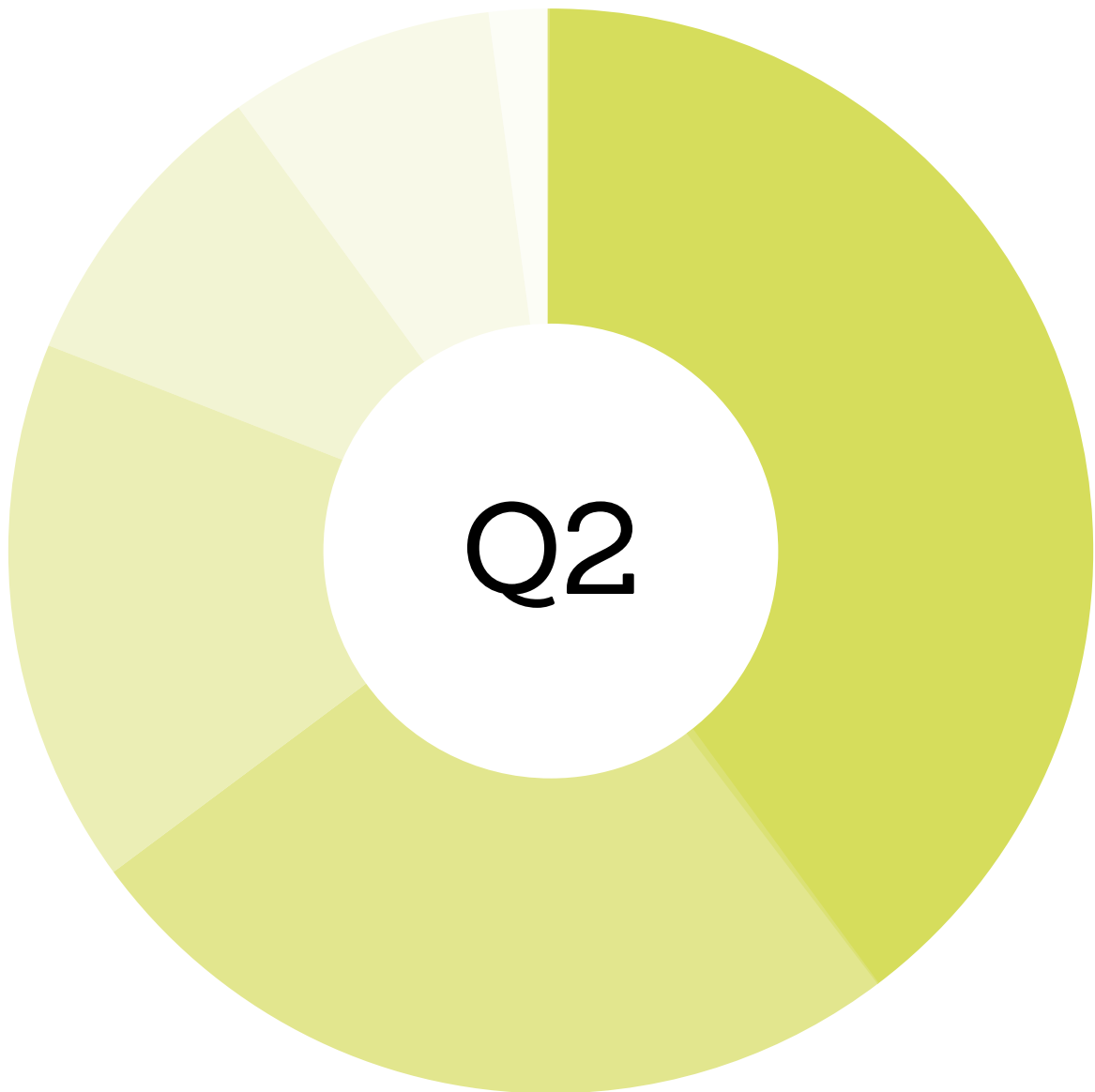


Report

2019



- From silo-based to integrated systems
- Machine learning for Norwegian culture
- Service design for offshore drilling processes
- Experience centre for travellers
- Digitalisation of Norwegian power supply
- Digitalisation of Norwegian courts
- Automated business processes on the Norwegian continental shelf
- Digitalisation to promote sustainable growth and development
- Keeping track of driving in convoy
- Contributed to inclusive maths teaching in primary school
- Modernisation and digitalisation of Norwegian industry

bouvet

We change, renew and improve

Key figures

NOK MILLION	APR-JUN 2019	APR-JUN 2018	CHANGE %	JAN-JUN 2019	JAN-JUN 2018	CHANGE %	YEAR 2018
Revenue	518.4	453.7	14.3 %	1 082.7	915.9	18.2 %	1 846.7
Operating profit (EBIT)	59.3	55.7	6.3 %	128.1	106.3	20.5 %	191.6
Ordinary profit before tax	59.3	55.3	7.2 %	127.9	105.1	21.7 %	191.6
Profit for the period	46.4	42.9	8.1 %	99.8	81.5	22.4 %	150.5
Net cash flow operations	32.2	31.8	1.5 %	36.5	17.2	112.7 %	219.0
Cash and cash equivalents	138.8	87.7	58.3 %	138.8	87.7	58.3 %	278.4
Number of employees (end of period)	1 455	1 304	11.6 %	1 455	1 304.0	11.6 %	1 369
Number of employees (average)	1 435	1 287	11.5 %	1 416	1 268.0	11.7 %	1 305
Earnings per share	4.53	4.23	7.2 %	9.75	8.02	21.5 %	14.80
Diluted earnings per share	4.49	4.19	7.1 %	9.65	7.94	21.5 %	14.66
EBIT-margin	11.4 %	12.3 %		11.8 %	11.6 %		10.4 %
Equity ratio	23.4 %	31.9 %		23.4 %	31.9 %		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 means we can be a turnkey supplier.

Our client base includes a number of important social 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 June 2019, we had 1 455 employees at 10 offices in Norway and three in Sweden.

Highlights of the second quarter

- Won an agreement with Statnett running for up to six years with an estimated total value of NOK 1 200-1 500 million

- Bouvet strengthened its strategic consultancy services

- Together with Bouvet in Sweden, Sesam secured a four-year agreement from the Swedish Medical Products Agency

- Won two prizes in the Magnet Awards for 24-hour hackathon

- Operating revenues up by NOK 64.7 million or 14.3 per cent from the second quarter of 2018 to NOK 518.4 million

- Operating profit (EBIT) up by 6.3 per cent from the second quarter of 2018 to NOK 59.3 million

- Employees up by 50 from 31 March and 151 over the past 12 months



CEO'S COMMENTS

Exciting working environment and long-term client relations yielded good results

We found during the first quarter that our clients in the public and private sectors increasingly regard the correct application of technology as not only an advantage but also essential for creating sustainable growth and development for their own business and for society. Success in this work calls for cross-disciplinary expertise and increased knowledge-sharing. We in Bouvet are so fortunate to have again been able to work with many of the leading enterprises in the Norwegian and Swedish public and private sectors on their development during this quarter. We are involved here in applying technology to renew, improve and simplify business models and work processes and in enhancing collaboration both within enterprises and with other players. We were able to participate in exciting and important assignments for society.

Our attention in Bouvet during this quarter was again concentrated on building expertise and corporate culture and, combined with good demand for our services and expertise, we added a number of new colleagues to our team. A positive and exciting environment at work as well as good and long-term client relations meant that our interim financial results were once again good.

Big differences exist between sectors and enterprises in terms of technological maturity, and the pace of digitalisation thereby varies. A number of our clients have come a long way, and have integrated both sustainability and digitalisation in their business models. But expertise is still required about the opportunities technology can provide for developing new products and services or for improving those which already exist.

During the quarter, we shared our expertise with many enterprise and were able to participate in their “digitalisation journey”. We were able to help incorporate digitalisation in business models at enterprises, and assisted in fairly radical restructuring work where our consultants shared their knowledge with a number of managers. We also continued the exciting work under way at clients who have come a long way in their digitalisation work.

A number of clients showed interest during the quarter in our Sesam integration platform. The biggest sale of the quarter was achieved by Sesam together with our Swedish arm, when the Swedish Medical Products Agency placed a four-year contract with us.

Building expertise with digitalisation is important for all enterprises. Our course business did very well during the quarter. Demand for both standard and internal company courses was good.



All our regions experienced good demand in the quarter and have fortunately been able to recruit able new colleagues. We added 50 new employees in all during the period. The good work being done by the organisation in relation to expertise building and corporate culture means that able people come to us.

We believe our clients will continue their commitment to digitalisation and sustainable development, and that our services and expertise will remain in demand for the future. With satisfied employees and satisfied clients, we believe in healthy and profitable progress for our company.

Sverre Hurum
President and CEO

“Application of technology as not only an advantage but also essential for creating sustainable growth and development for one’s own business and for society.””



Financial results

Operating revenues

Bouvet had operating revenues of NOK 518.4 million for the second quarter, compared with NOK 453.7 million in the same period of 2018. That represented a rise of 14.3 per cent. Fee income generated by the group's own consultants increased by 13.7 per cent from NOK 377.9 million in the second quarter of 2018 to NOK 429.5 million. Income generated by sub-contractors grew by 16 per cent from the same period of last year to NOK 69.5 million. Other revenues rose by 22.1 per cent from the second quarter of 2018 to NOK 19.3 million.

The second quarter had two working days less than the same period of 2018. That had a negative effect of NOK 12.3 million on fee income generated by the group's own employees. Furthermore, more holiday take-up and time off in lieu because Easter fell in the second quarter had a negative effect of NOK 6.3 million on fee income generated by the group's own employees. At the same time, an increase of 11.5 per cent in the average number of employees had a positive effect of NOK 44.3 million on fee income generated by the group's own workforce. A 4.2 per cent rise in rates for the group's hourly based services compared with the second quarter of 2018 raised fee income by NOK 18.2 million. An 0.7 percentage-point increase in the billing ratio for the group's consultants from the second quarter of 2018 also had a positive effect of NOK 4.1 million on fee income generated by the group's own employees. In addition, reduced sickness absence and leave of absence in the second quarter compared with the same period of 2018 had a positive effect of NOK 3.6 million in all. The total positive effect on fee income generated by the group's own employees was NOK 51.6 million.

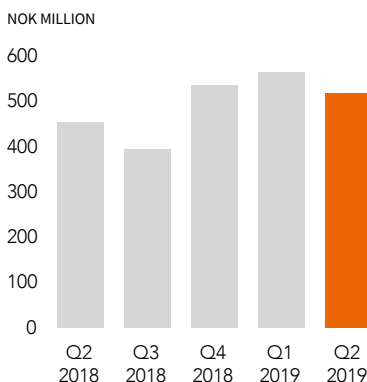
Sales to existing clients made good progress during the quarter. Clients who also used the group in the second quarter of 2018 accounted for 94.1 per cent of operating revenues. In addition, clients acquired since 30 June 2018 contributed a total of NOK 30.6 million to second-quarter operating revenues.

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 13.4 per cent in the second quarter, compared with 13.2 per cent in the same period of 2018.

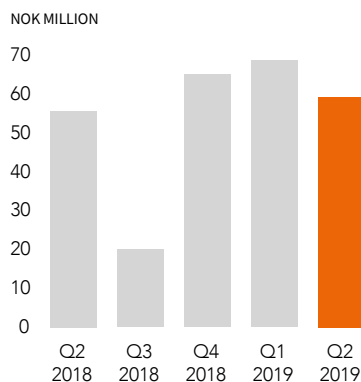
Operating revenues for the first half were NOK 1 082.7 million, compared with NOK 915.9 million in the same period of 2018. That represented a rise of 18.2 per cent. Fee income generated by the group's own consultants increased by 17.4 per cent from the first half of 2018 to NOK 899.1 million. The increase in fee income generated by the group's own employees largely reflected an 11.7 per cent rise in the average workforce, a 0.5 percentage-point increase in the billing ratio for the group's consultants, and a rise of 3.7 per cent in rates for the group's hourly based services compared with the first half of 2018.

Income generated by sub-contractors grew by 21 per cent from the first half of last year to NOK 142.8 million. Other revenues rose by 27.2 per cent from the first half of 2018 to NOK 40.8 million.

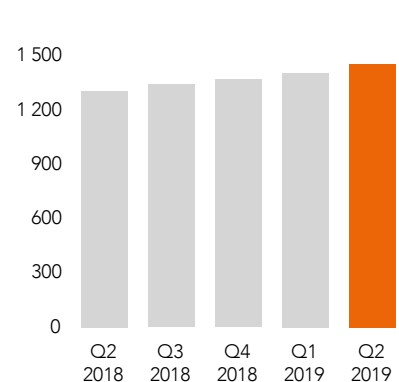
Operating revenue



Operating profit (EBIT)



Number of employees (end of quarter)



Operating costs

Bouvet's operating costs, including depreciation and amortisation, totalled NOK 459.1 million for the second quarter, up from NOK 397.9 million in the same period of 2018. That represented an increase of 15.4 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 2.4 per cent over the past 12 months. The cost of sales was NOK 74 million, compared with NOK 62.9 million for the second quarter of 2018, and primarily comprised procurement of sub-contractor services and software as well as the hire of course instructors. Viewed in isolation, implementation of IFRS 16 Leases from 1 January 2019 (see note 1) reduced other operating expenses by NOK 9.5 million compared with the second quarter of 2018. Thanks to an overall NOK 7.3 million rise in the cost of recruitment, social security expenses, premises and marketing, other operating expenses showed a net reduction of NOK 2.2 million from the second quarter of 2018 and amounted to NOK 43.6 million. Depreciation and amortisation came to NOK 14.7 million, compared with NOK 6.3 million in the second quarter of 2018. Implementing IFRS 16 increased depreciation by NOK 8.7 million from the same period of last year.

Where the first half was concerned, operating costs increased by 17.9 per cent from the same period of 2018 to total NOK 954.6 million. The cost of sales rose by 19.8 per cent in the first half to NOK 152.1 million. Payroll costs were up by 18.7 per cent to NOK 691.6 million. Viewed in isolation, implementation of

IFRS 16 Leases from 1 January 2019 (see note 1) reduced other operating expenses by NOK 19 million compared with the first half of 2018. Thanks to an overall rise of NOK 13.2 million in the cost of recruitment, social security expenses, premises and marketing, other operating expenses showed a net reduction of NOK 5.8 million from the first half of 2018 and amounted to NOK 81.7 million. Depreciation and amortisation came to NOK 29.2 million, compared with NOK 11.8 million in the first half of last year. Implementing IFRS 16 increased depreciation by NOK 17.5 million from the same period of 2018.

Profit

Operating profit (EBIT) for the second quarter came to NOK 59.3 million, compared with NOK 55.7 million in the same period of 2018. The EBIT margin thereby came to 11.4 per cent, compared with 12.3 per cent in the second quarter of last year. Net profit came to NOK 46.4 million, up from NOK 42.9 million in the same period of 2018. Diluted earnings per share were NOK 4.49, compared with NOK 4.19 in the second quarter of last year.

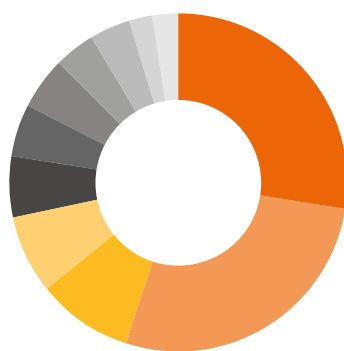
Cumulative operating profit for the first half came to NOK 128.1 million, compared with NOK 106.3 million in the same period of 2018. That represented a 20.5 per cent increase. The EBIT margin thereby came to 11.8 per cent, compared with 11.6 per cent in the first half of last year. Net profit for the first half came to NOK 99.8 million, up from NOK 81.5 million in the same period of 2018. Diluted earnings per share were NOK 9.65, compared with NOK 7.94 in the second quarter of last year.

Revenue public/private



- Revenue from customer
100 % public owned: 48.8 %
- Revenue from customer wholly or partially private owned: 51.2 %

Revenue per business



■ Oil & gas	27.7 %
■ Public admin	27.3 %
■ Power supply	9.4 %
■ Transportation	7.5 %
■ Retail	5.7 %
■ Service industry	5.1 %
■ Industry	4.8 %
■ Bank & finance	4.1 %
■ Info and communication	3.7 %
■ Health	2.4 %
■ Other	2.3 %

Cash flow, liquidity and capital adequacy

Consolidated cash flow from operations was NOK 32.2 million for the second quarter, compared with NOK 31.8 million in the same period of 2018. Cash flow for the quarter was affected negatively by an increase of NOK 4.8 million from the first quarter of 2019 in working capital related to accounts receivable, work in hand and suppliers. A reduction of NOK 26.9 million in other current liabilities from the first quarter of 2019 also had a negative effect. Where the first half is concerned, consolidated cash flow from operations came to 36.5 million, compared with NOK 17.2 million for the same period of 2018. Consolidated cash flow from operations over the past 12 months was NOK 238.3 million, and net profit for the same period came to NOK 168.8 million.

Capital spending in the quarter totalled NOK 6.7 million, including NOK 4.6 million for the acquisition of new operating assets and NOK 2.1 million for investment in intangible assets. The comparable figure for the second quarter of 2018 was NOK 16 million, including NOK 13.3 million for fixed operating assets and NOK 2.7 million for intangible assets. Operating assets totalling NOK 0.2 million were sold by the group during the quarter, so that net investment for the period came to NOK 6.5 million, compared with NOK 16 million in the corresponding six months of 2018.

Where the first half is concerned, capital spending totalled NOK 12.7 million. This took the form of NOK 7.8 million invested in operating assets and NOK 4.9 million for intangible assets. Operating assets totalling NOK 0.2 million were sold by the group during the first half, so that net investment for the period came to NOK 12.5 million, compared with NOK 37.1 million for the corresponding six months of 2018.

The group's client portfolio consists mainly of large, solid listed companies and public enterprises. No significant bad debts were suffered over the year, 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 138.8 million, compared with NOK 87.7 million a year earlier. Of bank deposits at 30 June, the account for employee tax deductions totalled NOK 55.3 million. Disposable bank deposits thereby totalled NOK 83.5 million, compared with NOK 44.1 million a year earlier. The group had an undrawn overdraft facility of NOK 100 million at 30 June. Bouvet held 37 704 of its own shares at 30 June. A dividend of NOK 133.3 million was paid by Bouvet during the second quarter. Equity at 30 June totalled NOK 236.8 million, representing an equity ratio of 23.4 per cent. The corresponding figures for 30 June 2018 were an equity of NOK 195.5 million and an equity ratio of 31.9 per cent. Implementation of IFRS 16 had a negative effect of 7.3 percentage points on the equity ratio at 30 June 2019.

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

Bouvet had a good market in the second quarter. Helping clients to realise their business objectives resulted in very positive progress and good results. The company's long-term client relationships and its broad range of services maintained trust and provided continuity. More clients are choosing Bouvet as their digitalisation partner. In that role, the company tailors deliveries to the client's circumstances. At Avinor, it has a multidisciplinary team helping to develop an information centre for arriving passengers. Avinor's goal is to make Oslo Airport Gardermoen Europe's best airport, and this project forms part of that work. Equinor has expanded its assignment related to gas production, and Bouvet is continuing to contribute to the development of digital twins, trading solutions based on blockchain technology, and solutions utilising augmented and virtual reality. Agder Energi renewed its assignment during the quarter, while the Petroleum Safety Authority Norway have chosen Bouvet as their digitalisation partner.

The digital transformation of enterprises has created an increased demand for consultants with both technological and domain expertise. To meet these requirements in the oil and gas sector, Bouvet is building domain expertise in well technology, seismic mapping and geology. The shift towards more business-driven technology development has generated greater demand for consultancy and project management. Bouvet won a new frame agreement for project management and consultancy from Trøndelag county council during the quarter. Orkla IT has chosen the company as a preferred partner for project management. Where digital security is concerned, Bouvet will be contributing project management for the Norwegian Courts Administration. Digital security is a consultancy service where demand is growing.

Business understanding, knowledge about end users and in-depth expertise on developing user-friendly solutions are essential for achieving desired commercial goals. Optimal communication and interaction with the user are a success factor for business-critical solutions. Demand for service design and design-related services has therefore been high. The Western Norway Regional Health Authority, for example, wants support from Bouvet in designing better patient

experiences in order to promote faster diagnosis and treatment. The company has been chosen to develop a new website for Vestland county council following the merger of Hordaland and Sogn og Fjordane counties. Olavstoppen, a wholly owned Bouvet subsidiary with leading-edge expertise in the development of digital services, has secured a number of high-profile assignments both nationally and internationally.

A focus on education has led to growth in participation in Bouvet's courses as well as increased demand for internal company programmes. Service design is one of Bouvet's areas of expertise, where it won a contract during the quarter to deliver courses and consultancy to the City of Trondheim.

Bouvet's clients appreciate the value of historical information combined with predictive data for improved decision support. Demand for data analysis and machine learning is therefore growing. Bouvet is to establish a data platform for ConocoPhillips and a data lake for the City of Stavanger which will allow to latter to offer good service and information to its residents. Skyss has engaged the company's data analysis capabilities in order to enhance its public transport services. Combined with improved information services for passengers, the same applies to Kolumbus, where Bouvet is contributing services related to data warehouses and data science.

Gassco awarded a frame agreement to Bouvet on technical information and handling of 3D. That also applies to Worley Parsons Rosenberg Verft, where Bouvet is to supply 3D global services. These projects involve increasing the value of available technical information.

Sesam, Bouvet's digitalisation platform, is being further developed and is experiencing growth in the number of both national and international partners. During the quarter, the Swedish Medical Products Agency chose Sesam as its integration platform. This project will be implemented in collaboration with Bouvet's Swedish arm.

Demand for system development remains high. Other services with rising demand include industrial solutions, management systems, technical information and robotisation.



Employees

The attention devoted to culture, community and expertise development yielded good organic growth during the quarter. Bouvet's workforce increased by 50 people from the previous three months, and the group had 1 455 employees at 30 June – up by 151 from the same date in 2018. The average age of personnel joining the company during the quarter was 35, with 30 of the newcomers younger than 30.

A continued shortage of relevant expertise and great competition over attracting the right candidates make the recruitment market challenging. That applies particularly to the supply of experienced expertise in systems development, security and architecture. Familiarity with and knowledge of Bouvet is increasing, and candidates choose the company in part because of its culture and project portfolio. Its contribution to sustainable development together with clients creates interest and commitment.

Job satisfaction and professional development in the workforce are given a very high priority. Bouvet's ambition is to be the most credible consultancy with the best satisfied employees. To achieve this, constant efforts are made to continue developing a strong and open culture of sharing among employees and clients, so that the former acquire professional confidence and achieve success in their assignments in partnership with the client.

Bouvet is making long-term efforts to increase the proportion of women in its workforce. This has been implemented as part of the recruitment process.



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

More enterprises are experiencing positive effects from digitalisation. But digit maturity varies greatly between the various internal functions in an enterprise, between large and small enterprises, and between sectors. At the same time, a recognition exists that change takes longer than expected, in part because of a lack of the right expertise and because of the need to create an innovation and sharing culture and to establish new forms of collaboration between enterprises in order to achieve profitable investment.

Changed competitive conditions in the form of globalisation and stronger demands for sustainable development will help to determine choices of technology and direction. The need is therefore growing for strategic consultancy services and a

closer partnership between client and provider in order to navigate the "digitalisation journey".

Bouvet has the breadth of services, structure for establishing cross-disciplinary teams, capacity and a regional and adaptable model needed to tackle this development. That has proved valuable for developing the group's own services and for its clients.

The need to ensure the right delivery capacity in a market characterised by a high level of demand creates a requirement for continuous recruitment of the right candidates in a tight labour market.

Bouvet is well positioned to maintain its ability to deliver to its clients.

Contacts

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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 first half and second quarter 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, 22 August 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 APR-JUN 2019	UNAUDITED APR-JUN 2018	CHANGE	CHANGE %	UNAUDITED JAN-JUN 2019	UNAUDITED JAN-JUN 2018	CHANGE	CHANGE %	YEAR 2018
Revenue	518 352	453 661	64 691	14.3 %	1 082 668	915 937	166 731	18.2 %	1 846 711
Operating expenses									
Cost of sales	73 961	62 879	11 082	17.6 %	152 058	126 949	25 109	19.8 %	258 514
Personell expenses	326 903	282 922	43 981	15.5 %	691 607	582 501	109 106	18.7 %	1 178 968
Depreciation fixed assets	13 140	4 439	8 701	196.0 %	26 153	8 986	17 167	191.0 %	17 388
Amortisation intangible assets	1 532	1 898	-366	-19.3 %	3 078	3 750	-672	-17.9 %	7 414
Other operating expenses	43 564	45 797	-2 233	-4.9 %	81 678	87 492	-5 814	-6.6 %	192 865
Total operating expenses	459 100	397 935	61 165	15.4 %	954 574	809 678	144 896	17.9 %	1 655 149
Operating profit	59 252	55 726	3 526	6.3 %	128 094	106 259	21 835	20.5 %	191 562
Financial items									
Interest income	900	385	515	133.8 %	1 537	872	665	76.3 %	1 815
Financial income	33	42	-9	-21.4 %	46	149	-103	-69.1 %	929
Interest expense	-213	-18	-195	1083.3 %	-408	-51	-357	700.0 %	-104
Finance expense	-627	-796	169	-21.2 %	-1 394	-2 164	770	-35.6 %	-2 627
Net financial items	93	-387	480	-124.0 %	-219	-1 194	975	-81.7 %	13
Ordinary profit before tax	59 345	55 339	4 006	7.2 %	127 875	105 065	22 810	21.7 %	191 575
Income tax expense									
Tax expense on ordinary profit	12 972	12 422	550	4.4 %	28 060	23 525	4 535	19.3 %	41 078
Total tax expense	12 972	12 422	550	4.4 %	28 060	23 525	4 535	19.3 %	41 078
Profit for the period	46 373	42 917	3 456	8.1 %	99 815	81 540	18 275	22.4 %	150 497
Assigned to:									
Shareholders in parent company	46 373	42 917			99 815	81 540			150 497
Diluted earnings per share	4.49	4.19	0.30	7.1 %	9.65	7.94	1.70	21.5 %	14.66
Earnings per share	4.53	4.23	0.30	7.2 %	9.75	8.02	1.72	21.5 %	14.80

Consolidated statement of other income and costs

NOK 1 000	UNAUDITED APR-JUN 2019	UNAUDITED APR-JUN 2018	CHANGE	CHANGE %	UNAUDITED JAN-JUN 2019	UNAUDITED JAN-JUN 2018	CHANGE	CHANGE %	YEAR 2018
Profit for the period	46 373	42 917	3 456	8.1 %	99 815	81 540	18 275	22.4 %	150 497
Items that may be reclassified through profit or loss in subsequent periods									
Currency translation differences	-134	-244	110	-45.2 %	-650	-707	57	-8.0 %	-28
Sum other income and costs	-134	-244	110	-45.2 %	-650	-707	57	-8.0 %	-28
Total comprehensive income	46 239	42 673	3 566	8.4 %	99 165	80 833	18 332	22.7 %	150 469
Assigned to:									
Shareholders in parent company	46 239	42 673			99 165	80 833			150 469

Consolidated balance sheet

NOK 1 000	UNAUDITED 30.06.2019	UNAUDITED 30.06.2018	CHANGE	CHANGE %	31.12.2018
ASSETS					
NON-CURRENT ASSETS					
Intangible assets					
Deferred tax asset	445	852	-407	-47.8 %	0
Goodwill	32 495	32 429	66	0.2 %	32 944
Other intangible assets	35 728	30 419	5 309	17.5 %	34 070
Total intangible assets	68 668	63 700	4 968	7.8 %	67 014
Fixed assets					
Office equipment	24 639	21 337	3 302	15.5 %	25 187
Office machines and vehicles	5 077	5 203	-126	-2.4 %	5 907
IT equipment	20 527	19 867	660	3.3 %	20 112
Right-of-use assets	245 886	0	245 886	N/A	0
Total fixed assets	296 129	46 407	249 722	538.1 %	51 206
Financial non-current assets					
Other financial assets	11	116	-105	-90.5 %	11
Other long-term receivables	1 877	1 911	-34	-1.8 %	1 935
Total financial non-current assets	1 888	2 027	-139	-6.9 %	1 946
Total non-current assets	366 685	112 134	254 551	227.0 %	120 166
CURRENT ASSETS					
Work in progress	65 841	100 887	-35 046	-34.7 %	55 520
Trade accounts receivable	393 154	265 449	127 705	48.1 %	269 718
Other short-term receivables	49 078	45 919	3 159	6.9 %	32 765
Cash and cash equivalents	138 750	87 660	51 090	58.3 %	278 388
Total current assets	646 823	499 915	146 908	29.4 %	636 391
TOTAL ASSETS	1 013 508	612 049	401 459	65.6 %	756 557

Consolidated balance sheet

NOK 1 000	UNAUDITED 30.06.2019	UNAUDITED 30.06.2018	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	216 576	175 342	41 234	23.5 %	256 744
Total earned equity	216 576	175 342	41 234	23.5 %	256 744
Total equity	236 788	195 495	41 293	21.1 %	276 993
DEBT					
Long-term debt					
Lease liabilities	208 365	0	208 365	N/A	0
Deferred tax	0	0	0	N/A	574
Total long-term debt	208 365	0	208 365	N/A	574
Short-term debt					
Current lease liabilities	36 320	0	36 320	N/A	0
Trade accounts payable	71 210	57 650	13 560	23.5 %	58 012
Income tax payable	35 256	31 756	3 500	11.0 %	41 279
Public duties payable	181 634	126 491	55 143	43.6 %	169 088
Deferred revenue	15 838	16 460	-622	-3.8 %	16 678
Other short-term debt	228 097	184 197	43 900	23.8 %	193 933
Total short-term debt	568 355	416 554	151 801	36.4 %	478 990
Total liabilities	776 720	416 554	360 166	86.5 %	479 564
TOTAL EQUITY AND LIABILITIES	1 013 508	612 049	401 459	65.6 %	756 557

Consolidated statement of cash flows

NOK 1 000	UNAUDITED APR-JUN 2019	UNAUDITED APR-JUN 2018	UNAUDITED JAN-JUN 2019	UNAUDITED JAN-JUN 2018	YEAR 2018
Cash flow from operating activities					
Ordinary profit before tax	59 345	55 339	127 875	105 065	191 576
Paid tax	-16 901	-11 610	-34 151	-23 463	-30 807
(Gain)/loss on sale of fixed assets	-75	42	-85	32	-406
Ordinary depreciation	13 140	4 439	26 153	8 986	17 388
Amortisation intangible assets	1 532	1 898	3 078	3 750	7 414
Share based payments	1 968	1 793	3 950	3 585	7 272
Changes in work in progress, accounts receivable and accounts payable	-9 092	6 690	-120 559	-56 119	-14 658
Changes in other accruals	-17 682	-26 823	30 232	-24 677	41 192
Net cash flow from operating activities	32 235	31 767	36 494	17 159	218 971
Cash flows from investing activities					
Sale of fixed assets	183	41	215	91	574
Purchase of fixed assets	-4 629	-13 344	-7 846	-17 363	-30 609
Purchase of intangible assets	-2 041	-2 716	-4 908	-6 463	-13 718
Investment in subsidiaries - net cash	0	0	0	-13 390	-13 390
Net cash flow from investing activities	-6 487	-16 019	-12 539	-37 125	-57 143
Cash flows from financing activities					
Purchase of own shares	-11 341	0	-11 341	-10 620	-19 544
Sales of own shares	0	0	0	0	17 858
Payments on lease liabilities	-9 501	0	-19 002	0	0
Dividend payments	-133 250	-87 125	-133 250	-87 125	-87 125
Net cash flow from financing activities	-154 092	-87 125	-163 593	-97 745	-88 811
Net changes in cash and cash equivalents	-128 344	-71 377	-139 638	-117 711	73 017
Cash and cash equivalents at the beginning of the period	267 094	159 037	278 388	205 371	205 371
Cash and cash equivalents at the end of the period	138 750	87 660	138 750	87 660	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					81 540		81 540		81 540
Other income and costs						-707	-707		-707
Purchase/sale of own shares (net)		-50		-50	-10 570		-10 570		-10 620
Employee share scheme					5 389		5 389		5 389
Change non-controlling interests					-10 371		-10 371	-3 019	-13 390
Dividend					-87 125		-87 125		-87 125
Equity at 30.06.2018 (Unaudited)	10 250	-97	10 000	20 153	176 522	-1 178	175 342	0	195 495
Equity at 01.01.2019	10 250	-1	10 000	20 249	257 244	-500	256 744	0	276 993
Profit for the period					99 815		99 815		99 815
Other income and costs						-650	-650		-650
Purchase/sale of own shares (net)		-37		-37	-11 304		-11 304		-11 341
Employee share scheme					5 221		5 221		5 221
Dividend					-133 250		-133 250		-133 250
Equity at 30.06.2019 (Unaudited)	10 250	-38	10 000	20 212	217 726	-1 150	216 576	0	236 788

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 June 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	
	APR-JUN 2019	APR-JUN 2019	APR-JUN 2018
Revenue	518 352	518 352	453 661
Operating expenses (ex. depreciation and amortisation)	444 428	453 929	391 598
EBITDA	73 924	64 423	62 063
Depreciation and amortisation	14 672	5 934	6 337
EBIT	59 252	58 489	55 726
Financial items	93	256	-387
Ordinary profit before tax	59 345	58 745	55 339

NOK 1 000	IFRS 16	IAS 17	
	JAN-JUN 2019	JAN-JUN 2019	JAN-JUN 2018
Revenue	1 082 668	1 082 668	915 937
Operating expenses (ex. depreciation and amortisation)	925 343	944 345	796 942
EBITDA	157 325	138 323	118 995
Depreciation and amortisation	29 231	11 756	12 736
EBIT	128 094	126 567	106 259
Financial items	-219	107	-1 194
Ordinary profit before tax	127 875	126 674	105 065

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	APR-JUN 2019	APR-JUN 2018
Contract category		
Fixed- and target price	8 645	10 519
Variable contracts	509 707	443 142
Total revenue	518 352	453 661
Business sector		
Bank & finance	21 337	18 726
Power supply	48 939	45 344
Health	12 602	12 292
Industry	25 069	18 251
Info and communication	19 353	25 726
Public admin	141 335	119 544
Oil & gas	143 323	114 131
Service industry	26 554	24 296
Transportation	38 896	37 295
Retail	29 242	27 671
Other	11 703	10 387
Total revenue	518 352	453 661
Public/privat sector		
Public sector (100% owned)	252 891	229 066
Privat sector	265 461	224 595
Total revenue	518 352	453 661
Work in progress	65 841	100 887
Deferred revenue	15 838	16 460

At the balance sheet date, processed but not billed services amounted to NOK 65.84 million (2018.06.30: NOK 100.89 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				JAN-JUN 2019		JAN-JUN 2018		
	SOFTWARE	OTHER INTANGIBLE ASSETS	GOODWILL	SOFTWARE	OTHER INTANGIBLE ASSETS	GOODWILL		
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	4 908	0	0	4 908	5 531	0	0	5 531
Amortisation	-2 580	-498	0	-3 078	-2 303	-1 447	0	-3 750
Exchange rate variances	0	-172	-449	-621	0	-58	-1 031	-1 089
Book value end of period	30 234	5 495	32 495	68 223	23 230	7 188	32 429	62 848
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 one part was completed in June 2018 and taken use of in July 2018. The rest has an expected completion during 2019. So far the investment costs is NOK 15 653 thousand. All versions has an economic life of 5 years.

Note 4: Leases

Right-of-use-assets

TNOK	PREMISES	OTHER LEASES	JAN-JUN 2019
Book value 1 January	263 291	70	263 361
Depreciation	-17 442	-32	-17 474
Book value end of period	245 849	38	245 887
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 30.06.2019	244 685	18 676	35 281	33 229	31 831	31 207	94 461
Incremental borrowing rate	2 %						

Note 5: Share capital and dividend

SHARES IN THOUSANDS	30.06.2019	30.06.2018
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	
	30.06.2019	30.06.2018	30.06.2019	30.06.2018
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 acquired 36 440 own shares at an average price of NOK 311.23 per share. The company owns 37 704 own shares at the end of the period.

Dividend

The company has paid the following dividends:

TNOK	APR-JUN 2019	APR-JUN 2018
Ordinary dividend for 2018: NOK 13.00 per share	133 250	
Ordinary dividend for 2017: NOK 8.50 per share		87 125
Total	133 250	87 125

Note 6: Transactions with related parties

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

NAME	ROLE	NO. OF SHARES			30.06.2019
		31.03.2019	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	1 140	500	0	1 640
Egil Christen Dahl	Board member	453 502	0	0	453 502
Sverre F. Hurum	CEO	503 779	0	0	503 779
Erik Stubø	CFO	238 279	0	0	238 279
Total		1 202 595	500	0	1 203 095

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	APR-JUN 2019	APR-JUN 2018	CHANGE %	JAN-JUN 2019	JAN-JUN 2018	CHANGE %	YEAR 2018
INCOME STATEMENT							
Operating revenue	518 352	453 661	14.3 %	1 082 668	915 937	18.2 %	1 846 711
EBITDA	73 924	62 063	19.1 %	157 325	118 995	32.2 %	216 364
Operating profit (EBIT)	59 252	55 726	6.3 %	128 094	106 259	20.5 %	191 562
Ordinary profit before tax	59 345	55 339	7.2 %	127 875	105 065	21.7 %	191 575
Profit for the period	46 373	42 917	8.1 %	99 815	81 540	22.4 %	150 497
EBITDA-margin	14.3 %	13.7 %	4.2 %	14.5 %	13.0 %	11.9 %	11.7 %
EBIT-margin	11.4 %	12.3 %	-6.9 %	11.8 %	11.6 %	2.0 %	10.4 %
BALANCE SHEET							
Non-current assets	366 685	112 134	227.0 %	366 685	112 134	227.0 %	120 166
Current assets	646 823	499 915	29.4 %	646 823	499 915	29.4 %	636 391
Total assets	1 013 508	612 049	65.6 %	1 013 508	612 049	65.6 %	756 557
Equity	236 788	195 495	21.1 %	236 788	195 495	21.1 %	276 993
Long-term debt	208 365	0	N/A	208 365	0	N/A	574
Short-term debt	568 355	416 554	36.4 %	568 355	416 554	36.4 %	478 990
Equity ratio	23.4 %	31.9 %	-26.9 %	23.4 %	31.9 %	-26.9 %	36.6 %
Liquidity ratio	1.14	1.20	-5.2 %	1.14	1.20	-5.2 %	1.33
CASH FLOW							
Net cash flow operations	32 235	31 767	1.5 %	36 494	17 159	112.7 %	218 971
Net free cash flow	25 748	15 748	63.5 %	23 955	-19 966	-220.0 %	161 828
Net cash flow	-128 344	-71 377	N/A	-139 638	-117 711	N/A	73 017
Cash flow margin	6.2 %	7.0 %	-11.2 %	3.4 %	1.9 %	79.9 %	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	10 235 458	10 152 947	0.8 %	10 242 060	10 165 820	0.7 %	10 169 093
Weighted average diluted shares outstanding	10 338 090	10 251 455	0.8 %	10 344 692	10 264 328	0.8 %	10 268 110
EBIT per share	5.79	5.49	5.5 %	12.51	10.45	19.7 %	18.84
Diluted EBIT per share	5.73	5.44	5.4 %	12.38	10.35	19.6 %	18.66
Earnings per share	4.53	4.23	7.2 %	9.75	8.02	21.5 %	14.80
Diluted earnings per share	4.50	4.19	7.4 %	9.65	7.94	21.5 %	14.66
Equity per share	23.10	19.07	21.1 %	23.10	19.07	21.1 %	27.02
Dividend per share	13.00	8.50	52.9 %	13.00	8.50	52.9 %	8.50
EMPLOYEES							
Number of employees (year end)	1 455	1 304	11.6 %	1 455	1 304	11.6 %	1 369
Average number of employees	1 435	1 287	11.5 %	1 416	1 268	11.7 %	1 305
Operating revenue per employee	361	352	2.5 %	764	722	5.8 %	1 415
Operating cost per employee	320	309	3.5 %	674	639	5.6 %	1 268
EBIT per employee	41	43	-4.6 %	90	84	7.9 %	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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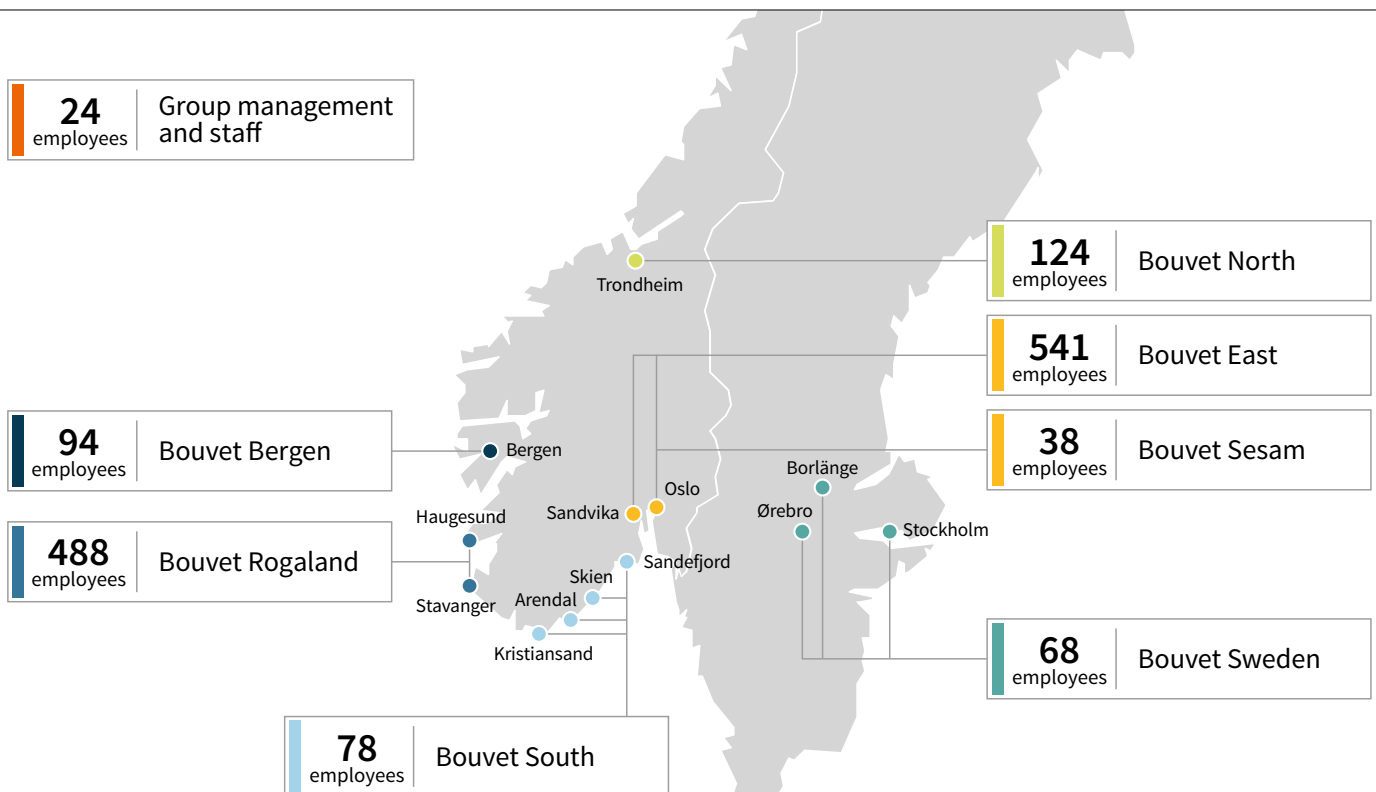
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