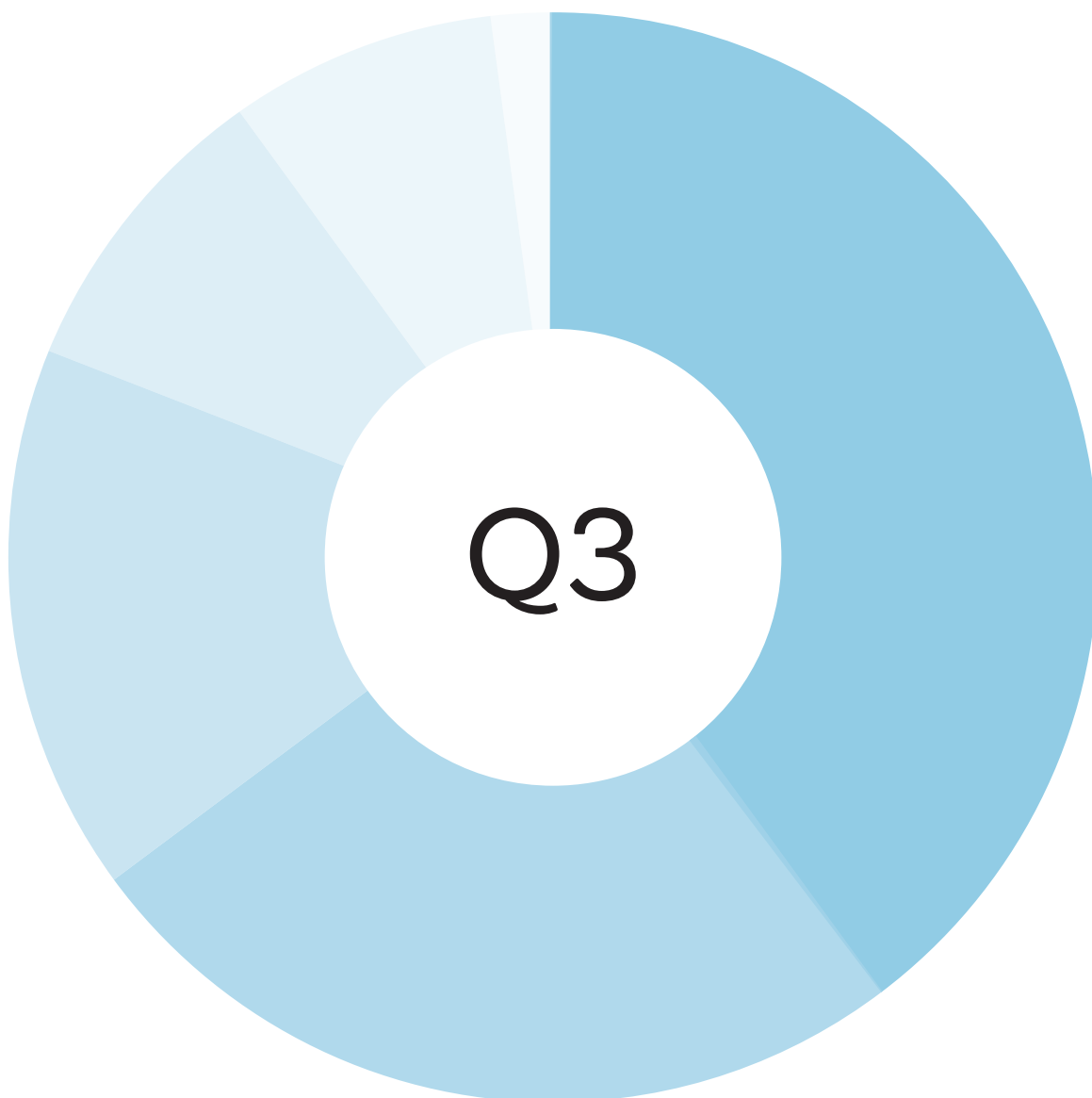


Report

2019



Q3

- New websites for improved user experiences
- Increased understanding of positions offshore
- Secure and efficient organisation of convoy driving
- Real-time information for all bus users in Rogaland
- Artificial intelligence to help meet tomorrow's maintenance requirements
- Better quality and efficiency in administrative services
- Renewal and modernisation of Norwegian educational systems
- Better data flow and traceability with new integration hub
- Automating business processes
- Helping heavy goods vehicles to avoid potentially hazardous traffic encounters

bouvet

We change, renew and improve

Key figures

NOK MILLION	JUL-SEP 2019	JUL-SEP 2018	CHANGE %	JAN-SEP 2019	JAN-SEP 2018	CHANGE %	YEAR 2018
Revenue	460.9	395.4	16.6 %	1 543.5	1 311.3	17.7 %	1 846.7
Operating profit (EBIT)	32.6	20.1	61.9 %	160.7	126.4	27.1 %	191.6
Ordinary profit before tax	33.0	20.2	63.4 %	160.9	125.3	28.4 %	191.6
Profit for the period	25.7	15.4	66.9 %	125.5	97.0	29.5 %	150.5
Net cash flow operations	10.8	-14.1	N/A	47.3	3.0	1457.7 %	219.0
Cash and cash equivalents	133.2	63.4	109.9 %	133.2	63.4	109.9 %	278.4
Number of employees (end of period)	1 545	1 342	15.1 %	1 545	1 342.0	15.1 %	1 369
Number of employees (average)	1 513	1 328	14.0 %	1 449	1 286.0	12.6 %	1 305
Earnings per share	2.52	1.52	65.9 %	12.27	9.54	28.6 %	14.80
Diluted earnings per share	2.49	1.51	64.7 %	12.15	9.45	28.5 %	14.66
EBIT-margin	7.1 %	5.1 %		10.4 %	9.6 %		10.4 %
Equity ratio	27.5 %	35.0 %		27.5 %	35.0 %		36.6 %

Bouvet in brief

We are a Scandinavian consultancy in the field of IT and digital communication. We support both private- and public-sector players in digitalising their operations, and help them to meet the challenges and exploit the opportunities presented by digital technology.

We are committed to maintaining long-term client relationships, and are a strategic partner for a number of enterprises where we work together on innovation, development and implementation of solutions. Clients value our good understanding of their activities, and the fact that our broad range of services – comprising development and consultancy support with information technology, communication and enterprise management – means we can be a turnkey supplier.

Our client base includes a number of important societal players, and we contribute together with them to the development of society. That is in line with our vision.

A close relationship can be maintained with clients because we pursue our assignments with a high level of integrity. In addition to our standards for delivering good solutions, we set strict requirements for ethics, avoiding conflicts of interest, security, openness and trustworthiness.

Digital reality is always changing. To be able to handle this and to seize the opportunities which arise, we devote particular attention to the job satisfaction and expertise of our employees, continuous service development and our credibility as a long-term partner.

With a regional model where each office and organisational unit has considerable freedom, we have reduced bureaucracy and shortened decision paths. That gives us an adaptability which is essential for the ability to create good, flexible and durable solutions.

At 30 September 2019, we had 1 545 employees at 10 offices in Norway and three in Sweden.

Highlights of the third quarter

- Won an innovation-related contract from the Norwegian Directorate of Public Construction and Property

- Demand for courses high and big attendance at breakfast seminars

- Contributed to Arendal Week with a debate on how digitalisation can contribute to sustainable growth and development

- Workforce up by 90 from previous quarter, many of these were new graduates

- Operating profit (EBIT) rose by 61.9 per cent or NOK 12.4 million from the same period of last year to NOK 32.6 million

- Operating revenues up by 16.6 per cent or NOK 65.5 million from the third quarter of 2018 to NOK 460.9 million

- Employees up by 203 over the past 12 months



CEO'S COMMENTS

We will take the lead and be a prime mover in building tomorrow's society

We continued to work hard during the third quarter to reach our three long-term goals. Being dependent on motivated, able and proud employees, we pursue continuous expertise development, renew our services and work on our corporate culture. The result today is that we are a company with 1 545 employees and a very good workforce composition in terms of age, experience and expertise. People thrive with us. That is the basis for reaching our second long-term goal – having satisfied and loyal clients who want our services. Our third-quarter turnover was NOK 461 million, with 95 per cent coming from the same clients we had in the same period of 2018. We also secured several new clients. They thrive with us. Motivated, proud and able employees who continued developing our clients and their digital transformation also meant that profitability was good in the quarter. Put briefly, we achieved yet another quarter of profitable growth. We all thrive with that.

We make our living from delivering expertise. Our employees are the key to everything, and our attention is concentrated on them regardless of what we do. To create the best workplace for our personnel, we work a great deal developing and sharing expertise. Our company contains people with differing human capabilities, knowledge and experience. Older members of staff are generous in sharing their experience with new and hungry younger colleagues. The latter join us to share their energy, innovative thinking and technology expertise, which further develops us in turn. One of our most important slogans is that “Bouvet shares”. This attitude permeates our organisation, and we have established a number of channels and events where sharing is the main topic. During the quarter, we supplemented growth through recruitment with a focus on retaining our more experienced consultants. The workforce increased by 90 in this period.

Closeness to clients is one of our most important competitive advantages. We are close to them both geographically and in terms of relations. Our clients are the most exciting companies from most sectors in Norway and Sweden. Virtually all our clients purchased more from us in the third quarter than they did in the same period of last year. They have come further in their digitalisation voyage and are now investing in a number of our service areas. That includes digital leadership, change management and digital consulting. And, not least, the attention they are devoting to service design has provided many assignments. Demand for our technology expertise from new and existing clients is consistently good. Assignments in different sectors, combined with our sharing culture, mean that we contribute a useful recycling of ideas and expertise.



“With able employees and closeness to clients, I am convinced that we will remain an important driver for renewal and improvement.”

To keep abreast of rapid technological advances, our clients must actively pursue expertise development. Our course department offers a good and relevant range of internal company programmes and standard courses. We again experienced very good demand in the third quarter.

Our profitability is rising. The basis for this growth is that we are succeeding in recruiting and developing able people, developing services our clients require, and operating efficiently. We have been successful here for many years, and achieved good growth and profitability yet again in the third quarter. Many new colleagues came on board during the period, and we see that it takes a little while to get going with billable work. But this is an investment in future progress.

We in Bouvet want to take the lead and be a prime mover in building tomorrow's society. We work with a great many of the most important Norwegian and Swedish enterprises in the

public and private sectors. That includes such areas as energy, health, education, transport, retail, finance, maritime and coastal. We also have small clients who want to grow. In a society changing rapidly and dramatically, we will participate in digitalising what can and should be digitalised. With able employees and closeness to clients, I am convinced that we will remain an important driver for renewal and improvement.

Despite a rather unsettled macroeconomic picture, we will be a workplace where the best people want to work, our clients will continue to show us confidence, and we will continue to run a good and sound business.

Sverre Hurum
President and CEO



Financial results

Operating revenues

Bouvet had operating revenues of NOK 460.9 million for the third quarter, compared with NOK 395.4 million in the same period of 2018. That represented a rise of 16.6 per cent. Fee income generated by the group's own consultants increased by 18.6 per cent, from NOK 331.3 million in the third quarter of 2018 to NOK 392.7 million. Income generated by sub-contractors grew by 10.1 per cent from the same period of last year to NOK 55.9 million. Other revenues fell by 7.1 per cent from the third quarter of 2018 to NOK 12.3 million.

An increase of 14 per cent in the average number of employees over the quarter had a positive effect of NOK 47.0 million on fee income generated by the group's own workforce. Furthermore, a 4.6 per cent rise in rates for the group's hourly based services compared with the third quarter of 2018 increased fee income by NOK 18.7 million. The third quarter had one working day more than the same period of 2018. That had a positive effect of NOK 5.3 million on fee income generated by the group's own employees. A 2.3 percentage-point reduction in the billing ratio for the group's consultants from the third quarter of 2018 had a negative effect of NOK 11.5 million on fee income generated by the group's own employees. Other factors, such as holiday take-up, sickness absence and leave of absence, had an overall positive effect of NOK 0.8 million in the third quarter compared with the same period of 2018.

Sales to existing clients made good progress overall during the quarter. Clients who also used the group in the third quarter of

2018 accounted for 95.7 per cent of operating revenues. In addition, clients acquired since 30 September 2018 contributed a total of NOK 19.8 million to third-quarter operating revenues.

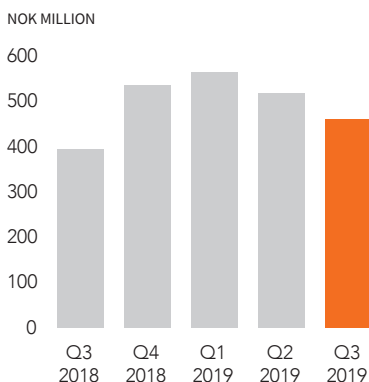
Bouvet's strategy is to use services from sub-contractors when it lacks the capacity to meet demand with its own personnel or when clients require leading-edge expertise outside the group's priority areas. The sub-contractor share of total revenues was 12.1 per cent in the third quarter, compared with 12.9 per cent in the same period of 2018.

Operating revenues for the first nine months were NOK 1 543.5 million, compared with NOK 1 311.3 million in the same period of 2018. That represented a rise of 17.7 per cent.

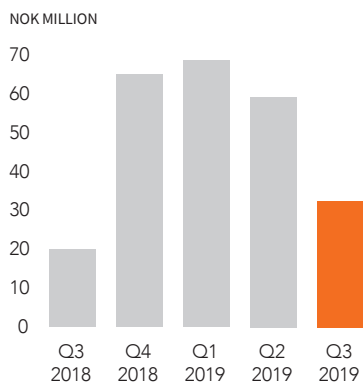
Fee income generated by the group's own consultants rose by 17.7 per cent from the first nine months of 2018 to NOK 1 291.6 million. This increase largely reflected a 12.6 per cent rise in the average workforce and a 4.1 per cent growth in rates for the group's hourly based services compared with the first nine months of 2018. The billing ratio for the group's consultants declined by 0.5 percentage points from the first nine months of 2018.

Income generated by sub-contractors grew by 17.7 per cent from the first nine months of last year to NOK 198.8 million. Other revenues rose by 17.2 per cent from the first nine months of 2018 to NOK 53.1 million.

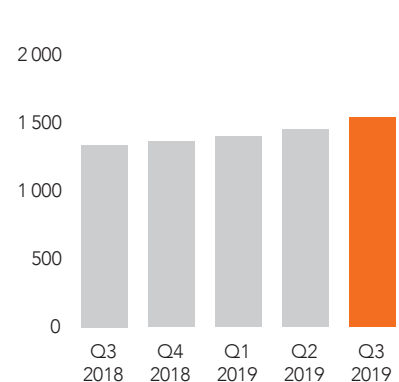
Operating revenue



Operating profit (EBIT)



Number of employees (end of quarter)



Operating costs

Bouvet's operating costs, including depreciation and amortisation, totalled NOK 428.3 million for the third quarter, up from NOK 375.3 million in the same period of 2018. That represented a rise of 14.1 per cent. Increased payroll costs reflected a higher average number of employees in addition to the general growth in pay rates. The group experienced a general rise in pay of 2.5 per cent over the past 12 months. The cost of sales was NOK 56.3 million, unchanged from the third quarter of 2018, and primarily comprised procurement of sub-contractor services and software as well as the hire of course instructors. Viewed in isolation, implementing IFRS 16 Leases from 1 January 2019 (see note 1) reduced other operating expenses by NOK 9.8 million compared with the third quarter of 2018. An overall NOK 5.3 million rise in the cost of recruitment, social security expenses, premises and marketing meant that other operating expenses showed a net reduction of NOK 4.5 million from the third quarter of 2018 and amounted to NOK 48.5 million. Depreciation and amortisation came to NOK 15.4 million, compared with NOK 6.2 million in the third quarter of 2018. Implementing IFRS 16 increased depreciation by NOK 9 million from the same period of last year.

Where the first nine months are concerned, operating costs increased by 16.7 per cent from the same period of 2018 to total NOK 1 382.9 million. The cost of sales rose by 13.7 per cent in the first nine months to NOK 208.4 million. Payroll costs were up by 18.7 per cent to NOK 999.7 million. Viewed in isolation, implementing IFRS 16 from 1 January 2019 (see note 1)

reduced other operating expenses by NOK 28.8 million compared with the first nine months of 2018. An overall rise of NOK 18.5 million in the cost of recruitment, social security expenses, premises and marketing meant that other operating expenses showed a net reduction of NOK 10.3 million from the first nine months of 2018 and amounted to NOK 130.2 million. Depreciation and amortisation came to NOK 44.7 million, compared with NOK 19 million in the first nine months of last year. Implementing IFRS 16 increased depreciation by NOK 26.5 million from the same period of 2018.

Profit

Operating profit (EBIT) for the third quarter came to NOK 32.6 million, compared with NOK 20.1 million in the same period of 2018. The EBIT margin thereby came to 7.1 per cent, compared with 5.1 per cent in the third quarter of last year. Net profit came to NOK 25.7 million, up from NOK 15.4 million in the same period of 2018. Diluted earnings per share were NOK 2.49, compared with NOK 1.51 in the first nine months of last year.

Cumulative operating profit for the first nine months came to NOK 160.7 million, compared with NOK 126.4 million in the same period of 2018. That represented a 27.1 per cent increase. The EBIT margin thereby came to 10.4 per cent, compared with 9.6 per cent in the first nine months of last year. Net profit for the first nine months came to NOK 125.5 million, up from NOK 97 million in the same period of 2018. Diluted earnings per share were NOK 12.15, compared with NOK 9.45 in the third quarter of last year.

Revenue public/private



- Revenue from customer 100% public owned: 47.7%
- Revenue from customer wholly or partially private owned: 52.3%

Revenue per business



■ Oil & gas	30.0%
■ Public admin	26.7%
■ Power supply	9.2%
■ Transportation	7.1%
■ Retail	5.7%
■ Industry	5.0%
■ Bank & finance	4.3%
■ Service industry	4.2%
■ Info and communication	3.8%
■ Health	2.0%
■ Other	2.0%

Cash flow, liquidity and capital adequacy

Consolidated cash flow from operations was NOK 10.8 million for the third quarter, compared with a negative NOK 14.1 million in the same period of 2018. Cash flow for the quarter was affected positively by a reduction of NOK 39.5 million from the second quarter of 2019 in accounts receivable, work in hand and other current receivables. Furthermore, a reduction of NOK 71.3 million in other current liabilities from the second quarter of 2019 had a negative effect. Where the first nine months is concerned, consolidated cash flow from operations came to NOK 47.3 million, compared with NOK 3 million for the same period of 2018. Consolidated cash flow from operations over the past 12 months was NOK 263.2 million, while net profit for the same period came to NOK 179.1 million.

Capital spending in the quarter totalled NOK 6.8 million, including NOK 4.6 million for the acquisition of new operating assets and NOK 2.2 million for investment in intangible assets. The comparable figure for the third quarter of 2018 was NOK 10.5 million, including NOK 7.9 million for fixed operating assets and NOK 2.6 million for intangible assets. Operating assets totalling NOK 0.2 million were sold by the group during the quarter, so that net investment came to NOK 6.6 million compared with NOK 10.1 million in the same quarter of 2018.

Where the first nine months is concerned, capital spending totalled NOK 19.6 million. This took the form of NOK 12.5 million invested in operating assets and NOK 7.1 million for intangible assets. Operating assets totalling NOK 0.5 million were sold by the group during the first nine months, so that net

investment came to NOK 19.1 million compared with NOK 47.2 million for the corresponding nine months of 2018.

The group's client portfolio consists mainly of large, solid listed companies and public enterprises. No significant bad debts were suffered during the quarter, and the group has good oversight and control of its receivables.

The group has no interest-bearing debt. Bank deposits at 30 September totalled NOK 133.2 million, compared with NOK 63.4 million a year earlier. Of bank deposits at 30 September, the account for employee tax deductions totalled NOK 34.2 million. Disposable bank deposits thereby totalled NOK 99 million, compared with NOK 35 million a year earlier. The group had an undrawn overdraft facility of NOK 100 million at 30 September. Bouvet held 37 704 of its own shares at 30 September. Equity at 30 September totalled NOK 265.1 million, representing an equity ratio of 27.5 per cent. The corresponding figures for 30 September 2018 were an equity of NOK 213.3 million and an equity ratio of 35 per cent. Implementation of IFRS 16 had a negative effect of 9.1 percentage points on the equity ratio at 30 September 2019 compared with the year before.

Segment reporting

The group does not report internally by separate business areas. Its business is homogenous and pursued within the Scandinavian market for IT consultancy services. Risk and return are followed up for the business as a whole, with shared markets, on a project basis and per consultant. On that basis, the group has one reportable segment.



Progress and market

The market was good for Bouvet in the third quarter. In collaboration with its clients, the company is devoting more and more attention to achieving effects from digitalisation activities as the solutions are realised. This has led to good progress and results, in that existing clients have involved Bouvet in various types of assignments related to their digital transformation.

Meeting the need for technical specialists and cross-disciplinary teams in order to see the overall picture and effects across the organisation has proved to be important. A number of clients have chosen Bouvet as their digitalisation partner, where its consultants and teams have been closely integrated with the client in order to assess value creation in relation to cost and to ensure implementation capability.

Bouvet combines various service areas in order to meet demand for service-based deliveries. These include design-related services, system development and security, which were all in good demand during the quarter. Security services are a growth area.

Technology is an enabler for new value creation, changes to commercial chains, new business models and productivity enhancements, and an important instrument in reducing negative footprints for society and the environment. Seeing the opportunities and predicting the consequences have called for good grasp of the technology as well as clear advice and learning across enterprises and sectors. Demand has therefore risen for leading-edge expertise in digital leadership, change management, digital consultancy and service design, and for consultants able to make sound judgements.

Digitalisation is also a driving force for new forms of internal collaboration. During the quarter, Bouvet noted increased interest in and demand for consultancy on, as well as development and implementation of, collaboration and communication solutions. Client goals are to encourage collaboration across organisational silos, work more intelligently and facilitate new work processes in order to increase productivity.

The ability of enterprises to acquire data and utilise these in a better and more intelligent way is important for digitalisation success. This could be for use with digital twins, special applications, analysis or machine learning. Exploiting these opportunities calls for platform-oriented development, which is generally based on cloud technology. Demand for this type of solution has increased, with Sesam – Bouvet's data and integration platform – as one of the solutions being chosen. Deliveries during the quarter by the company's data science team include algorithm-driven recommendations, forecasts and solutions for optimisation and language processing for a number of clients.

Access to data, computing power and algorithms provide new opportunities for development and innovation. The need for expertise with innovation is therefore growing. During the quarter, Bouvet contributed insights with opportunities based on technology-driven innovation at its innovation laboratories, and became involved for developing an innovation culture and parameters. Demand is also rising for design services related to user-oriented innovation.

Very good demand for Bouvet's course department has been generated by the importance of increasing digital expertise. The company's breakfast seminars in Bergen, Stavanger and Oslo have also been well attended. These have addressed issues where Bouvet can contribute and share expertise. Examples of popular topics include omnichannels, digital leadership, intranets, innovation, test management and DevSecOps.

Clients who continued to award Bouvet interesting assignments in the quarter included Equinor, the Norwegian armed forces, Statnett, Hafslund, Agder, Aker BP, Aker Solutions, the Norwegian Public Service Pension Fund, Bane NOR, Norsk Hydro, Apotek1, Entur, Avinor, SBanken, Kommunalbanken, Gjensidige, Kolumbus, Go-A-head, Norwegian Tunnel Safety and Sweden's Royal Institute of Technology.



Employees

The attention devoted to culture and community-oriented expertise development yielded good organic growth during the quarter. Bouvet's workforce increased by 90 people from the previous three months, and the group had 1 545 employees at 30 September – up by 203 from the same date in 2018. Sixty-two of the new recruits during the quarter chose Bouvet as their first employer after graduating.

Knowledge of Bouvet is increasing among students. The company's presence at conferences, universities and university colleges allows them to share in its creativity and technology enthusiasm. About 50 students in vacation jobs were involved with relevant projects at Bouvet's clients during the summer. The company also participated in the Sildikon Valley project in Haugesund, which aimed to encourage more students to seek jobs in the region after graduation.

Bouvet's ambition is to be the most credible consultancy with the best satisfied employees. The company's workforce has a good composition of ages, nationalities, experience and expertise, creating an inclusive and diversified working environment with good conditions for feeling secure and learning. The corporate community and professional development have a very high priority, and Bouvet's sharing community is constantly being further developed. During the

quarter, activity was high in various sharing arenas among employees in the form of events and digital sharing.

This desire to share knowledge and expertise also extends to the company's clients and other specialists. Employees shared expertise and experience at conferences and other professional arenas during the quarter. Our clients have been invited to Bouvet's innovation laboratories and shared such matters as the way the company tests and experiments with internet-of-things units aimed at analyses, machine learning and data lakes in the cloud. Bouvet also participated in two events in the Arendal Week, one of which addressed the subject of how digitalisation can contribute to sustainable growth and development. In this way, the company contributes collectively to achieving good results and desired effects.

Familiarity with and knowledge of Bouvet's culture, values and ambitions are increasing. This means that the company manages to attract relevant expertise in a recruitment market which remains challenging.

Academic Work published its Young Professional Attraction Index early in the fourth quarter. This placed Bouvet 10th among 50 companies, and in first place among IT consultancies.



Risk

The group is exposed at any given time to various forms of operational, market and financial risk. The board and executive management work continuously on risk management and control. This is described in more detail under corporate

governance in the annual report for 2018 (section 10: risk management and internal control). In the board's view, no significant changes occurred over the past three months in the various risks to which the group is exposed.



Outlook

Technology helps to shape society and is a key instrument in the meeting with external development aspects of the world economy, demographic changes and climate challenges. Success in achieving increased growth in prosperity and sustainable competitiveness at this time of change calls for knowledge-sharing and collaboration across sectors and enterprises. That includes enhancing technological understanding in order to take advantage of the opportunities available in a secure and ethical context.

Demand will grow for design, technology and consultancy expertise, along with integrated understanding of and experience with continuous and value-driven product development. The ability to execute and to achieve effects depends on the application of experience and curiosity in cross-disciplinary and agile work processes and an understanding of digitalisation as a driver for organisational

development and value creation. That requires a structure for continuous learning and knowledge sharing and the right balance between younger and more experienced personnel with varied professional expertise and experience. Bouvet has the range of services, the sharing culture, the structure to assemble cross-disciplinary teams, the capacity, and the regional and adaptable model required to respond to this development.

A focus on people and the company's emphasis on community and knowledge-sharing have demonstrated that it has the ability to attract and retain the right people and to pursue continuous service development. Bouvet thereby continues to be well positioned to deliver to its clients and to contribute to societal development.

Contacts

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President and CEO

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CFO

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Declaration by the board and CEO

We hereby confirm to the best of our knowledge that the interim financial statements for the third quarter and the first nine months of 2019 have been prepared in accordance with IAS 34, and that the information in the financial statements provides a true and fair picture of the overall assets, liabilities, financial position and financial results of the Bouvet ASA group. We also confirm to the best of our knowledge that the interim report provides a true and fair view of important events in the accounting period and their influence on the interim financial statements, the most important risk and uncertainty factors facing the business in the next accounting period, and significant transactions with close associates.

Oslo, 7 November 2019
The board of directors of Bouvet ASA



Pål Egil Rønn
Chair of the board



Tove Raanes
Deputy chair



Grethe Høiland
Director



Ingeborg Steen Jensen
Director



Egil Christen Dahl
Director



Sverre Hurum
President and CEO

Consolidated income statement

NOK 1 000	UNAUDITED JUL-SEP 2019	UNAUDITED JUL-SEP 2018	CHANGE	CHANGE %	UNAUDITED JAN-SEP 2019	UNAUDITED JAN-SEP 2018	CHANGE	CHANGE %	YEAR 2018
Revenue	460 851	395 377	65 474	16.6 %	1 543 519	1 311 314	232 205	17.7 %	1 846 711
Operating expenses									
Cost of sales	56 299	56 312	-13	0.0 %	208 357	183 261	25 096	13.7 %	258 514
Personell expenses	308 060	259 684	48 376	18.6 %	999 667	842 185	157 482	18.7 %	1 178 968
Depreciation fixed assets	13 619	4 212	9 407	223.3 %	39 772	13 198	26 574	201.3 %	17 388
Amortisation intangible assets	1 801	2 012	-211	-10.5 %	4 879	5 762	-883	-15.3 %	7 414
Other operating expenses	48 506	53 036	-4 530	-8.5 %	130 184	140 528	-10 344	-7.4 %	192 865
Total operating expenses	428 285	375 256	53 029	14.1 %	1 382 859	1 184 934	197 925	16.7 %	1 655 149
Operating profit	32 566	20 121	12 445	61.9 %	160 660	126 380	34 280	27.1 %	191 562
Financial items									
Interest income	778	330	448	135.8 %	2 315	1 202	1 113	92.6 %	1 815
Financial income	96	140	-44	-31.4 %	142	289	-147	-50.9 %	929
Interest expense	-191	-14	-177	1264.3 %	-599	-65	-534	821.5 %	-104
Finance expense	-243	-383	140	-36.6 %	-1 637	-2 547	910	-35.7 %	-2 627
Net financial items	440	73	367	502.7 %	221	-1 121	1 342	-119.7 %	13
Ordinary profit before tax	33 006	20 194	12 812	63.4 %	160 881	125 259	35 622	28.4 %	191 575
Income tax expense									
Tax expense on ordinary profit	7 273	4 773	2 500	52.4 %	35 333	28 298	7 035	24.9 %	41 078
Total tax expense	7 273	4 773	2 500	52.4 %	35 333	28 298	7 035	24.9 %	41 078
Profit for the period	25 733	15 421	10 312	66.9 %	125 548	96 961	28 587	29.5 %	150 497
Assigned to:									
Shareholders in parent company	25 733	15 421			125 548	96 961			150 497
Diluted earnings per share	2.49	1.51	0.98	64.7 %	12.15	9.45	2.70	28.5 %	14.66
Earnings per share	2.52	1.51	1.00	65.9 %	12.27	9.45	2.73	28.6 %	14.80

Consolidated statement of other income and costs

NOK 1 000	UNAUDITED JUL-SEP 2019	UNAUDITED JUL-SEP 2018	CHANGE	CHANGE %	UNAUDITED JAN-SEP 2019	UNAUDITED JAN-SEP 2018	CHANGE	CHANGE %	YEAR 2018
Profit for the period	25 733	15 421	10 312	66.9 %	125 548	96 961	28 587	29.5 %	150 497
Items that may be reclassified through profit or loss in subsequent periods									
Currency translation differences	107	115	-9	-7.6 %	-543	-592	48	-8.1 %	-28
Sum other income and costs	107	115	-9	-7.6 %	-543	-592	48	-8.1 %	-28
Total comprehensive income	25 840	15 536	10 303	66.3 %	125 005	96 369	28 635	29.7 %	150 469
Assigned to:									
Shareholders in parent company	25 840	15 536			125 005	96 369			150 469

Consolidated balance sheet

NOK 1 000	UNAUDITED 30.09.2019	UNAUDITED 30.09.2018	CHANGE	CHANGE %	31.12.2018
ASSETS					
NON-CURRENT ASSETS					
Intangible assets					
Deferred tax asset	991	1 379	-388	-28.1 %	0
Goodwill	32 560	32 501	59	0.2 %	32 944
Other intangible assets	36 091	31 070	5 021	16.2 %	34 070
Total intangible assets	69 642	64 950	4 692	7.2 %	67 014
Fixed assets					
Office equipment	24 787	23 954	833	3.5 %	25 187
Office machines and vehicles	4 948	5 517	-569	-10.3 %	5 907
IT equipment	20 323	20 589	-266	-1.3 %	20 112
Right-of-use assets	240 367	0	240 367	N/A	0
Total fixed assets	290 425	50 060	240 365	480.2 %	51 206
Financial non-current assets					
Other financial assets	11	11	0	0.0 %	11
Other long-term receivables	1 885	1 877	8	0.4 %	1 935
Total financial non-current assets	1 896	1 888	8	0.4 %	1 946
Total non-current assets	361 963	116 898	245 065	209.6 %	120 166
CURRENT ASSETS					
Work in progress	96 493	82 999	13 494	16.3 %	55 520
Trade accounts receivable	338 273	315 675	22 598	7.2 %	269 718
Other short-term receivables	33 852	30 954	2 898	9.4 %	32 765
Cash and cash equivalents	133 177	63 440	69 737	109.9 %	278 388
Total current assets	601 795	493 068	108 727	22.1 %	636 391
TOTAL ASSETS	963 758	609 966	353 792	58.0 %	756 557

Consolidated balance sheet

NOK 1 000	UNAUDITED 30.09.2019	UNAUDITED 30.09.2018	CHANGE	CHANGE %	31.12.2018
EQUITY AND LIABILITIES					
EQUITY					
Paid-in capital					
Share capital	10 250	10 250	0	0.0 %	10 250
Own shares - nominal value	-38	-97	59	-60.8 %	-1
Share premium fund	10 000	10 000	0	0.0 %	10 000
Total paid-in capital	20 212	20 153	59	0.3 %	20 249
Earned equity					
Other equity	244 887	193 161	51 726	26.8 %	256 744
Total earned equity	244 887	193 161	51 726	26.8 %	256 744
Total equity	265 099	213 314	51 785	24.3 %	276 993
DEBT					
Long-term debt					
Lease liabilities	201 568	0	201 568	N/A	0
Deferred tax	0	0	0	N/A	574
Total long-term debt	201 568	0	201 568	N/A	574
Short-term debt					
Current lease liabilities	36 988	0	36 988	N/A	0
Trade accounts payable	55 442	59 753	-4 311	-7.2 %	58 012
Income tax payable	42 551	36 578	5 973	16.3 %	41 279
Public duties payable	146 397	134 735	11 662	8.7 %	169 088
Deferred revenue	16 155	9 151	7 004	76.5 %	16 678
Other short-term debt	199 558	156 435	43 123	27.6 %	193 933
Total short-term debt	497 091	396 652	100 439	25.3 %	478 990
Total liabilities	698 659	396 652	302 007	76.1 %	479 564
TOTAL EQUITY AND LIABILITIES	963 758	609 966	353 792	58.0 %	756 557

Consolidated statement of cash flows

NOK 1 000	UNAUDITED JUL-SEP 2019	UNAUDITED JUL-SEP 2018	UNAUDITED JAN-SEP 2019	UNAUDITED JAN-SEP 2018	YEAR 2018
Cash flow from operating activities					
Ordinary profit before tax	33 006	20 194	160 881	125 259	191 576
Paid tax	4	7	-34 147	-23 456	-30 807
(Gain)/loss on sale of fixed assets	-58	-417	-142	-385	-406
Ordinary depreciation	13 619	4 212	39 772	13 198	17 388
Amortisation intangible assets	1 801	2 012	4 879	5 762	7 414
Share based payments	1 967	1 793	5 918	5 378	7 272
Changes in work in progress, accounts receivable and accounts payable	8 461	-30 235	-112 098	-86 353	-14 658
Changes in other accruals	-48 013	-11 690	-17 781	-36 367	41 192
Net cash flow from operating activities	10 787	-14 124	47 281	3 035	218 971
Cash flows from investing activities					
Sale of fixed assets	272	437	487	528	574
Purchase of fixed assets	-4 618	-7 884	-12 464	-25 248	-30 609
Purchase of intangible assets	-2 207	-2 649	-7 114	-9 111	-13 718
Investment in subsidiaries - net cash	0	0	0	-13 390	-13 390
Net cash flow from investing activities	-6 553	-10 096	-19 091	-47 221	-57 143
Cash flows from financing activities					
Purchase of own shares	0	0	-11 341	-10 620	-19 544
Sales of own shares	0	0	0	0	17 858
Payments on lease liabilities			-28 810	0	0
Dividend payments	0	0	-133 250	-87 125	-87 125
Net cash flow from financing activities	-9 808	0	-173 401	-97 745	-88 811
	0	0			
Net changes in cash and cash equivalents	-5 573	-24 220	-145 211	-141 931	73 017
Cash and cash equivalents at the beginning of the period	138 750	87 660	278 388	205 371	205 371
Cash and cash equivalents at the end of the period	133 177	63 440	133 177	63 440	278 388

Consolidated statement of changes in equity

NOK 1 000	SHARE CAPITAL	OWN SHARES	SHARE PREMIUM	TOTAL PAID-IN EQUITY	OTHER EQUITY	TRANSLATION DIFFERENCES	TOTAL OTHER EQUITY	NON-CON- TROLLING INTERESTS	TOTAL EQUITY
Equity at 01.01.2018	10 250	-47	10 000	20 203	197 659	-472	197 186	3 019	220 408
Profit for the period					96 961		96 961		96 961
Other income and costs						-592	-592		-592
Purchase/sale of own shares (net)		-50		-50	-10 570		-10 570		-10 620
Employee share scheme					7 672		7 672		7 672
Change non-controlling interests					-10 371		-10 371	-3 019	-13 390
Dividend					-87 125		-87 125		-87 125
Equity at 30.09.2018 (Unaudited)	10 250	-97	10 000	20 153	194 226	-1 063	193 161	0	213 314
Equity at 01.01.2019	10 250	-1	10 000	20 249	257 244	-500	256 744	0	276 993
Profit for the period					125 548		125 548		125 548
Other income and costs					0	-543	-543		-543
Purchase/sale of own shares (net)	0	-37	0	-37	-11 305		-11 305		-11 342
Employee share scheme					7 693		7 693		7 693
Dividend					-133 250		-133 250		-133 250
Equity at 30.09.2019 (Unaudited)	10 250	-38	10 000	20 212	245 930	-1 043	244 887	0	265 099

Notes

Note 1: Accounting principles

The group made no changes to the accounting principles applied in 2018. This interim report is presented in accordance with the International Financial Reporting Standards (IFRS) and interpretations determined by the European Union, and have been prepared in accordance with IAS 34. The interim financial statements have not been audited, do not include all the information required in annual financial statements and should be viewed in conjunction with the group's annual report for 2018.

The accounting policies applied are consistent with those applied in previous financial year, except for the implementation of IFRS 16 Leases.

IFRS 16 Leases

The Group has adopted IFRS 16 Leases on 1 January 2019. The standard replaces IAS 17 Leases and sets out the principles for the recognition, measurement and presentation of leases. The new standard requires lessees to recognise assets and liabilities for most leases. Bouvet has chosen to adopt IFRS 16 using the modified retrospective approach, with its exemptions, where lease contracts for which the lease terms ends within 12 months as of date of initial application, and lease contracts for which the underlying asset is of low value is not included.

For the Group mainly leases related to office premises was affected by IFRS 16. Bouvet leases office premises at the 13 places where business is operated. At 1 January 2019 it was capitalised right-of-use-assets and lease liabilities of NOK 263 361 thousand. This reduced the equity ratio of 9.5 percentage points.

Reconciliation of lease commitments (IAS 17) to lease liabilities (IFRS 16):

NOK 1 000	01.01.2019
Operating lease commitments at 31 December 2018	289 210
Short-term leases	-1 252
Low-value leases	-419
Change in existing leases	548
Discounted using incremental borrowing rate	-24 726
Lease liabilities	263 361
Incremental borrowing rate	2 %

See note 4 for statement of right-to-use-assets and lease liabilities per 30 September 2019.

In accordance with the new regulations leases recognised in the balance sheet will be depreciated over the lease period and recognised together with the Group's remaining depreciations. Interest effect from the discount calculation will be recognised as financial items. Due to the new regulations the Group's EBIT will slightly increase, provided the same type and number of lease objects.

Leases the Group held 1 January 2019 is estimated to increase the EBIT with NOK 3 054 thousand for the year 2019. Annual depreciations will increase with NOK 34 949 thousand and operating expenses will decrease with NOK 38 003 thousand. Interest effect will be NOK 651 thousand. Actual EBIT effect will be influenced by changes in existing leases and new leases added.

Comparative figures IFRS 16 versus IAS 17

NOK 1 000	IFRS 16	IAS 17	
	JUL-SEP 2019	JUL-SEP 2019	JUL-SEP 2018
Revenue	460 851	460 851	395 377
Operating expenses (ex. depreciation and amortisation)	412 865	422 673	369 032
EBITDA	47 986	38 178	26 345
Depreciation and amortisation	15 420	6 391	6 224
EBIT	32 566	31 787	20 121
Financial items	440	608	73
Ordinary profit before tax	33 006	32 395	20 194

NOK 1 000	IFRS 16	IAS 17	
	JAN-SEP 2019	JAN-SEP 2019	JAN-SEP 2018
Revenue	1 543 519	1 543 519	1 311 314
Operating expenses (ex. depreciation and amortisation)	1 338 208	1 367 018	1 165 974
EBITDA	205 311	176 501	145 340
Depreciation and amortisation	44 651	18 147	18 960
EBIT	160 660	158 354	126 380
Financial items	221	715	-1 121
Ordinary profit before tax	160 881	159 069	125 259

Note 2: Revenue from contracts with customers

The Group is primarily delivering its services based on time and material used and has in most cases legal rights for payment for services delivered at date. In cases where the Group has income from projects with predefined results at a fixed price or which has elements causing the income per hour to be unknown before completion of the project, the income is

recorded in correlation with the degree of completion. Progress is measured as incurred hours in relation to totally estimated hours. For these projects the customer controls the asset being made or improved. The Group is therefore very little affected by the changes caused from adoption of IFRS 15.

Specification revenue:

NOK 1 000	JUL-SEP 2019	JUL-SEP 2018
Contract category		
Fixed- and target price	7 228	8 534
Variable contracts	453 623	386 843
Total revenue	460 851	395 377
Business sector		
Bank & finance	19 936	16 830
Power supply	42 468	39 334
Health	9 417	9 598
Industry	23 159	18 238
Info and communication	17 642	19 484
Public admin	123 237	108 448
Oil & gas	138 059	103 583
Service industry	19 231	20 903
Transportation	32 591	26 942
Retail	26 048	23 341
Other	9 063	8 676
Total revenue	460 851	395 377
Public/privat sector		
Public sector (100% owned)	219 629	203 909
Privat sector	241 222	191 468
Total revenue	460 851	395 377
Work in progress	96 493	82 999
Deferred revenue	16 155	9 151

At the balance sheet date, processed but not billed services amounted to NOK 96.49 million (2018.09.30: NOK 83.00 million). This is mainly services delivered on running account, invoiced to customers at the beginning of the next month.

Note 3: Intangible assets

Intangible assets and goodwill are related to added value from the acquisitions of subsidiaries, businesses, and costs related to development of software and internally developed internet homepage.

NOK 1 000	SOFTWARE	OTHER INTANGIBLE ASSETS	GOODWILL	JAN-SEP 2019	SOFTWARE	OTHER INTANGIBLE ASSETS	GOODWILL	JAN-SEP 2018
Book value 1 January	27 906	6 165	32 944	67 015	20 002	7 762	33 460	61 224
Additions of the period	0	0	0	0	0	931	0	931
Self-developed software	7 114	0	0	7 114	8 180	0	0	8 180
Amortisation	-4 141	-738	0	-4 879	-3 593	-2 169	0	-5 762
Exchange rate variances	0	-215	-384	-599	0	-43	-959	-1 002
Book value end of period	30 879	5 212	32 560	68 650	24 589	6 481	32 501	63 572
Amortisation rate	20 %	10-20 %	N/A		20 %	10-20 %	N/A	
Economic life	5 years	5-10 years	not decided		5 years	5-10 years	not decided	
Amortisation method	linear	linear	N/A		linear	linear	N/A	

The group is developing a software for sale, Sesam, that works as a search engine for enterprise data. Sesam can collect all type of information, tie it together and make use of the compound information in a range of valuable services. Version 3 of Sesam was completed September 2016 with investment costs of NOK 10 783 thousand. Version 4 of Sesam was completed December 2017 with investment costs of NOK 12 250 thousand. Version 5 is under development and consists of several modules. Module GDPR was completed in June 2018 and module Swarm was completed June 2019. The rest has an expected completion during fourth quarter of 2019. So far, the investment costs is NOK 19 901 thousand. All versions have an economic life of 5 years.

Note 4: Leases

Right-of-use-assets

TNOK	PREMISES	OTHER LEASES	JAN-SEP 2019
Book value 1 January	263 291	70	263 361
Additions of the period	3 510	0	3 510
Depreciation	-26 456	-48	-26 504
Book value end of period	240 345	22	240 367
Economic life	1-9 years	1-2 years	
Depreciation method	linear	linear	

Lease liabilities

TNOK	FUTURE LEASE PAYMENTS	FUTURE LEASE PAYMENTS PER YEAR					
		2019	2020	2021	2022	2023	> 2023
Lease liabilities 30.09.2019	238 556	9 639	36 463	34 387	32 399	31 207	94 461
Incremental borrowing rate	2%						

Note 5: Share capital and dividend

SHARES IN THOUSANDS	30.09.2019	30.09.2018
Ordinary shares, nominal value NOK 1	10 250	10 250
Total number of shares	10 250	10 250

The nominal value of the share is NOK 1. All shares in the company have equal voting rights and are equally entitled to dividend.

Changes in share capital and premium

NOK 1 000	NO. OF SHARES		SHARE CAPITAL	
	30.09.2019	30.09.2018	30.09.2019	30.09.2018
Ordinary shares issued and fully paid at 31.12.	10 250	10 250	10 250	10 250
Own shares at nominal value	-38	-97	-38	-97

In the period, Bouvet ASA, has not purchased any own shares. The company owns 37 704 own shares at the end of the period.

Note 6: Transactions with related parties

Shares in the company directly or indirectly owned by the board and management

NAME	ROLE	NO. OF SHARES			30.09.2019
		31.06.2019	BUY	SALE	
Pål Egil Rønn	Chairman of the Board	5 000	0	0	5 000
Tove Raanes	Vice-chairman of the Board	895	0	0	895
Grethe Høiland	Board member	0	0	0	0
Ingebrigt Steen Jensen	Board member	1 640	0	0	1 640
Egil Christen Dahl	Board member	453 502	0	0	453 502
Sverre F. Hurum	CEO	491 779	0	0	491 779
Erik Stubø	CFO	238 279	0	0	238 279
Total		1 191 095	0	0	1 191 095

Note 7: Events after the balance sheet date

There have been no events after the balance sheet date significantly affecting the Group's financial position.

Alternative Performance Measures

The European Securities and Markets Authority (“ESMA”) issued guidelines on Alternative Performance Measures (“APMs”) that came into force on July 3, 2016. Bouvet discloses APMs that are frequently used by investors, analysts, and other interested parties. The management believes that the disclosed APMs provide improved insight into the operations, financing, and prospects of Bouvet. Bouvet has defined the following APMs:

EBITDA is short for earnings before interest, taxes, depreciation, and amortization. EBITDA is calculated as profit for the period before tax expense, financial items, depreciation, and amortization.

EBIT is short for earnings before interest and taxes. EBIT corresponds to operating profit in the consolidated income statement.

Net free cash flow is calculated as net cash flow from operations plus net cash flow from investing activities.

EBITDA-margin is calculated as EBITDA divided by revenue.

EBIT-margin is calculated as EBIT divided by revenue.

Cash flow margin is calculated as Net cash flow from operations divided by revenue.

Equity ratio is calculated as total equity divided by total assets.

Liquidity ratio is calculated as current assets divided by short-term debt.

Key figures Group

NOK 1 000	JUL-SEP 2019	JUL-SEP 2018	CHANGE %	JAN-SEP 2019	JAN-SEP 2018	CHANGE %	YEAR 2018
INCOME STATEMENT							
Operating revenue	460 851	395 377	16.6 %	1 543 519	1 311 314	17.7 %	1 846 711
EBITDA	47 986	26 345	82.1 %	205 311	145 340	41.3 %	216 364
Operating profit (EBIT)	32 566	20 121	61.9 %	160 660	126 380	27.1 %	191 562
Ordinary profit before tax	33 006	20 194	63.4 %	160 881	125 259	28.4 %	191 575
Profit for the period	25 733	15 421	66.9 %	125 548	96 961	29.5 %	150 497
EBITDA-margin	10.4 %	6.7 %	56.3 %	13.3 %	11.1 %	20.0 %	11.7 %
EBIT-margin	7.1 %	5.1 %	38.9 %	10.4 %	9.6 %	8.0 %	10.4 %
BALANCE SHEET							
Non-current assets	361 963	116 898	209.6 %	361 963	116 898	209.6 %	120 166
Current assets	601 795	493 068	22.1 %	601 795	493 068	22.1 %	636 391
Total assets	963 758	609 966	58.0 %	963 758	609 966	58.0 %	756 557
Equity	265 099	213 314	24.3 %	265 099	213 314	24.3 %	276 993
Long-term debt	201 568	0	N/A	201 568	0	N/A	574
Short-term debt	497 091	396 652	25.3 %	497 091	396 652	25.3 %	478 990
Equity ratio	27.5 %	35.0 %	-21.3 %	27.5 %	35.0 %	-21.3 %	36.6 %
Liquidity ratio	1.21	1.24	-2.6 %	1.21	1.24	-2.6 %	1.33
CASH FLOW							
Net cash flow operations	10 787	-14 124	N/A	47 281	3 035	1457.7 %	218 971
Net free cash flow	4 235	-24 220	N/A	28 190	-44 186	N/A	161 828
Net cash flow	-5 573	-24 220	N/A	-145 211	-141 931	N/A	73 017
Cash flow margin	2.3 %	-3.6 %	N/A	3.1 %	0.2 %	1223.3 %	11.9 %
SHARE INFORMATION							
Number of shares	10 250 000	10 250 000	0.0 %	10 250 000	10 250 000	0.0 %	10 250 000
Weighted average basic shares outstanding	10 212 296	10 152 947	0.6 %	10 232 030	10 161 482	0.7 %	10 169 093
Weighted average diluted shares outstanding	10 314 928	10 251 455	0.6 %	10 334 662	10 259 990	0.7 %	10 268 110
EBIT per share	3.19	1.98	60.9 %	15.70	12.44	26.2 %	18.84
Diluted EBIT per share	3.16	1.96	60.9 %	15.55	12.32	26.2 %	18.66
Earnings per share	2.52	1.52	65.9 %	12.27	9.54	28.6 %	14.80
Diluted earnings per share	2.49	1.51	64.7 %	12.15	9.45	28.5 %	14.66
Equity per share	25.86	20.81	24.3 %	25.86	20.81	24.3 %	27.02
Dividend per share	0.00	0.00	N/A	13.00	8.50	52.9 %	8.50
EMPLOYEES							
Number of employees (year end)	1 545	1 342	15.1 %	1 545	1 342	15.1 %	1 369
Average number of employees	1 513	1 328	14.0 %	1 449	1 286	12.6 %	1 305
Operating revenue per employee	305	298	2.3 %	1 066	1 020	4.5 %	1 415
Operating cost per employee	283	283	0.2 %	955	921	3.6 %	1 268
EBIT per employee	22	15	42.0 %	111	98	12.9 %	147

Definitions

Cash flow margin	Net cash flow operations / Operating revenue
Diluted earnings per share	Profit for the period assigned to shareholders in parent company / weighted average diluted shares outstanding
Diluted EBIT per share	EBIT assigned to shareholders in parent company / weighted average diluted shares outstanding
Dividend per share	Paid dividend per share throughout the year
Earnings per share	Profit for the period assigned to shareholders in parent company / weighted average basic shares outstanding
EBIT	Operating profit
EBIT per employee	EBIT / average number of employees
EBIT per share	EBIT assigned to shareholders in parent company / weighted average basic shares outstanding
EBITDA	Operating profit + depreciation fixed assets and intangible assets
EBITDA-margin	EBITDA / operating revenue
EBIT-margin	EBIT / operating revenue
Equity per share	Equity / number of shares
Equity ratio	Equity / total assets
Liquidity ratio	Current assets / Short-term debt
Net free cash flow	Net cash flow operations - Net cash flow investments
Number of shares	Number of issued shares at the end of the year
Operating cost per employee	Operating cost / average number of employees
Operating revenue per employee	Operating revenue / average number of employees
Weighted average basic shares outstanding	Issued shares adjusted for own shares on average for the year
Weighted average diluted shares outstanding	Issued shares adjusted for own shares and share scheme on average for the year



Our regions and offices

The Group has 13 offices in Norway and Sweden. Our philosophy is that competence should be utilized across the company, while projects are attached locally.

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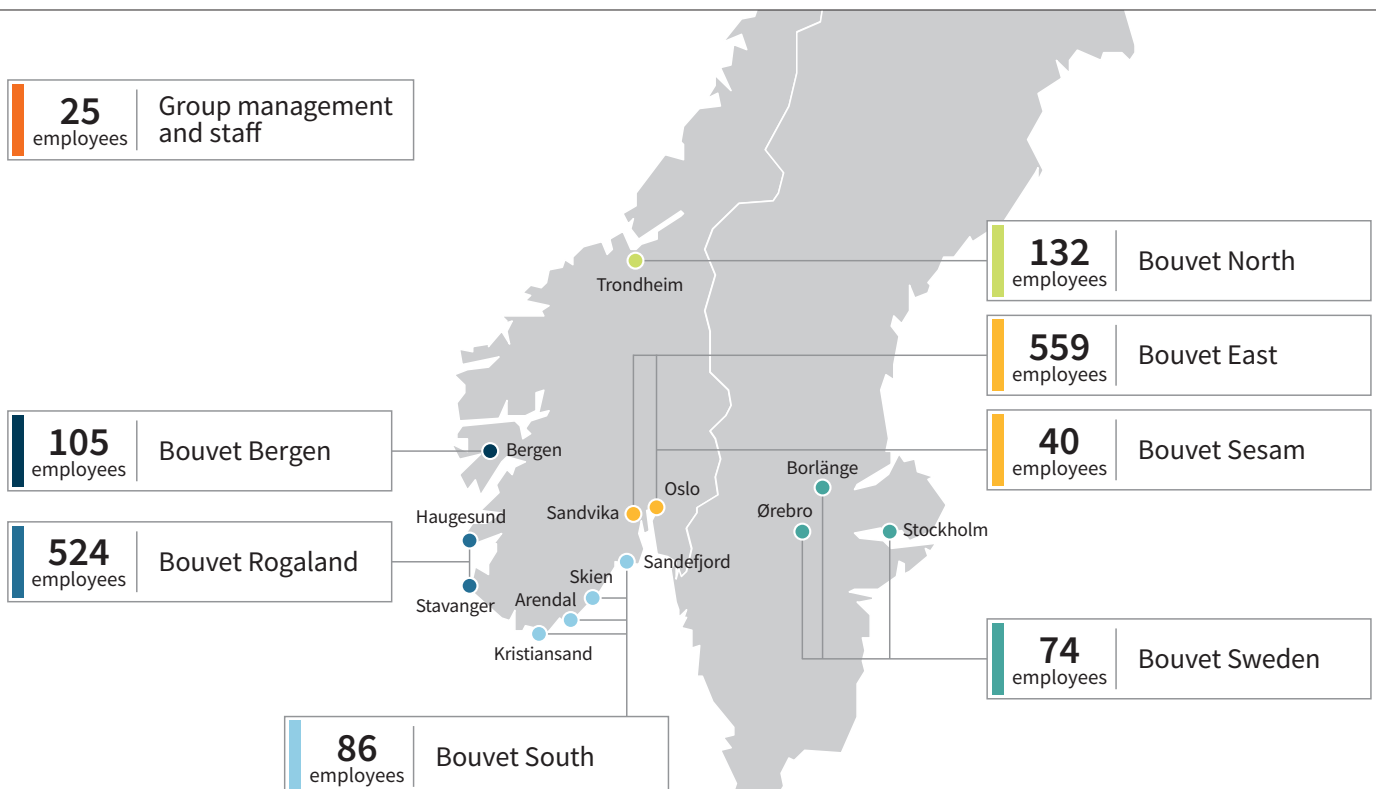
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