

Headlines

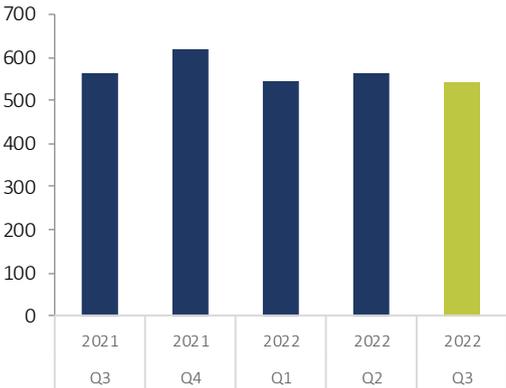
“Solid quarter,
with some
intermediate
inflationary
pressure”

THIS QUARTER

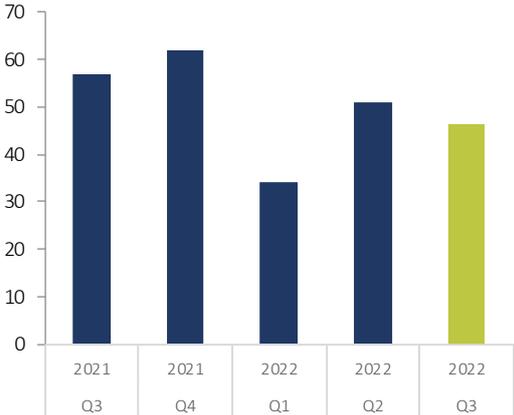
Operating Revenue	541 MNOK
EBITDA	46 MNOK
Cash Flow from Operations	57 MNOK
Order Intake	93 MNOK
SIF	0
Employees*	1409

* Employees end of quarter

REVENUE



EBITDA



Group overview

Highlights

The highlights for Beerenberg (Beerenberg AS consolidated) in the 3rd quarter 2022 were:

- Strong service activity in the period but low activity within newbuild projects.
- Benarx experience continued project delays.
- Some supply chain issues in the period and rising cost due to inflation.
- Discussions with customers to mitigate the effect of inflation.
- Revenue was MNOK 541, down 4% compared to the 3rd quarter 2021.
- EBITDA of MNOK 46, down from MNOK 57 3rd quarter 2021.
- Order intake in the period was MNOK 93 up from MNOK 60 in the 3rd quarter of 2021.
- Estimated order backlog at the end of the quarter was BNOK 8.3 compared to BNOK 7.4 at the end of 3rd quarter last year.

Income Statement

Revenue in 3rd quarter was MNOK 541 compared to MNOK 563 in 3rd quarter 2021. The decrease from the corresponding quarter last year relates mainly to lower activity within newbuild projects.

EBITDA in 3rd quarter 2022 was MNOK 47 down from MNOK 57 in the corresponding quarter last year. EBITDA margin 8.6% compared to 10.1% 3rd quarter last year. EBITDA was affected by sales mix and increasing cost in the quarter.

Financial cost in the 3rd quarter 2022 was MNOK 20, up from MNOK 19 in 3rd quarter 2021. Higher financial cost in the 3rd quarter 2022 compared to 2021 is due to currency effects and to some extent increasing interest rates.

Net profit in 3rd quarter 2022 was MNOK 6 compared to a MNOK 17 in 3rd quarter 2021.



The balance sheet reflects the activity level in the quarter. The group's cash position was lower at the end of the 3rd quarter 2022 than at the end of the same quarter last year. Total assets were MNOK 1718 at the end of the quarter, with an equity ratio of 33%.

Total non-current assets were MNOK 1048, up from MNOK 1026 compared to the end of 3rd quarter 2021. Current assets of MNOK 670 were down from MNOK 798 same period last year.

Total current liabilities of MNOK 485 were down from MNOK 584 at the end of 3rd quarter 2021 and total non-current liabilities were MNOK 667 down from MNOK 718 in 3rd quarter 2021.

The net interest-bearing debt was MNOK 659 compared to MNOK 578 in 3rd quarter 2021.

Net working capital ended at MNOK 229 in the period, compared to MNOK 120 at the end of 3rd quarter 2021.

Cash Flow

The Groups cash position was MNOK 42 by the end of 3rd quarter 2022 down from MNOK 69 by the end of the 3rd quarter 2021.

Cash flow from operating activities was positive by MNOK 57 in 3rd quarter 2022 versus positive MNOK 107 in corresponding period last year. The difference relates mainly to changes in net working capital.

Cash flow from investing activities was negative by 7 MNOK and relates mainly to capex on machinery and equipment.

Total cashflow in 3rd quarter 2022 was positive by MNOK 28 compared to positive MNOK 126 in 3rd quarter 2021. The difference between the periods is mainly related to changes in net working capital and sale of bonds in the 3rd quarter 2021.

Capex was MNOK 7 compared to MNOK 10 same quarter last year.

Order Backlog & Market

The tender activity has been stable during the 3rd quarter of 2022 relating both to Benarx/Subsea deliveries and new build projects.

Total order intake of new contracts was approximately MNOK 93 for the period. The major part of the order intake is related to projects within the Industry, Benarx and NB&M segments.

The current estimated order backlog (including frame agreements and options) is BNOK 8.3.

HSEQ

At the end of 3rd quarter Beerenberg had 1409 employees, up from 1321 2nd quarter 2022.

There were no serious incidents this quarter, results in a total Serious Incident Frequency (SIF) in the period of 0 and 0.9 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



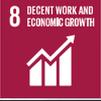
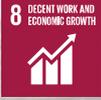
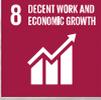
Innovation for reduced emissions and waste



Developing people and providing safety



Transparency and governance

Key KPIs	2022	Q3 2022	2021	Impact on UN's SDGs
	Goal	Actual	Actual	
1. Reduced release of microplastics in connection with surface treatment	> 25%**	12 %	27%*	  
2. Reduced CO2 footprint in connection with surface treatment	> 10%	15 %	NA	
3. Number of new sustainable technology or solutions tested and adopted	> 3	2	4	
4. Suppliers with a ESG program	> 50%	26 %	NA	
5. Share of turnover in new and sustainable markets	> 10%	6,1 %	3 %	
1. TRIF	< 3	6,5	7,9	   
2. Proportion of sick leave	< 6%	7,3 %	8,9 %	
3. Internal recruitment of managers	> 80%	63 %	78 %	
4. Proportion of suppliers declaration sigend (ethical guidelines/human rights policy)	>80%	43 %	NA	
1. Report on ESG in quarterly and annual financial reports	5	3	NA	 
2. Proportion of employees who have completed training in ethics	> 90%	83 %	79 %	
3. Publish an external article in connection with the quarterly report	5	3	NA	

* Benchmark 2020, Scope surface treatment Offshore

** Benchmark 2020, Scope surface treatment Offshore and Onshore

Environmental, Social and Governance (ESG)

Water and frost protection of tunnels



Water and frost protection of tunnels in Troms and Finnmark.

The new solution is more sustainable, easier to install and meets all safety requirements.

Thanks to innovative product development, the Ibestad and Maursund tunnels in Troms and Finnmark county are now water- and frost-protected with sustainable insulation mats. In addition to withstand mechanical and chemical stress, the mats are non-combustible and easy to install.

The insulation material – originally used in the oil and gas industry – has been further developed in collaboration with an experienced water- and frost-protection contractor, the Norwegian Public Roads Administration (NPRA), leading professional resources in tunneling and leading professionals in polyurea. CEO Arild Apelthun hopes to contribute to safer tunnels.

Together, we have developed a water and frost protection concept that is more effective and sustainable than traditional tunnel protection, and meets all safety requirements. This is very positive, and we hope the new mats can help improve safety in Norwegian tunnels, says CEO Arild Apelthun in Beerenberg. All required testing has been done and documented to the NPRA and the new insulation mats have been installed in the Bratsberg

railway tunnel in Vestfold and Telemark county, in addition to the Ibestad, Kågen and Maursund tunnels in Troms and Finnmark.

Sustainable development

For a number of years, Beerenberg has further developed products from the oil and gas industry for new areas of use in other markets, and has considerable expertise in the field. In this particular project, it quickly became clear that there were opportunities for a significant improvement in regards to current material use and installation methods. During the course of development, it also became clear that it was possible to make significant environmental savings in terms of reduced CO2 emissions, along with streamlining the implementation process.

Beerenberg's insulation solutions for water and frost protection have potential for 60-70 percent CO2 emission savings compared to traditional solutions. Benefits also include reduced implementation time, flexibility during the implementation phase, safety and sustainability, says SVP Geir Harris. Beerenberg is now experiencing a high demand for the new solution and has received several new orders.

Through these projects, where we have successfully installed the new insulation mats, we have gained valuable experience and knowledge and are ready to take on larger projects going forward, says Harris.

Reduces the need for fire protection

Today, most tunnels are water- and frost-protected with materials that are both flammable and emit toxic gases in the event of a fire. These are traditionally fireproofed using concrete after assembly. With the insulation material from the oil & gas industry – which neither attracts water, is flammable nor emits toxic gases or smoke – there will no longer be a need for fire protection on top of the water and frost protection solution.

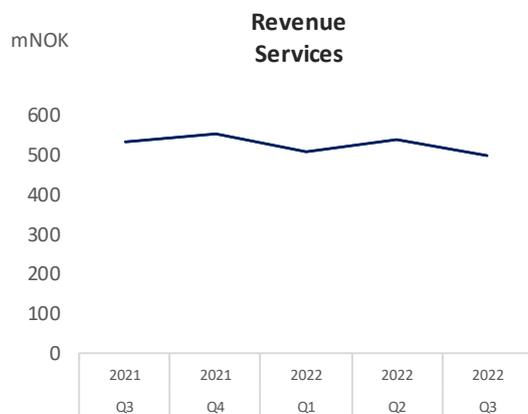
Develops insulation solutions for several industries

Beerenberg's independently developed insulation solutions in the Benarx® series have been a preferred product series in the oil & gas industry since the beginning of the 2000s. Tailor-made and efficient insulation solutions are now offered at competitive prices also within transport and tunnels, and building and construction.

Business segments

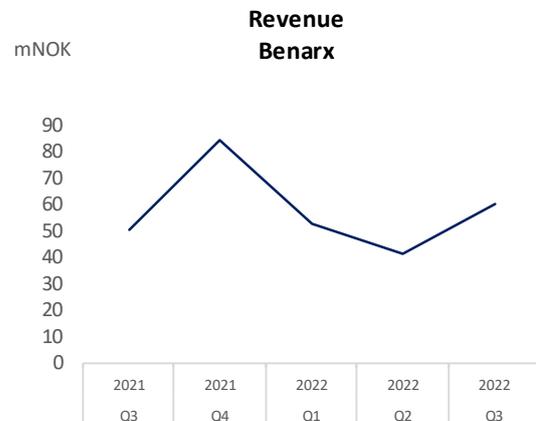
Services

The Service segment revenue for 3rd quarter was MNOK 498, an decrease of 6% compared to corresponding period last year mainly due to lower activity in newbuilding projects, but offshore and onshore still with good activity in 3rd quarter 2022. The EBITDA margin was 8.1%.



Benarx

The Benarx segment reported a revenue of MNOK 60 for the quarter with an EBITDA of 10%. Revenue was up 18% compared to the same period last year. This quarter was also affected by delays on projects especially within Subsea.



Figures & notes



Condensed Consolidated Income Statement

Condensed Consolidated Income Statement

Group Summary		Q3	Q3	YTD	YTD	FY
Amounts in NOK million	Note	2022	2021	2022	2021	2021
Operating revenue	6	540,9	562,6	1 652,9	1 516,6	2 136,0
Operating expenses		494,5	505,8	1 521,4	1 361,9	1 919,6
EBITDA	6	46,4	56,8	131,4	154,7	216,5
Depreciation		14,6	11,7	41,4	36,6	49,1
EBITA		31,8	45,1	90,0	118,1	167,4
Amortisation		4,4	4,1	12,4	12,2	14,3
Operating profit (EBIT)		27,3	41,0	77,7	106,0	153,1
Finance costs - net	4	19,6	19,3	55,2	60,8	82,2
Profit before tax (EBT)		7,7	21,7	22,4	45,2	70,9
Income Tax expense		1,7	4,8	5,5	9,9	14,4
Net profit		6,0	16,9	17,0	35,3	56,4
Profit for the period is attributable to:						
Shareholders of the parent company		6,0	17,5	17,3	37,3	57,8
Non controlling interests		0,0	-0,5	-0,3	-2,1	-1,3
Net profit		6,0	16,9	17,0	35,3	56,4
Basic earnings per share for 1.000.000 A shares (NOK)		0,01	0,02	0,02	0,04	0,06
Diluted earnings per share are identical as there are no dilutive effect						
EBITDA margin		8,6 %	10,1 %	8,0 %	10,2 %	10,1 %
EBITA margin		5,9 %	8,0 %	5,4 %	7,8 %	7,8 %

Condensed Consolidated Statement of Comprehensive Income

Amounts in NOK million	Note	Q3 2022	Q3 2021	YTD 2022	YTD 2021	FY 2021
Net profit for the period		6,0	16,9	17,0	35,3	56,4
<i>Other comprehensive income:</i>						
Conversion differences		-0,1	-3,7	-1,8	-4,1	-3,4
Change in value of derivatives		0,5	1,4	5,7	5,0	6,1
Total comprehensive income		6,4	14,6	20,9	36,3	59,1

Condensed Consolidated Balance Sheet

Group Summary		Q1	Q3	Q4
Amounts in NOK million	Note	30.09.2022	30.09.2021	31.12.2021
Intangible assets		38,4	20,2	19,2
Goodwill		782,8	782,8	782,8
Property, plant and equipment		200,1	207,2	208,3
Financial fixed assets		27,6	16,2	20,2
Deferred tax assets		0,0	0,0	0,0
Total non-current assets		1 048,8	1 026,4	1 033,6
Inventory		85,2	91,0	77,8
Accounts receivables from customers		341,1	324,4	306,4
Earned, not invoiced accounts receivables		137,8	144,4	195,2
Other receivables		35,1	43,4	23,7
Cash at bank		70,3	194,9	193,3
Total current assets		669,5	798,1	796,4
TOTAL ASSETS		1 718,3	1 824,5	1 830,0
Share capital		26,7	26,7	26,7
Share premium		240,3	240,3	240,3
Other equity		300,9	257,4	279,5
Non controlling interests		-0,7	-1,2	-0,1
Total equity		567,3	523,1	546,4
Pension liabilities		17,8	14,1	17,3
Deferred tax liabilities		3,9	11,8	0,0
Interest bearing long-term liabilities	4	644,8	691,6	665,2
Derivatives		0,0	0,0	0,0
Total non-current liabilities		666,5	717,5	682,5
Interest bearing short-term liabilities	4	84,7	81,1	78,9
Supplier liabilities		121,5	166,6	188,0
Tax payable		7,2	-0,5	18,5
Social Security, VAT and other taxes		48,6	91,2	91,0
Other short-term liabilities		200,6	225,6	203,2
Warranty liabilities		21,9	19,8	21,5
Total Current Liabilities		484,6	583,9	601,1
TOTAL EQUITY & LIABILITY		1 718,3	1 824,5	1 830,0

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 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

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					35,3	37,3	-2,1	35,3
Other Comprehensive Income			-4,1	5,0		1,0		1,0
Changes in non-controlling interests								
Equity as per 30.09.2021	26,7	240,3	-1,7	4,2	252,9	524,4	-1,2	523,1

Condensed Consolidated Statement of Cash Flow

Amounts in NOK million	Note	Q3 2022	Q3 2021	YTD 2022	YTD 2021	FY 2021
EBITDA		46,4	56,8	131,5	154,7	216,4
Taxes paid		0,7	-0,1	-12,4	-12,7	-13,3
Change in net working capital		8,3	52,6	-110,5	-25,2	-26,4
Changes to other time restricted items		2,0	-1,9	4,9	-2,3	0,6
Net Cash flow from operating activities		57,4	107,3	13,5	114,4	177,3
Capex		-6,9	-10,1	-20,8	-27,1	-41,8
Acquisition of shares in subsidiary		0,0	0,0	-25,2	0,0	0,0
Net cash flow from investing activities		-6,9	-10,1	-46,0	-27,1	-41,8
Net repayment of interest bearing debt		-3,8	46,0	-33,9	12,3	-12,9
Changes in non-controlling interests		0,0	0,0	0,0	0,0	0,1
Net interest paid	4	-18,4	-17,2	-56,6	-44,5	-69,0
Net cash flow from financing activities		-22,3	28,8	-90,5	-32,2	-81,8
Total cash flow		28,2	126,0	-123,0	55,1	53,6
Opening balance net bank deposits		42,2	68,9	146,2	145,5	139,7
Closing balance net bank deposits		70,3	194,9	23,2	200,6	193,3

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 2021 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.	820 875	82,1 %	223 247 653	83,9 %	224 068 528	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	63 685	6,4 %	11 510 354	4,3 %	11 574 039	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 2021. The accounting policies applied in the interim financial statements is the same as those described in the Annual Report for 2021.

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 2021 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 2021. Please refer to Note 3 in the Annual Report for 2021.

Note 4 – Bond and covenants

A 3-year Senior Secured Bond of MNOK 750 was issued in Q4 2020. 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). The group is in compliance with covenants as of 30th of September 2022.

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 3rd Quarter of 2022.

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 2022	Q3 2021	YTD 2022	YTD 2021	FY 2021
Services	498,1	531,6	1 542,8	1 348,5	1 903,0
Benarx	59,8	50,5	153,9	224,0	308,2
Eliminations	-17,1	-19,6	-43,8	-55,8	-75,2
Total	540,9	562,6	1 652,9	1 516,6	2 136,0

EBITDA by Segment

Amounts in NOK million	Q3 2022	Q3 2021	YTD 2022	YTD 2021	FY 2021
Services	40,4	53,7	124,0	131,2	175,6
Benarx	6,0	3,1	7,5	23,5	40,9
Total	46,4	56,8	131,5	154,7	216,5

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.