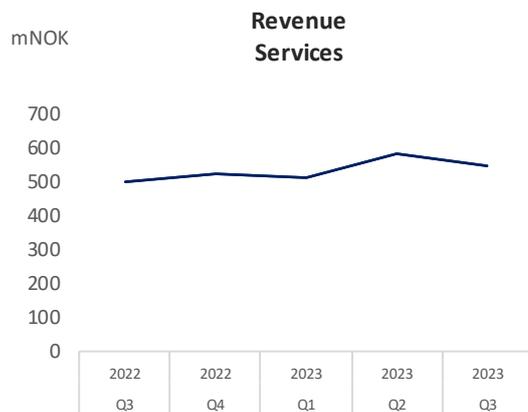
3. Remotion

www.remotion.no

Business segments

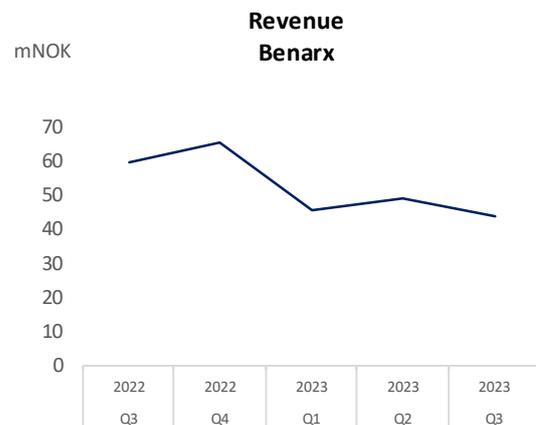
Services

The Service segment revenue for the 3rd quarter was MNOK 547, up MNOK 49 compared to the corresponding period last year. Increased maintenance work resulted in the increased the activity. The EBITDA margin was 7.9%. Strong demand for additional services including robots. Successfully completed robotics project in Brazil and the NCS. Cost pressure still an issue in the quarter.



Benarx

The Benarx segment reported a revenue of MNOK 44 for the quarter with a negative EBITDA margin of 5.7%. The revenue was down 27% compared to the same period last year. Low activity in Asia due to delays on projects influencing activity significantly. Activity in Europe has been steadier but with smaller orders. Subsea with stable activity with several deliveries both in Norway and internationally. Measures taken to reduce overhead in the segment.



Figures & notes



Condensed Consolidated Income Statement

Condensed Consolidated Income Statement

Group Summary		Q3	Q3	YTD	YTD	FY
Amounts in NOK million	Note	2023	2022	2023	2022	2022
Operating revenue	6	578,9	540,9	1 729,1	1 652,9	2 221,9
Operating expenses		538,3	494,5	1 589,7	1 521,4	2 041,9
EBITDA	6	40,6	46,4	139,4	131,4	180,0
Depreciation		17,0	14,6	46,7	41,4	56,7
EBITA		23,6	31,8	92,7	90,0	123,3
Amortisation		3,1	4,4	11,5	12,4	25,2
Operating profit (EBIT)		20,6	27,3	81,2	77,7	98,1
Finance costs - net	4	29,1	19,6	64,4	55,2	78,7
Profit before tax (EBT)		-8,5	7,7	16,8	22,4	19,4
Income Tax expense		-2,0	1,7	3,6	5,5	0,0
Net profit		-6,5	6,0	13,2	17,0	19,4
Profit for the period is attributable to:						
Shareholders of the parent company		-8,1	6,0	13,2	17,6	19,6
Non controlling interests	7	1,6	0,0	0,0	-0,5	-0,2
Net profit		-6,5	6,0	13,2	17,0	19,4
Diluted earnings per share are identical as there are no dilutive effect						
EBITDA margin		7,0 %	8,6 %	8,1 %	8,0 %	8,1 %
EBITA margin		4,1 %	5,9 %	5,4 %	5,4 %	5,6 %

Condensed Consolidated Statement of Comprehensive Income

Amounts in NOK million	Note	Q3 2023	Q3 2022	YTD 2023	YTD 2022	FY 2022
Net profit for the period		-6,5	6,0	13,2	17,0	19,4
<i>Other comprehensive income:</i>						
Conversion differences		-2,6	-0,1	2,8	-1,8	-1,1
Change in value of derivatives		-2,6	0,5	-5,7	5,7	4,1
Total comprehensive income		-11,7	6,4	10,3	20,9	22,4

Condensed Consolidated Balance Sheet

Group Summary		Q2	Q3	YTD
Amounts in NOK million	Note	30.09.2023	30.09.2022	31.12.2022
Intangible assets		37,8	38,4	52,1
Goodwill		782,8	782,8	782,8
Property, plant and equipment		259,7	200,1	210,0
Financial fixed assets		15,1	27,6	14,3
Deferred tax assets		0,0	0,0	0,0
Total non-current assets		1 095,4	1 048,8	1 059,2
Inventory		93,7	85,2	93,9
Accounts receivables from customers		286,3	341,1	261,7
Earned, not invoiced accounts receivables		154,1	137,8	215,9
Other receivables		49,5	35,1	41,9
Cash at bank		82,3	70,3	113,3
Total current assets		665,9	669,5	726,7
TOTAL ASSETS		1 761,3	1 718,3	1 785,8
Share capital		26,7	26,7	26,7
Share premium		240,3	240,3	240,3
Other equity		312,1	300,9	302,3
Non controlling interests	7	0,0	-0,7	-0,5
Total equity		579,1	567,3	568,8
Pension liabilities		21,7	17,8	19,3
Deferred tax liabilities		2,2	3,9	0,0
Interest bearing long-term liabilities	4	422,6	644,8	26,1
Total non-current liabilities		446,6	666,5	45,4
Interest bearing short-term liabilities	4	265,8	84,7	680,0
Supplier liabilities		131,5	121,5	133,9
Tax payable		-0,4	7,2	9,4
Social Security, VAT and other taxes		64,2	48,6	83,5
Other short-term liabilities		254,4	200,6	242,7
Warranty liabilities		20,2	21,9	22,2
Total Current Liabilities		735,7	484,6	1 171,6
TOTAL EQUITY & LIABILITY		1 761,3	1 718,3	1 785,8

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 2023	26,7	240,3	-2,1	9,2	295,2	569,3	-0,5	568,8
Net profit					13,2	13,2		13,2
Other Comprehensive Income			2,8	-5,7		-2,9		-2,9
Changes in non-controlling interests					-0,5	-0,5	0,5	
Equity as per 30.09.2023	26,7	240,3	0,7	3,5	307,8	579,1	0,0	579,1

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					17,5	17,5	-0,5	17,0
Other Comprehensive Income			-1,8	5,7		3,9		3,9
Changes in non-controlling interests								
Equity as per 30.09.2022	26,7	240,3	-2,9	10,9	292,9	567,9	-0,7	567,3

Condensed Consolidated Statement of Cash Flow

Amounts in NOK million	Note	Q3 2023	Q3 2022	YTD 2023	YTD 2022	FY 2022
EBITDA		40,6	46,4	139,4	131,5	180,0
Taxes paid		0,0	0,7	-10,3	-12,4	-19,8
Change in net working capital		-47,6	8,3	19,8	-110,5	-23,5
Changes to other time restricted items		-6,5	2,0	-2,5	4,9	8,0
Net Cash flow from operating activities		-13,5	57,4	146,3	13,5	144,8
Capex		-12,2	-6,9	-33,3	-20,8	-36,6
Acquisition of shares in subsidiary		0,0	0,0	0,0	-25,2	-50,2
Net cash flow from investing activities		-12,2	-6,9	-33,3	-46,0	-86,8
Net repayment of interest bearing debt		-29,6	-3,8	-62,2	-33,9	-64,7
Net interest paid	4	-46,7	-18,4	-81,8	-56,6	-73,4
Net cash flow from financing activities		-76,3	-22,3	-144,1	-90,5	-138,1
Total cash flow		-101,9	28,2	-31,0	-123,0	-80,1
Opening balance net bank deposits		184,2	42,2	113,3	193,3	193,3
Closing balance net bank deposits		82,3	70,3	82,3	70,3	113,3

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 2022 provides further information on risks and uncertainties applicable to Beerenberg.

A reverse share split was carried out mid-September, merging 25 shares into one share. Shareholders in Beerenberg AS at 30.09.2023 are specified in table below. The company was listed the 5th of October.

Shareholders	Total Shares	%
Segulah IV L.P.	8 962 735	83,9 %
AlpInvest Partners Co-Investments 2011 II C.V.	1 254 298	11,8 %
Management and others	462 967	4,3 %
Total	10 680 000	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 2022. The accounting policies applied in the interim financial statements is the same as those described in the Annual Report for 2022.

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 2022 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 2022. Please refer to Note 3 in the Annual Report for 2022.

Note 4 – Loan and covenants

Repayment of the bond BBERG03 of MNOK 625 was finalized the 19th of July. New long-term financing of 600 is established in SpareBank 1 SR-Bank. The Financing Package consists of 3 Term loans of MNOK 200 each. Tranche 1 has 5-year maturity and quarterly amortization of MNOK 10, Tranche 2 has also 5-year maturity but with no amortization. Tranche 3 has one year maturity. The main shareholder Segulah has provided security of MNOK 150 for Tranche 3.

Interest margins in addition to 3mth Nibor are 4,25 % for Tranche 1, 4,75 % for Tranche 2 and from 6% to 8,5 % for Tranche 3. (margins are quarterly increased on Tranche 3)

Financial covenants related to the Financing Package are the following:

Minimum Equity share:		25%
Maximum Net Interest Bearing debt / 12 months rolling EBITDA	Until 31.12.2024	< 4
	Until 31.12.2025	< 3
	Until 31.12.2026	< 2,5
Minimum Current assets / Short term debt excluding loans and amortization within one year		1,15

The Group is well within these covenants.

Following the public listing in October, Tranche 3 was been fully repaid the 10th of October.

Note 5 – Related party transactions

Segulah, the largest Shareholder prior to the public listing, provided security of MNOK 150 covering Tranche 3 as described in Note 4. The Guarantee provision was 2%. The guarantee has been terminated in October as Tranche 3 has been repaid.

No other related party transactions were conducted in 3rd Quarter of 2023.

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	Q3 2023	Q3 2022	YTD 2023	YTD 2022	FY 2022
Services	547,5	498,1	1 639,5	1 542,8	2 063,7
Benarx	43,6	59,8	138,0	153,9	219,2
Eliminations	-12,2	-17,1	-48,4	-43,8	-61,0
Total	578,9	540,9	1 729,1	1 652,9	2 221,9

EBITDA by Segment

Amounts in NOK million	Q3 2023	Q3 2022	YTD 2023	YTD 2022	FY 2022
Services	43,1	40,4	143,2	124,0	159,2
Benarx	-2,5	6,0	-3,8	7,5	20,9
Total	40,6	46,4	139,4	131,4	180,0

Note 7 – Change in non-controlling interests

A subsidiary in Thailand is owned 51% by an entity outside the Group. However, the voting rights of the shares implies that the Group have control of the subsidiary. In addition, the shareholder agreement between the two shareholders entitles Beerenberg to any dividends or losses in this subsidiary. The other shareholder is entitled to 3% percentage of its invested capital in the subsidiary. Following a revision of the shareholder agreement, the allocation of profit and loss and the allocation of equity between Beerenberg and the non-controlling entity have been revised.

Note 8 – Subsequent events

The Company was listed on the Oslo Stock Exchange the 5th of October. A loan of MNOK 200, Tranche 3, has been fully repaid the 10th of October. No other events have occurred after the reporting date, that are of significant impact when considering the financial position or result in the group.