



Report

2018

bouvet

Key figures

NOK MILLION	APR-JUN 2018	APR-JUN 2017	CHANGE %	JAN-JUN 2018	JAN-JUN 2017	CHANGE %	YEAR 2017
Revenue	453.7	385.7	17.6 %	915.9	804.7	13.8 %	1 607.4
Operating profit (EBIT)	55.7	36.8	51.5 %	106.3	78.0	36.3 %	144.1
Ordinary profit before tax	55.3	37.6	47.2 %	105.1	79.1	32.8 %	145.9
Profit for the period	42.9	28.3	51.5 %	81.5	59.8	36.3 %	112.0
Net cash flow operations	31.8	6.2	412.5 %	17.2	-7.1	N/A	149.0
Cash and cash equivalents	87.7	56.0	56.4 %	87.7	56.0	56.4 %	205.4
Number of employees (end of period)	1 304	1 166	11.8 %	1 304	1 166	11.8 %	1 215
Number of employees (average)	1 287	1 158	11.2 %	1 268	1 140	11.2 %	1 171
Earnings per share	4.23	2.75	53.9 %	8.02	5.82	37.8 %	10.92
Diluted earnings per share	4.19	2.72	54.2 %	7.94	5.75	38.1 %	10.79
EBIT-margin	12.3 %	9.5 %		11.6 %	9.7 %		9.0 %
Equity ratio	31.9 %	32.0 %		31.9 %	32.0 %		34.2 %

Bouvet in brief

Bouvet is a consultancy delivering digital services. At 30 June, it had 1 304 employees at 14 offices in Norway and Sweden.

The group is a strategic partner for a number of enterprises, and helps them to design digital solutions which create new business opportunities and provide the desired effects. Clients value Bouvet's good understanding of their business and the fact that its broad range of services allows it to act as a turnkey provider. The group is concerned to maintain long-term client relationships.

Bouvet's regional model with local offices provides clear benefits for marketing and competitiveness. Many enterprises regard it as

important that their provider of business-critical systems has local entrenchment and expertise. In addition, this model makes it easier to establish long-term relationships and thereby become acquainted with the client's business and systems.

As a result of the clear attention it pays to principles for managing the business, Bouvet comes across as a solid, well-run and well-regarded company. Its standards for delivering good solutions are supplemented by strict requirements on ethics, conflicts of interest, security, openness and accountability. Close relations with clients are achieved because the group and its employees implement their assignments with a high degree of integrity.

Highlights of the second quarter

- Bouvet was chosen to develop a new solution for public-service pensions for the Norwegian Public Service Pension Fund

- Bouvet was approved as a Microsoft Mixed Reality Partner

- Bouvet presented mixed reality technology together with Microsoft at the Spark + AI Summit in San Francisco

- Operating revenues up by NOK 68 million or 17.6 per cent from the second quarter of 2017 to NOK 453.7 million

- Operating profit (EBIT) up by 51.5 per cent from the second quarter of 2017 to NOK 55.7 million

- Employees up by 44 from 31 March and 138 over the past 12 months



54°25'S 3°21'E



CEO'S COMMENTS

Relevant expertise yielded good results

Big investments continued to be made in digitalisation and implementation of new technology in both Norway and Sweden during the second quarter. That led to increased demand for our expertise from existing and new clients in both private and public sectors.

We are focusing attention on recruiting able new colleagues, and the number of “Bouvetters” is higher than ever today. The quarter turned out well. Both turnover and profit improved from the same period of last year.

Digitalisation, modernisation and innovation are words we hear daily from our clients. They want a close collaboration in their strategy work, formulation of action plans and implementation of digitalisation work. During the quarter, we have executed a number of projects jointly with our clients which have challenged our creativity, innovativeness and ability to deliver. We also saw positive results during the quarter from the work already done. Many of our clients have achieved productivity increases by making the right use of new technology. In turn, that leads us jointly to identify and realise new and exciting opportunities. Roughly 50 per cent of our revenues come from clients in the public sector. We find that they both want and make provision for a closer collaboration in the work of creating and adopting efficient, socially beneficial solutions.

Success with innovation and digitalisation calls for new expertise at clients and here at us as the provider. We are making an uncompromising commitment to developing and sharing expertise. During the quarter, we were present at various conferences and staged in-house conferences where our consultants shared their knowledge with each other. In addition, we conducted various breakfast seminars and client events

where we shared expertise with our clients. This forms an important part of our culture, and is greatly valued by clients.

We have been joined by a number of new colleagues during the quarter. Many are young and bring with them highly interesting expertise and not least ideas and thoughts on how we can become even better.

Demand for assistance among our clients was great during the quarter, resulting in much work and a good result. Our clients still have many digitalisation plans, and will require further support. We will continue to devoting attention to employee satisfaction as well as to expertise development and sharing, and will naturally be hands-on with our clients and generous in sharing our experience and knowledge. That means we take a positive view of the future, both for our clients and for ourselves.

Sverre Hurum
President and CEO



“Many of our clients have achieved productivity increases by making the right use of new technology.”



Financial results

Operating revenues

Bouvet had operating revenues of NOK 453.7 million for the second quarter, compared with NOK 385.7 million in the same period of 2017. That represented a rise of 17.6 per cent. Fee income generated by the group's own consultants came to NOK 377.9 million, compared with NOK 318.3 million in the same period of last year – an increase of 18.7 per cent. Income generated by sub-contractors came to NOK 60 million, up by 10.8 per cent from the same period of 2017. Other revenues came to NOK 15.8 million, up by NOK 2.6 million from the second quarter of last year.

The second quarter of 2018 had two more working days than the same period of last year. That had a positive effect of NOK 10.8 million on fee income generated by Bouvet's own employees. Fee income from own employees also benefitted by NOK 34.7 million from an 11.2 per cent in the average workforce and by NOK 11 million from a 3.5 per cent increase in rates for the group's hourly based services compared with the second quarter of 2017. It was also boosted by NOK 2.8 million from an increase of 0.7 percentage points in the billing ratio for the group's consultants compared with the same period of last year. In addition, fewer days of holiday and time off in lieu as well as lower sickness absence increased fee income by a total of NOK 7.3 million. Overall, the positive effect of these contributions on operating revenues totalled NOK 66.6 million.

Income for the second quarter was negatively affected by changes in estimates related to fixed-price projects since the previous quarter. The overall negative effect was NOK 7 million.

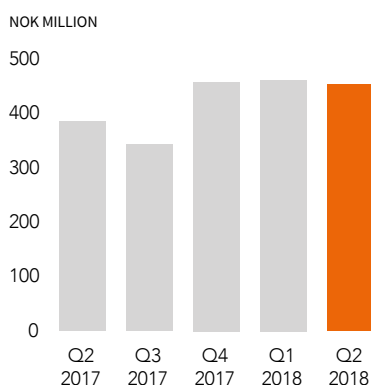
Viewed overall, sales to existing clients made good progress during the quarter. Clients who also used the group in the second quarter of 2017 accounted for 93.5 per cent of operating revenues. In addition, clients acquired since 30 June 2017 contributed a total of NOK 29.3 million to second-quarter 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 13.2 per cent in the second quarter, compared with 14 per cent in the same period of 2017.

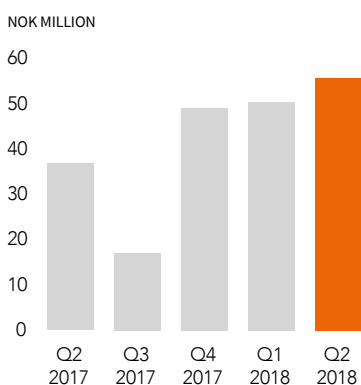
Operating revenues for the first half came to NOK 915.9 million, compared with NOK 804.7 million in the same period of 2017. That represented a rise of 13.8 per cent.

Fee income generated by the group's own consultants came to NOK 765.9 million, up by 16.2 per cent from the first half of last year. This increase is primarily attributable to an 11.2 per cent rise in the number of employees, a 2.1 percentage point rise in the billing ratio for the group's consultants and 3.4 per cent

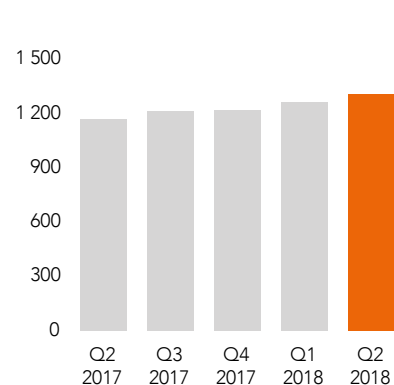
Operating revenue



Operating profit (EBIT)



Number of employees (end of quarter)



growth in the rates for the group's hourly based services compared with the same period of 2017.

Income generated by sub-contractors came to NOK 118 million, up by two per cent from the first half of last year. Other revenues came to NOK 32.1 million, up by 7.9 per cent from the same period of 2017.

Operating costs

Bouvet's operating costs, including depreciation and amortisation, were NOK 397.9 million for the second quarter, up from NOK 348.9 million in the same period of 2017. That represented an increase of 14.1 per cent. Payroll costs increased because the average number of employees rose, in addition to the general growth in pay rates. The group experienced a general rise in pay of 1.7 per cent over the past 12 months. The cost of sales rose to NOK 62.9 million, compared with NOK 57.2 million for the second quarter of 2017, and primarily comprised procurement of sub-contractor services, software, and hire of course instructors. Other operating expenses grew by 24 per cent from the second quarter of 2017 to NOK 45.8 million. This rise primarily reflected higher costs for leasing and operating premises as well as higher ICT expenses.

Operating costs totalled NOK 809.7 million for the first half, up by 11.4 per cent from the same period of 2017. The cost of sales

rose by 2.2 per cent to NOK 126.9 million. Payroll costs increased by 12.6 per cent from the first half of last year to NOK 582.5 million. Other operating expenses came to NOK 87.5 million, up by 12.7 million from the same period of 2017. This rise was again primarily attributable to higher costs for leasing and operating premises as well as increased ICT expenses.

Profit

Operating profit (EBIT) for the second quarter came to NOK 55.7 million, compared with NOK 36.8 million in the same period of 2017. The EBIT margin thereby rose to 12.3 per cent, compared with 9.5 per cent in the second quarter of last year. Net profit came to NOK 42.9 million, compared with NOK 28.3 million in the same period of 2017. Diluted earnings per share were NOK 4.19, compared with NOK 2.72 in the second quarter of last year.

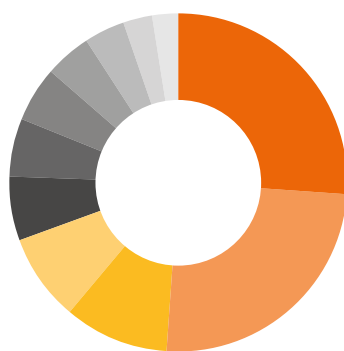
Cumulative operating profit for the first half amounted to NOK 106.3 million, compared with NOK 78 million in the same period of 2017. That represented an increase of 36.3 per cent. The EBIT margin thereby rose to 11.6 per cent, compared with 9.7 per cent in the first half of last year. Net profit came to NOK 81.5 million, compared with NOK 59.8 million in the same period of 2017. Diluted earnings per share were NOK 7.94, compared with NOK 5.75 for the first half of last year.

Revenue public/private



- Revenue from customer
100 % public owned: 49.3 %
- Revenue from customer wholly or partially private owned: 50.7 %

Revenue per business



■ Public admin	26.2 %
■ Oil & gas	25.1 %
■ Power supply	10.0 %
■ Transportation	8.2 %
■ Retail	6.1 %
■ Info and communication	5.6 %
■ Service industry	5.4 %
■ Industry	4.3 %
■ Bank & finance	4.0 %
■ Health	2.7 %
■ Other	2.4 %

Cash flow, liquidity and capital adequacy

Consolidated cash flow from operations was at NOK 31.8 million for the second quarter, compared with NOK 6.2 million in the same period of 2017. Cash flow for the quarter was affected positively by a reduction of NOK 0.8 million from the first quarter of 2018 in working capital related to accounts receivable from customers, work in progress and other current receivables. Furthermore, a reduction of NOK 21 million in current liabilities from the first quarter of 2018 had a negative effect on cash flow. Consolidated cash flow from operations in the first half was NOK 17.2 million, compared with a negative NOK 7.1 million in the same period of 2017. Consolidated cash flow from operations over the past 12 months was NOK 173.3 million, while net profit for the same period came to NOK 133.7 million.

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

The group has no interest-bearing debt. Bank deposits at 30 June totalled NOK 87.7 million, compared with NOK 56

million a year earlier. Since the account for employee tax deductions totalled NOK 43.6 million at 30 June, disposable bank deposits amounted to NOK 44.1 million at that date compared with NOK 20.8 million a year earlier. The group had an undrawn overdraft facility of NOK 100 million at 30 June. Bouvet held 97 053 of its own shares at 30 June. A dividend of NOK 87.1 million was paid by Bouvet during the second quarter. Equity at 30 June totalled NOK 195.5 million, representing an equity ratio of 31.9 per cent. The corresponding figures for 30 June 2017 were an equity of NOK 161.1 million and an equity ratio of 32 per cent. Bouvet's long-term target is to maintain an equity ratio in excess of 30 per cent.

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.



Developments and market

A high pace of digitalisation and innovation in the market produced good progress for Bouvet and created a good market for its services during the quarter. The attention devoted by the group to long-term client relationships yields trust and continuity. Existing clients have extended contracts and involved Bouvet in new and highly interesting assignments which call for expertise from all parts of the group's range of services. The State Agency for the Recovery of Fines, Damages and Costs, which is now part of the Norwegian Tax Administration, has renewed the agreement on management and further development of its recovery system. At the Norwegian Environment Agency (NEA), Bouvet is involved in developing a solution to provide compensation for damage caused by predators.

Bouvet works closely with digitalisation efforts in the public sector. It is helping to develop a new solution for public-service pensions for the Norwegian Public Service Pension Fund, and working to renew the registration systems for the Brønnøysund Register Centre. In Sweden, the Legal, Financial and Administrative Services Agency has awarded Bouvet a frame agreement on system development and management in its southern region. The group has also secured new assignments from existing public-service clients such as Bane NOR, the armed forces, the City of Oslo, Statnett, Sykehuspartner, the NEA, Sporveien, the Swedish Post and Telecom Authority, Vinmonopolet and the Norwegian University of Science and Technology (NTNU).

Many enterprises are moving towards becoming more data driven, and demand increased during the quarter for expertise about data platforms, artificial intelligence (AI) and machine learning. As a result, the need for analysis services which can provide the basis for machine learning and AI is growing. During the quarter, Bouvet further developed services for delivering data-oriented solutions which combine technology, advice and communication. These can help clients to secure greater expected value. With its wide range of services and business insight, Bouvet also acts as the system integrator in this work.

Extensive digitalisation is under way in the oil and gas sector, where Bouvet's deliveries grew during the quarter. A number of its clients there are introducing such technologies as mixed reality for land-based control of offshore equipment, operational monitoring, drilling and inspection. Bouvet has extended contracts with and won a number of new assignments from such important players as the Norwegian Petroleum Directorate,

Aker BP, Point Resources, Hydro, Aibel and Equinor. The group is also contributing to Equinor's big commitment to virtual and augmented reality.

Demand for system development remains high. Attention in the market is concentrated on service development and innovation. A closer relationship between commercial and technological progress led during the quarter to increased demand for platform concepts and the development of digital ecosystems. This type of assignment is changing delivery models and providing continuous and long-term progress at such clients as Telia and Servicegrossistene. Greater use of cloud solutions is also relevant in this context. In addition, Bouvet is seeing rising awareness of the internet of things (IoT).

Focus on end users has led to a high level of demand for service design and design-related services. Examples of clients include Tine, the Norwegian Institute of Meteorology, Trøndere Energi, the Norwegian Labour Inspection Authority and the Norwegian Directorate for Education and Training. The wholly owned Olavstoppen subsidiary, with its leading team of specialists in developing digital services, secured a number of high-profile assignments both nationally and internationally.

Bouvet contributes to the development of business-critical systems which call for expertise on providing advice and on change, project and test management. Demand for these services rose during the quarter at the NTNU, the Brønnøysund Register Centre, the Norwegian Institute of Public Health, Entur and the City of Oslo's health agency. To speed up the pace of development, a number of clients are hiring cross-disciplinary teams. Sbanken is a case in point, and has given Bouvet turnkey responsibility for developing its internal processing client for loan applications.

The EU's general data protection regulation (GDPR) comes into force during the third quarter. Bouvet's Sesam arm delivers a digitalisation platform which increases the accessibility of data by dissolving the silos which contain them. With the aid of its GDPR platform, Sesam delivered a number of transparency portals and consent processing solutions in the Nordic region related to the new regulation during the quarter. Demand for data governance is growing in light of the GDPR and the need to facilitate data-sharing across processes and business areas.



Employees

A culture-driven organisation and high job satisfaction among employees, combined with Bouvet's regional model, yielded organic growth during the quarter. The workforce increased by 44 people from the previous period, and the company had 1 304 employees at 30 June – up by 138 from the same date in 2017.

A continued high level of demand for Bouvet's expertise and broad range of services has created a continuous need for recruitment. Securing the right expertise in a market characterised by strong competition is demanding, but Bouvet manages to be attractive to relevant candidates in all age groups and service areas.

Bouvet's commitment to recruitment and to being present at conferences, universities and university colleges allows people to share in its creativity and technology enthusiasm.

The group's presence in higher education institutions is a success. A number of new graduates have chosen Bouvet as their first employer. Its summer programme, which a number of students started at the end of the quarter to work on various client projects, has been very well received.

As a knowledge-based company, Bouvet concentrates attention on professional development through a strong culture for sharing expertise across disciplines, projects and regions. Important arenas have been established for expertise development and learning, such as in-house schools, conferences and courses. The professional commitment by employees secured a fourth place in the 2018 Paranoia Challenge and the award for the best concept in the hackathon at the Bergen International Festival.



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 2017 (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.



Prospects

The digital transformation is a general phenomenon in the market, and a number of industries are now experiencing an increase in productivity. Digitalisation has become fundamental for the growth in prosperity and increased competitiveness. Commercial chains and business models are changing, since technology is driving greater adaptation in enterprises and working life in general. This social trend, with growing technology- and service-driven business development in private and public enterprises, means a shift towards demand for more expertise on design, technology and change.

Bouvet has this breadth and a regional model which allows it to be present at the local level and able to adapt to the pace of client change and innovation. That has proved valuable for the company's clients.

Continuous recruitment is required to ensure the right delivery capacity in a market characterised by a high level of demand, and will continue to be pursued in the face of strong competition from other players.

Bouvet is well positioned for continued growth.

Contacts

Sverre Hurum

President and CEO

Tel: +47 23 40 60 00 | +47 913 50 047

Erik Stubø

CFO

Tel: +47 23 40 60 00 | +47 950 36 011

Declaration by the board and CEO

We hereby confirm to the best of our knowledge that the interim financial statements for the first half and second quarter of 2018 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, 24 August 2018
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 APR-JUN 2018	UNAUDITED APR-JUN 2017	CHANGE	CHANGE %	UNAUDITED JAN-JUN 2018	UNAUDITED JAN-JUN 2017	CHANGE	CHANGE %	YEAR 2017
Revenue	453 661	385 662	67 999	17.6 %	915 937	804 714	111 223	13.8 %	1 607 353
Operating expenses									
Cost of sales	62 879	57 218	5 661	9.9 %	126 949	124 253	2 696	2.2 %	247 346
Personell expenses	282 922	249 510	33 412	13.4 %	582 501	517 335	65 166	12.6 %	1 035 043
Depreciation fixed assets	4 439	3 162	1 277	40.4 %	8 986	6 120	2 866	46.8 %	12 994
Amortisation intangible assets	1 898	2 062	-164	-8.0 %	3 750	4 245	-495	-11.7 %	8 149
Other operating expenses	45 797	36 938	8 859	24.0 %	87 492	74 806	12 686	17.0 %	159 684
Total operating expenses	397 935	348 890	49 045	14.1 %	809 678	726 759	82 919	11.4 %	1 463 216
Operating profit	55 726	36 772	18 954	51.5 %	106 259	77 955	28 304	36.3 %	144 137
Financial items									
Interest income	385	294	91	31.0 %	872	590	282	47.8 %	1 291
Financial income	42	683	-641	-93.9 %	149	888	-739	-83.2 %	1 497
Interest expense	-18	-16	-2	12.5 %	-51	-41	-10	24.4 %	-137
Finance expense	-796	-151	-645	427.2 %	-2 164	-294	-1 870	636.1 %	-852
Net financial items	-387	810	-1 197	-147.8 %	-1 194	1 143	-2 337	-204.5 %	1 799
Ordinary profit before tax	55 339	37 582	17 757	47.2 %	105 065	79 098	25 967	32.8 %	145 936
Income tax expense									
Tax expense on ordinary profit	12 422	9 262	3 160	34.1 %	23 525	19 281	4 244	22.0 %	33 914
Total tax expense	12 422	9 262	3 160	34.1 %	23 525	19 281	4 244	22.0 %	33 914
Profit for the period	42 917	28 320	14 597	51.5 %	81 540	59 817	21 723	36.3 %	112 022
Assigned to:									
Shareholders in parent company	42 917	27 839			81 540	59 025			110 632
Non-controlling interests	0	481			0	792			1 390
Diluted earnings per share	4.19	2.72	1.47	54.1 %	7.94	5.75	2.19	38.1 %	10.79
Earnings per share	4.23	2.75	1.48	53.8 %	8.02	5.82	2.20	37.8 %	10.92

Consolidated statement of other income and costs

NOK 1 000	UNAUDITED APR-JUN 2018	UNAUDITED APR-JUN 2017	CHANGE	CHANGE %	UNAUDITED JAN-JUN 2018	UNAUDITED JAN-JUN 2017	CHANGE	CHANGE %	YEAR 2017
Profit for the period	42 917	28 320	14 597	51.5 %	81 540	59 817	21 723	36.3 %	112 022
Items that may be reclassified through profit or loss in subsequent periods									
Currency translation differences	-244	92	-336	-365.5 %	-707	125	-832	-666.7 %	171
Sum other income and costs	-244	92	-336	-365.5 %	-707	125	-832	-666.7 %	171
Total comprehensive income	42 673	28 412	14 261	50.2 %	80 833	59 942	20 891	34.9 %	112 193
Assigned to:									
Shareholders in parent company	42 673	27 931			80 833	59 150			110 803
Non-controlling interests	0	481			0	792			1 390

Consolidated balance sheet

NOK 1 000	UNAUDITED 30.06.2018	UNAUDITED 30.06.2017	CHANGE	CHANGE %	31.12.2017
ASSETS					
NON-CURRENT ASSETS					
Intangible assets					
Deferred tax asset	852	0	852	N/A	0
Goodwill	32 429	33 401	-972	-2.9 %	33 460
Other intangible assets	30 419	27 137	3 282	12.1 %	27 764
Total intangible assets	63 700	60 538	3 162	5.2 %	61 224
Fixed assets					
Office equipment	21 337	17 899	3 438	19.2 %	16 973
Office machines and vehicles	5 203	3 937	1 266	32.2 %	3 425
IT equipment	19 867	16 262	3 605	22.2 %	17 755
Total fixed assets	46 407	38 098	8 309	21.8 %	38 153
Financial non-current assets					
Other financial assets	116	116	0	0.0 %	116
Other long-term receivables	1 911	1 951	-40	-2.1 %	2 009
Total financial non-current assets	2 027	2 067	-40	-1.9 %	2 125
Total non-current assets	112 134	100 703	11 431	11.4 %	101 502
CURRENT ASSETS					
Work in progress	100 887	134 848	-33 961	-25.2 %	84 787
Trade accounts receivable	265 449	181 372	84 077	46.4 %	224 645
Other short-term receivables	45 919	31 197	14 722	47.2 %	27 783
Cash and cash equivalents	87 660	56 044	31 616	56.4 %	205 371
Total current assets	499 915	403 461	96 454	23.9 %	542 586
TOTAL ASSETS	612 049	504 164	107 885	21.4 %	644 088

Consolidated balance sheet

NOK 1 000	UNAUDITED 31.06.2018	UNAUDITED 31.06.2017	CHANGE	CHANGE %	31.12.2017
EQUITY AND LIABILITIES					
EQUITY					
Paid-in capital					
Share capital	10 250	10 250	0	0.0 %	10 250
Own shares - nominal value	-97	-139	42	-30.2 %	-47
Share premium fund	10 000	10 000	0	0.0 %	10 000
Total paid-in capital	20 153	20 111	42	0.2 %	20 203
Earned equity					
Other equity	175 342	138 592	36 750	26.5 %	197 186
Total earned equity	175 342	138 592	36 750	26.5 %	197 186
Non-controlling interests	0	2 420	-2 420	-100.0 %	3 019
Total equity	195 495	161 123	34 372	21.3 %	220 408
DEBT					
Long-term debt					
Deferred tax	0	389	-389	-100.0 %	218
Total long-term debt	0	389	-389	-100.0 %	218
Short-term debt					
Trade accounts payable	57 650	49 123	8 527	17.4 %	56 865
Income tax payable	31 756	14 963	16 793	112.2 %	31 593
Public duties payable	126 491	115 991	10 500	9.1 %	158 026
Deferred revenue	16 460	10 138	6 322	62.4 %	17 275
Other short-term debt	184 197	152 437	31 760	20.8 %	159 703
Total short-term debt	416 554	342 652	73 902	21.6 %	423 462
Total liabilities	416 554	343 041	73 513	21.4 %	423 680
TOTAL EQUITY AND LIABILITIES	612 049	504 164	107 885	21.4 %	644 088

Consolidated statement of cash flows

NOK 1 000	UNAUDITED APR-JUN 2018	UNAUDITED APR-JUN 2017	UNAUDITED JAN-JUN 2018	UNAUDITED JAN-JUN 2017	YEAR 2017
Cash flow from operating activities					
Ordinary profit before tax	55 339	37 582	105 065	79 098	145 936
Paid tax	-11 610	-13 351	-23 463	-26 547	-25 582
(Gain)/loss on sale of fixed assets	42	-166	32	-158	-98
Ordinary depreciation	4 439	3 162	8 986	6 120	12 994
Amortisation intangible assets	1 898	2 062	3 750	4 245	8 149
Share based payments	1 793	1 596	3 585	3 192	6 449
Changes in work in progress, accounts receivable and accounts payable	6 690	-8 634	-56 119	-71 364	-56 834
Changes in other accruals	-26 823	-16 052	-24 677	-1 647	58 020
Net cash flow from operating activities	31 767	6 198	17 159	-7 063	149 035
Cash flows from investing activities					
Sale of fixed assets	41	856	91	856	971
Purchase of fixed assets	-13 344	-4 483	-17 363	-13 253	-20 358
Purchase of intangible assets	-2 716	-2 913	-6 463	-6 165	-10 540
Investment in subsidiaries - net cash	0	0	-13 390	0	0
Net cash flow from investing activities	-16 019	-6 540	-37 125	-18 562	-29 927
Cash flows from financing activities					
Purchase of own shares	0	-6 300	-10 620	-6 300	-11 190
Sales of own shares	0	0	0	0	9 484
Dividend payments	-87 125	-71 750	-87 125	-73 750	-73 750
Net cash flow from financing activities	-87 125	-78 050	-97 745	-80 050	-75 456
Net changes in cash and cash equivalents	-71 377	-78 392	-117 711	-105 675	43 652
Cash and cash equivalents at the beginning of the period	159 037	134 436	205 371	161 719	161 719
Cash and cash equivalents at the end of the period	87 660	56 044	87 660	56 044	205 371

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- CONTROLLING INTERESTS	TOTAL EQUITY
Equity at 01.01.2017	10 250	-99	10 000	20 151	153 021	-643	152 378	3 629	176 158
Profit for the period				0	59 025		59 025	792	59 817
Other income and costs				0		125	125		125
Purchase/sale of own shares (net)		-40		-40	-6 260		-6 260		-6 300
Employee share scheme				0	5 073		5 073		5 073
Dividend				0	-71 750		-71 750	-2 000	-73 750
Equity at 31.03.2017 (Unaudited)	10 250	-139	10 000	20 111	139 109	-518	138 592	2 420	161 123
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				0	81 540		81 540		81 540
Other income and costs				0		-707	-707		-707
Purchase/sale of own shares (net)		-50		-50	-10 570		-10 570		-10 620
Employee share scheme				0	5 389		5 389		5 389
Payment from non-controlling interests				0	-10 371		-10 371	-3 019	-13 390
Dividend				0	-87 125		-87 125		-87 125
Equity at 31.03.2018 (Unaudited)	10 250	-97	10 000	20 153	176 522	-1 178	175 342	0	195 495

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 2017.

The accounting policies applied are consistent with those applied in previous financial year, except for the implementation of IFRS 9 - Financial Instruments and IFRS 15 - Revenue from Contracts with Customers. IFRS 9 includes revised guidance on classification and measurement, impairment and hedge accounting. IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement. The adoption of IFRS 9 has not had significant impact on the Group financial statement. IFRS 15 replaces all existing standards and interpretations relating to revenue recognition. The core principle of IFRS 15 is for companies to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the company expects to be entitled in exchange for those goods or services. The Group has performed analyses of customer contracts and revenue streams in accordance with the accounting standards 5-step

model, and concluded that the new standard have no significant impact on the Group's revenue recognition principles.

IFRS 16 Leases replaces existing IFRS leases requirements, IAS 17 Leases. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, ie the customer ('lessee') and the supplier ('lessor'). IFRS 16 is effective for financial year annual periods beginning on or after 1 January 2019. The implication of the new standard is that the Group will have to recognise assets and liabilities in the balance sheet for several leases. The new leases standard requires lessees to recognise assets and liabilities for most leases, which is a significant change from current requirements.

An estimation on current leases per 30 June 2018 indicates a balance recognition of MNOK 230. This will reduce the equity ratio with 9 percentage points. Under today's IFRS regulations lease amounts for operational leases are recognised as operating expenses. 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. See note 20 Annual Report 2017 for information on the group's lease commitments.

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. The Group has some income from projects where the Group shall deliver a predefined result at a price that is either fixed or has elements causing income per hour not to be known before the projects are

finalised. For these projects 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	APR-JUN 2018	APR-JUN 2017
Contract category		
Fixed- and target price	10 519	11 271
Variable contracts	443 142	374 391
Total revenue	453 661	385 662
Business sector		
Bank & finance	18 329	15 045
Power supply	45 482	35 086
Health	12 352	12 716
Industry	19 472	21 471
Info and communication	25 321	21 058
Public admin	118 966	106 523
Oil & gas	113 949	79 583
Service industry	24 425	24 069
Transportation	37 286	34 394
Retail	27 648	27 459
Other	10 432	8 256
Total revenue	453 661	385 662
Public/privat sector		
Public sector (100% owned)	223 474	191 150
Privat sector	230 187	194 512
Total revenue	453 661	385 662
Work in progress	100 887	134 848
Deferred revenue	16 460	10 138

At the balance sheet date, processed but not billed services amounted to NOK 100.89 million (2017.06.30: NOK 134.85 million). This is mainly services delivered on running account, invoiced to customers at the beginning of the next month.

Note 3: Share capital and dividend

SHARES IN THOUSANDS	APR-JUN 2018	APR-JUN 2017
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	
	APR-JUN 2018	APR-JUN 2017	APR-JUN 2018	APR-JUN 2017
Ordinary shares issued and fully paid at 31.12.	10 250	10 250	10 250	10 250
Own shares at nominal value	-97	-139	-97	-139

In the period, Bouvet ASA, has not bought any own shares. The company owns 97 053 own shares at the end of the period.

Dividend

The company has paid the following dividends:

NOK 1 000	APR-JUN 2018	APR-JUN 2017
Ordinary dividend for 2017: NOK 8.50 per share	87 125	
Ordinary dividend for 2016: NOK 7.00 per share		71 750
Total	87 125	71 750

Note 4: Transactions with related parties

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

NAME	ROLE	NO. OF SHARES			
		31.03.2018	BUY	SALE	30.06.2018
Pål Egil Rønn	Chairman of the Board	0			0
Tove Raanes	Vice-chairman of the Board	895			895
Grethe Høiland	Board member	0			0
Ingebrigt Steen Jensen	Board member	0			0
Egil Christen Dahl	Board member	453 502			453 502
Sverre F. Hurum	CEO	508 366			508 366
Erik Stubø	CFO	237 866			237 866
Total		1 200 629	0	0	1 200 629

Note 5: Events after the balance sheet date

In the third quarter the Group has entered into an agreement with a customer to terminate an ongoing delivery. This will negatively effect the EBIT with NOK 7.4 million as a one-time effect in the third quarter.

There have been no other 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	APR-JUN 2018	APR-JUN 2017	CHANGE %	JAN-JUN 2018	JAN-JUN 2017	CHANGE %	YEAR 2017
INCOME STATEMENT							
Operating revenue	453 661	385 662	17.6 %	915 937	804 714	13.8 %	1 607 353
EBITDA	62 063	41 996	47.8 %	118 995	88 320	34.7 %	165 280
Operating profit (EBIT)	55 726	36 772	51.5 %	106 259	77 955	36.3 %	144 137
Ordinary profit before tax	55 339	37 582	47.2 %	105 065	79 098	32.8 %	145 936
Profit for the period	42 917	28 320	51.5 %	81 540	59 817	36.3 %	112 022
EBITDA-margin	13.7 %	10.9 %	25.6 %	13.0 %	11.0 %	18.4 %	10.3 %
EBIT-margin	12.3 %	9.5 %	28.8 %	11.6 %	9.7 %	19.8 %	9.0 %
BALANCE SHEET							
Non-current assets	112 134	100 703	11.4 %	112 134	100 703	11.4 %	101 502
Current assets	499 915	403 461	23.9 %	499 915	403 461	23.9 %	542 586
Total assets	612 049	504 164	21.4 %	612 049	504 164	21.4 %	644 088
Equity	195 495	161 123	21.3 %	195 495	161 123	21.3 %	220 408
Long-term debt	0	389	-100.0 %	0	389	-100.0 %	218
Short-term debt	416 554	342 652	21.6 %	416 554	342 652	21.6 %	423 462
Equity ratio	31.9 %	32.0 %	-0.1 %	31.9 %	32.0 %	-0.1 %	34.2 %
Liquidity ratio	1.20	1.18	1.9 %	1.20	1.18	1.9 %	1.28
CASH FLOW							
Net cash flow operations	31 767	6 198	412.5 %	17 159	-7 063	N/A	149 035
Net free cash flow	15 748	-342	N/A	-19 966	-25 625	N/A	119 108
Net cash flow	-71 377	-78 392	N/A	-117 711	-105 675	N/A	43 652
Cash flow margin	7.0 %	1.6 %	335.7 %	1.9 %	-0.9 %	N/A	9.3 %
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	10 152 947	10 134 615	0.2 %	10 165 820	10 142 920	0.2 %	10 133 943
Weighted average diluted shares outstanding	10 251 455	10 251 841	0.0 %	10 264 328	10 260 146	0.0 %	10 248 708
EBIT per share	5.49	3.57	53.9 %	10.45	7.58	37.9 %	14.04
Diluted EBIT per share	5.44	3.53	54.2 %	10.35	7.50	38.1 %	13.89
Earnings per share	4.23	2.75	53.9 %	8.02	5.82	37.8 %	10.92
Diluted earnings per share	4.19	2.72	54.2 %	7.94	5.75	38.1 %	10.79
Equity per share	19.07	15.72	21.3 %	19.07	15.72	21.3 %	21.50
Dividend per share	8.50	7.00	21.4 %	8.50	7.00	21.4 %	7.00
EMPLOYEES							
Number of employees (year end)	1 304	1 166	11.8 %	1 304	1 166	11.8 %	1 215
Average number of employees	1 287	1 158	11.2 %	1 268	1 140	11.2 %	1 171
Operating revenue per employee	352	333	5.8 %	723	706	2.4 %	1 373
Operating cost per employee	309	301	2.6 %	639	638	0.2 %	1 250
EBIT per employee	43	32	36.3 %	84	68	22.6 %	123

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
EBIT-margin	EBIT / operating revenue
EBITDA	Operating profit + depreciation fixed assets and intangible assets
EBITDA-margin	EBITDA / 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 14 offices in Norway and Sweden. Our philosophy is that competence should be utilized across the company, while projects are attached locally.

OSLO

Sørkedalsveien 8
NO-0369 Oslo
P. O. Box 5327 Majorstuen
NO-0304 Oslo
Tel: (+47) 23 40 60 00

ARENDAL

Frolandsveien 6
NO-4847 Arendal
Tel: (+47) 23 40 60 00

BERGEN

Solheimsgaten 15
NO-5058 Bergen
Tel: (+47) 55 20 09 17

GRENLAND

Uniongata 18
Klosterøya
NO-3732 Skien
Tel: (+47) 23 40 60 00

KRISTIANSAND

Kjøita 25
NO-4630 Kristiansand
Tel: (+47) 23 40 60 00

STAVANGER

Labergget 28
NO-4020 Stavanger
P. O. Box 130
NO-4065 Stavanger
Tel: (+47) 51 20 00 20

HAUGESUND

Diktervegen 8
NO-5538 Haugesund
Tel: (+47) 52 82 10 17

TRONDHEIM

Kjøpmannsgata 35
NO-7011 Trondheim
Tel: (+47) 23 40 60 00

SANDVIKA

Leif Tronstads plass 7
NO-1337 Sandvika
Tel: (+47) 23 40 60 00

SANDEFJORD

Klinestadmoen 9
NO-3241 Sandefjord
Tel: (+47) 23 40 60 00

STOCKHOLM

Östermalmsgatan 87 A
114 59 Stockholm
Tel: (+46) 0 771 611 100

BORLÄNGE

Forskargatan 3
781 70 Borlänge
Tel: (+46) 0 771 611 100

ÖREBRO

Kungsgatan 1
702 11 Örebro
Tel: (+46) 0 709 431 411

