

BEERENBERG AS

Unaudited 1<sup>st</sup> quarter results 2024



Q124

# Headlines

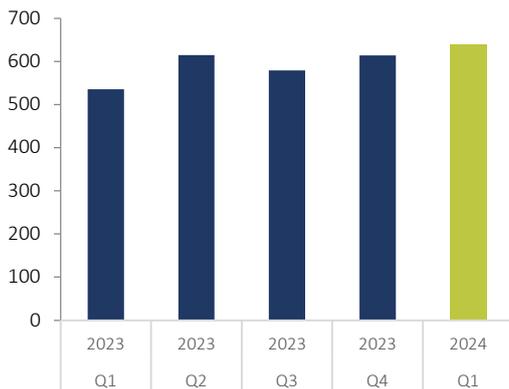
“High activity, improved EBITDA and strong orderintake”

## THIS QUARTER

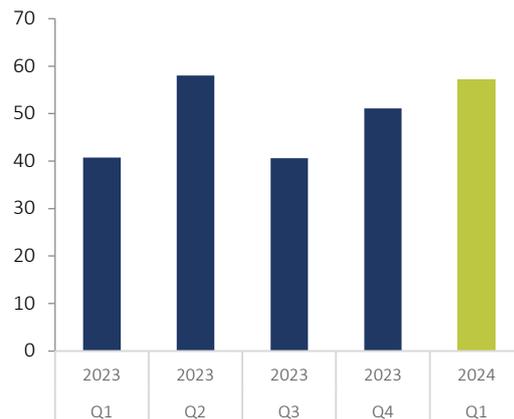
Operating Revenue	<b>639 MNOK</b>
EBITDA	<b>57 MNOK</b>
Cash Flow from Operations	<b>-66 MNOK</b>
Order Intake	<b>3 900 MNOK</b>
SIF (LTM)	<b>0,64</b>
Employees*	<b>1440</b>

\* Employees end of quarter

## REVENUE



## EBITDA



# Group overview

## Highlights

The highlights for Beerenberg (Beerenberg AS consolidated) in the 1<sup>st</sup> quarter 2024 were:

- Revenue was MNOK 638, up 19% compared 1<sup>st</sup> quarter last year.
- 16% increase in service activity in the period compared to same period last year.
- Benarx experienced 11% higher deliveries in the 1<sup>st</sup> quarter compared to 1<sup>st</sup> quarter 2023.
- EBITDA of MNOK 57, up from MNOK 41 in the 1<sup>st</sup> quarter 2023.
- Order intake in the period was MNOK 3 900 in the 1<sup>st</sup> quarter 2024 compared to MNOK 70 same period last year.
- Estimated order backlog at the end of the quarter was BNOK 10.6 compared to BNOK 7.5 at the end of the 4<sup>th</sup> quarter last year (+41%).

## Income Statement

Revenue in the 1<sup>st</sup> quarter was MNOK 638 compared to NOK 535 in 1<sup>st</sup> quarter 2023.

EBITDA in the 1<sup>st</sup> quarter 2024 was MNOK 57, up from MNOK 41 in the corresponding quarter last year. EBITDA margin 9.0% compared to 7.6% in the 1<sup>st</sup> quarter last year. EBITDA in 2024 influenced by good project execution and an growing market.

Financial cost in the 1<sup>st</sup> quarter 2024 was MNOK 8 compared to MNOK 17 in the same quarter last year. Finance cost ended somewhat lower than expected related to currency effects.

Net profit in the 1<sup>st</sup> quarter 2024 was MNOK 25 compared to a net profit of MNOK 4 in the 1<sup>st</sup> quarter 2023.



## Balance Sheet

Total assets were MNOK 1 869 at the end of the quarter, with an equity ratio of 45%. The group's cash position has decreased from MNOK 93 in the 1<sup>st</sup> quarter 2023 to MNOK 63 in the 1<sup>st</sup> quarter 2024.

Total non-current assets were MNOK 1 105, up from MNOK 1 051 compared to the end of 1<sup>st</sup> quarter 2023. The increase is mainly related to renewal of a long term lease contract. Current assets of MNOK 763 were up from MNOK 688 in the same period last year. The increase relates mainly to increase in accounts receivables and earned not invoiced accounts receivables.

Total current liabilities of MNOK 599 were down from MNOK 1 122 at the end of the 1<sup>st</sup> quarter 2023 and total non-current liabilities were MNOK 427 up from MNOK 46 in the 1<sup>st</sup> quarter 2023. The main reason for these changes is reclassification of bank debt to non-current liabilities due to the long term facility drawn in 3<sup>rd</sup> quarter 2023. The company repaid MNOK 200 in interest bearing debt in the 4<sup>th</sup> quarter 2023. Hence net interest-bearing debt was MNOK 398 compared to MNOK 612 in the 1<sup>st</sup> quarter 2023.

Net working capital ended at MNOK 178 in the period, compared to MNOK 155 at the end of the 1<sup>st</sup> quarter 2023. The increase relates mainly to higher earned, not invoiced and accounts receivables. The development of working capital needs to be assessed over a period and not solely at the end of the quarter.

## Cash Flow

The Groups cash position was MNOK 63 by the end of the 1<sup>st</sup> quarter 2024 down from MNOK 93 same period last year.

Cash flow from operating activities was negative by MNOK 66 in the period versus positive by MNOK 10 in corresponding period last year. The difference relates mainly to changes in net working capital which is influenced by the timing of payments on invoices related to our major framework contracts and activity levels.

Cash flow from investing activities was negative by MNOK 12 compared to negative MNOK 8 in the 1<sup>st</sup> quarter 2023. Investing activities were Capex related to machinery and equipment.

Cash flow from financing activities was negative by MNOK 25 compared to negative MNOK 21 in the 1<sup>st</sup> quarter 2023. Finance

activities in the quarter affected by repayment of interest bearing debt, paid interest and leasing.

In summary total cashflow in the 1<sup>st</sup> quarter 2024 was negative by MNOK 102 compared to negative MNOK 20 in the 1<sup>st</sup> quarter 2023.

## Order Backlog & Market

The tender activity has been stable during the 1<sup>st</sup> quarter of 2024 relating both to Benarx/Subsea deliveries, maintenance and new build/modification projects (oil&gas, industry and infrastructure).

Total order intake was approximately MNOK 3 900 for the period (including options). The major part of the order intake is related to Beerenberg being awarded a frame agreement with ConocoPhillips for maintenance services and materials on the Greater Ekofisk Field. This frame agreement has a firm duration of 6 years followed by an optional period of 6 years – in total 12 years currently with an estimated contract value of approximately MNOK 3 600. In addition to this Beerenberg was also awarded a frame agreement for Repsol for maintenance services and associated goods on the Yme Field with a firm duration of 3 years followed by an optional period of 3 years – in total 6 years currently with an estimated contract value of approximately MNOK 230.

The current estimated order backlog (including frame agreements and options) is BNOK 10,6

## HSEQ

At the end of 1<sup>st</sup> quarter Beerenberg had 1440 employees.

One serious incident in 1<sup>st</sup> quarter resulting in a total Serious Incident Frequency (SIF) in the 1<sup>st</sup> quarter of 1,21 and 0,64 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	2024 Goal	Q1 Status	Impact on UN's SDGs
  	1	Reduced release of waste in connection with surface treatment *	>20%	12%	   
	2	Reduced CO2 footprint in connection with surface treatment **	>15%	16%	
	3	Improvement suggestions submitted by Operations	>100	22	
	4	Number of new technology, materials or solutions studied, tested, developed or adopted	>8	0	
	5	Reduced GHG emission scope 1 and 2	>10%	≈2%	
	6	Diversification of the business - Increased share of turnover outside O&G	>8%	12%	
  	7	SIF (serious incident frequency) - YTD	0	1,2	  
	8	Unwanted turnover operational employees - trade certificates, apprentices/IPK	<20	5	
	9	Recruit or develop Trade certificates (12,5 per qtr)	50	12,0	
	10	Proportion of operational employees still at Beerenberg 24 months after onboarding	>80%	83%	
	11	Proportion of operational employees who report well-being at work( psychosocial measurement)	>80%	95%	
  	12	Supplier follow up meetings - Corporate	80%	14%	  
	13	Proportion of employees who have completed training in ethics	90%	73%	
	15	Internal audits	10	0%	

\* Benchmark 2020. Scope surface treatment Offshore  
 \*\* Benchmark 2020. Scope surface treatment Offshore and Onshore



## Beerenberg strengthens foothold in Brazil

Beerenberg has expanded its operations in Brazil to meet the rising demand for its services in the region.

In January, the company established Beerenberg Brasil LTDA in Rio de Janeiro to tap into this booming oil and gas market, which rivals Norway's in size. The new office is located in Rio's Botafogo suburb.

- Specializing in surface treatment, robotic maintenance services, subsea insulation, and fire protection systems, Beerenberg is well-equipped to offer innovative solutions to the Brazilian market, says Kent Moore, country manager for Beerenberg in Brazil.

Currently, Beerenberg is working on a major project with its subsidiary Remotion, painting a 3800m<sup>2</sup> hull-side of an FPSO vessel using advanced robotic technology. This project serves as a significant milestone and reference for future endeavors in Brazil.

With more than 45 FPSOs in operation and a projected 40 percent fleet increase by the end of the decade, FPSO maintenance is crucial in Brazil. Beerenberg's successful Peregrino project in Q2 2024 will showcase its robot technology and position the company as a preferred partner for clients.

Besides the FPSO project, Beerenberg is also experiencing a demand for its subsea insulation services, insulation products, and decommissioning solutions in Brazil.

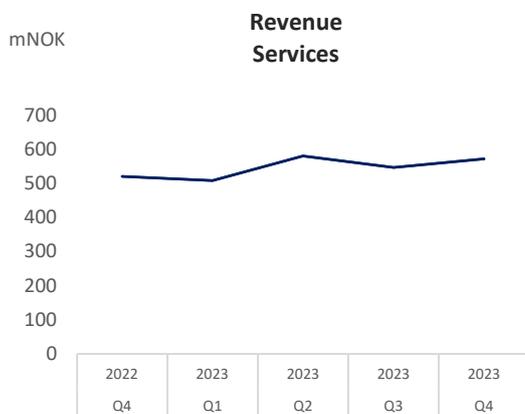
According to Rystad Energy, Brazil's services market is positioned for significant growth. The latest exploration bid here continues to assert the country's plan of becoming one of the top five crude oil producers in the world by 2030. It is anticipated that Brazil will maintain its high levels of offshore activity throughout the remainder of the decade, with close to 600 wells to be drilled from 2024 to 2030.

Beerenberg's strategic presence in Brazil demonstrates the company's readiness to seize opportunities in the global oil and gas market.

# Business segments

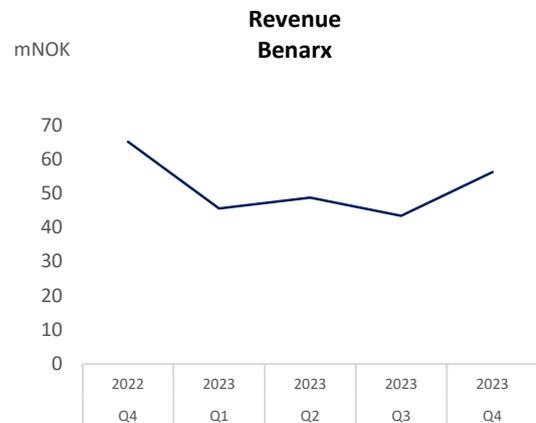
## Services

The Service segment revenue for the 1<sup>st</sup> quarter was MNOK 595, up MNOK 85 compared to the corresponding period last year. The EBITDA margin in 1<sup>st</sup> quarter was 9.6% compared to 8.3% in 2023. Strong demand for Beerenberg's services in the quarter and strong outlook.



## Benarx

The Benarx segment reported a revenue of MNOK 50 in the 1<sup>st</sup> quarter compared to MNOK 46 in 2023. Reported EBITDA was MNOK 0 in the 1<sup>st</sup> quarter and negative MNOK 2 same period last year. Still low activity in Asia and Europe with low internal deliveries but external deliveries increasing. Subsea with steady activity in the period.



# Figures & notes



# Condensed Consolidated Income Statement

## Condensed Consolidated Income Statement

Group Summary		Q1	Q1	YTD	YTD	FY
Amounts in NOK million	Note	2024	2023	2024	2023	2022
Operating revenue	6	638	535	638	535	2 343
Operating expenses		581	495	581	495	2 153
EBITDA	6	57	41	57	41	191
Depreciation		14	14	14	14	58
EBITA		43	26	43	26	133
Amortisation		3	4	3	4	14
Operating profit (EBIT)		40	22	40	22	118
Finance costs - net	4	8	17	8	17	88
Profit before tax (EBT)		32	5	32	5	30
Income Tax expense		7	1	7	1	13
Net profit		25	4	25	4	17
<b>Profit for the period is attributable to:</b>						
Shareholders of the parent company		25	5	24	5	17
Non controlling interests	7	0	-1	1	-1	0
Net profit		25	4	25	4	17
Diluted earnings per share are identical as there are no dilutive effect						
EBITDA margin		9,0 %	7,6 %	9,0 %	7,6 %	8,1 %
EBITA margin		6,8 %	4,9 %	6,8 %	4,9 %	5,7 %

# Condensed Consolidated Statement of Comprehensive Income

Condensed Consolidated statement of comprehensive income

Amounts in NOK million	Note	Q1 2024	Q1 2023	YTD 2024	YTD 2023	FY 2022
<b>Net profit for the period</b>		<b>25</b>	<b>4</b>	<b>25</b>	<b>4</b>	<b>17</b>
<i>Other comprehensive income:</i>						
Conversion differences		4	0	4	0	3
Change in value of derivatives		2	-2	2	-2	-10
<b>Total comprehensive income</b>		<b>31</b>	<b>3</b>	<b>31</b>	<b>3</b>	<b>10</b>

# Condensed Consolidated Balance Sheet

## Condensed Consolidated Balance Sheet

Group Summary		Q1	Q4	YTD
Amounts in NOK million	Note	31.03.2024	31.03.2023	31.12.2023
Intangible assets		37	48	39
Goodwill		783	783	783
Property, plant and equipment		265	205	267
Financial fixed assets		20	15	18
Deferred tax assets		0	0	2
<b>Total non-current assets</b>		<b>1 105</b>	<b>1 051</b>	<b>1 110</b>
Inventory		88	100	89
Accounts receivables from customers		307	272	284
Earned, not invoiced accounts receivables		260	169	161
Other receivables		47	54	26
Cash at bank		62	93	165
<b>Total current assets</b>		<b>764</b>	<b>688</b>	<b>724</b>
<b>TOTAL ASSETS</b>		<b>1 869</b>	<b>1 739</b>	<b>1 834</b>
Share capital		61	27	61
Share premium		439	240	439
Other equity		342	306	311
Non controlling interests		0	-1	0
<b>Total equity</b>		<b>842</b>	<b>572</b>	<b>811</b>
Pension liabilities		25	20	26
Deferred tax liabilities		5	3	0
Interest bearing long-term liabilities	4	398	22	412
<b>Total non-current liabilities</b>		<b>428</b>	<b>46</b>	<b>439</b>
Interest bearing short-term liabilities	4	63	683	64
Supplier liabilities		161	104	156
Tax payable		13	-1	13
Social Security, VAT and other taxes		78	67	82
Other short-term liabilities		264	247	250
Warranty liabilities		20	23	20
<b>Total Current Liabilities</b>		<b>599</b>	<b>1 122</b>	<b>584</b>
<b>TOTAL EQUITY &amp; LIABILITY</b>		<b>1 869</b>	<b>1 739</b>	<b>1 834</b>

## 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 2024	61	439	1	-1	312	811	0	811
Net profit					25	25		25
Other Comprehensive Income			4	2		6		6
<b>Equity as per 31.03.2024</b>	<b>61</b>	<b>439</b>	<b>4</b>	<b>2</b>	<b>336</b>	<b>842</b>	<b>0</b>	<b>842</b>

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	27	240	-2	9	295	569	-1	569
Net profit					5	5	-1	4
Other Comprehensive Income			0	-2		-1		-1
Changes in non-controlling interests								
<b>Equity as per 31.03.2023</b>	<b>27</b>	<b>240</b>	<b>-2</b>	<b>7</b>	<b>300</b>	<b>573</b>	<b>-1</b>	<b>572</b>

# Condensed Consolidated Statement of Cash Flow

Condensed Consolidated statement of cashflow

Amounts in NOK million	Note	Q1 2024	Q1 2023	YTD 2024	YTD 2023	FY 2022
EBITDA		57	41	57	41	191
Taxes paid		0	-10	0	-10	-10
Change in net working capital		-125	-24	-125	-24	80
Changes to other time restricted items		2	3	2	3	-3
<b>Net Cash flow from operating activities</b>		<b>-66</b>	<b>10</b>	<b>-66</b>	<b>10</b>	<b>258</b>
Capex		-12	-8	-12	-8	-56
<b>Net cash flow from investing activities</b>		<b>-12</b>	<b>-8</b>	<b>-12</b>	<b>-8</b>	<b>-56</b>
Net repayment of interest bearing debt		-14	-4	-14	-4	-276
Capital increase		0	0	0	0	233
Other finance items		0	0	0	0	-15
Net interest paid	4	-11	-18	-11	-18	-92
<b>Net cash flow from financing activities</b>		<b>-25</b>	<b>-21</b>	<b>-25</b>	<b>-21</b>	<b>-150</b>
<b>Total cash flow</b>		<b>-102</b>	<b>-20</b>	<b>-102</b>	<b>-20</b>	<b>51</b>
<b>Opening balance net bank deposits</b>		<b>165</b>	<b>113</b>	<b>165</b>	<b>113</b>	<b>113</b>
<b>Closing balance net bank deposits</b>		<b>62</b>	<b>93</b>	<b>62</b>	<b>93</b>	<b>165</b>

# 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 2023 provides further information on risks and uncertainties applicable to Beerenberg.

Shareholders in Beerenberg AS at 31.03.2024 are specified in table below. The company was listed the 5<sup>th</sup> of October 2023

Shareholder	Number of shares	Stake
Segulah IV L.P.	5 327 168	21,7 %
CAMAR INVEST 3 AS	4 444 444	18,1 %
The Bank of New York Mellon	1 776 985	7,2 %
MUSTANG CAPITAL AS	1 400 000	5,7 %
KONTRARI AS	1 250 000	5,1 %
BNP Paribas	740 555	3,0 %
BNP Paribas	594 921	2,4 %
The Bank of New York Mellon SA/NV	554 705	2,3 %
VERDIPAPIRFONDET STOREBRAND NORGE	508 600	2,1 %
VERDIPAPIRFONDET STOREBRAND VERDI	460 163	1,9 %
SKEIE KAPITAL AS	450 000	1,8 %
TOLUMA NORDEN AS	444 444	1,8 %
INTERTRADE SHIPPING AS	300 000	1,2 %
KRISTIAN FALNES AS	300 000	1,2 %
EJA HOLDING AS	250 000	1,0 %
TIGERSTADEN AS	240 000	1,0 %
OMA INVEST AS	225 000	0,9 %
BJØRGVIN AS	220 000	0,9 %
H CAP AS	219 351	0,9 %
Others	4 863 664	19,8 %
Total	24 570 000	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 2023. The accounting policies applied in the interim financial statements is the same as those described in the Annual Report for 2023.

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 2023 is available at [www.Beerenberg.com](http://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 2023. Please refer to Note 3 in the Annual Report for 2023.

## Note 4 – Loan and covenants

Long-term financing of is established in SpareBank 1 SR-Bank. The Financing Package consists of 2 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.

Interest margins in addition to 3mth Nibor are 4.05 % for Tranche 1, and 4.55 % for Tranche 2, down 0.2% from 4<sup>th</sup> quarter 2023.

An interest swap with a nominal value of MNOK 190 which is reduced by MNOK 10 each Quarter (equals amortization of Tranche 1) is entered into with SpareBank 1 SR-Bank. The Group is swapping variable interest (3mth NIBOR) for fixed interest at 3.55 %.

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.

## Note 5 – Related party transactions

No related party transactions were conducted in 1<sup>st</sup> Quarter of 2024.

## 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

	Q1	Q1	YTD	YTD	FY
Amounts in NOK million	2024	2023	2024	2023	2023
Services	595	510	595	510	2 212
Benarx	50	46	50	46	194
Eliminations	-6	-20	-6	-20	-63
Total	638	535	638	535	2 343

### EBITDA by Segment

	Q1	Q1	YTD	YTD	FY
Amounts in NOK million	0	0	0	0	0
Services	57	42	57	42	191
Benarx	0	-1	0	-1	0
Total	57	41	57	41	191

## 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.