Q3

Report

2018

bouvet

Key figures

NOK MILLION	JUL-SEP 2018	JUL-SEP 2017	CHANGE %	JAN-SEP 2018	JAN-SEP 2017	CHANGE %	YEAR 2017
Revenue	**395.4**	344.2	14.9 %	**1 311.3**	1 149.0	14.1 %	1 607.4
Operating profit (EBIT)	**20.1**	17.1	17.9 %	**126.4**	95.0	33.0 %	144.1
Ordinary profit before tax	**20.2**	17.0	18.8 %	**125.3**	96.1	30.4 %	145.9
Profit for the period	**15.4**	12.5	23.0 %	**97.0**	72.4	34.0 %	112.0
Net cash flow operations	**-14.1**	-2.5	N/A	**3.0**	-9.5	N/A	149.0
Cash and cash equivalents	**63.4**	41.6	52.5 %	**63.4**	41.6	52.5 %	205.4
Number of employees (end of period)	**1 342**	1 211	10.8 %	**1 342**	1 211.0	10.8 %	1 215
Number of employees (average)	**1 328**	1 193	11.3 %	**1 286**	1 157.0	11.2 %	1 171
Earnings per share	**1.52**	1.23	23.7 %	**9.54**	7.05	35.3 %	10.92
Diluted earnings per share	**1.51**	1.22	23.7 %	**9.45**	6.97	35.6 %	10.79
EBIT-margin	**5.1 %**	5.0 %		**9.6 %**	8.3 %		9.0 %
Equity ratio	**35.0 %**	34.2 %		**35.0 %**	34.2 %		34.2 %

Bouvet in brief

Bouvet is a consultancy delivering digital services. At 30 September, it had 1 342 employees at 13 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 group. 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 third quarter

- 30 new graduates had their first working day in Bouvet
- Bouvet was awarded a new assignment by Equinor to contribute to the development of digital solutions for supporting offshore operations
- A breakfast seminar about e-commerce was held with 850 participants
- A frame agreement for Sweden’s southern region was secured from the Legal, Financial and Administrative Services Agency
- Operating revenues up by NOK 51.1 million or 14.9 per cent from the third quarter of 2017 to NOK 395.4 million
- Operating profit (EBIT) up by 17.9 per cent from the third quarter of 2017 to NOK 20.1 million
- Employees up by 38 from 30 June and 131 over the past 12 months

54°25'S 3°21'E

CEO'S COMMENTS

A good culture creates good results

Demand for our complete range of services increased during the quarter. We work now at most of our clients in cross-disciplinary teams. Together with the clients, these teams contribute to designing and developing new digital solutions. Our commitment over many years to developing cross-disciplinary expertise, a technological trend which calls for integrated expertise, and altered procurement behaviour at clients led to highly interesting assignments and good results for us.

Our recruitment efforts have done well, and 30 new graduates joined us during the quarter. These are able and committed colleagues who, together with our long-serving personnel, come up with good and exciting ideas for our clients.

Technology is continuing to make its mark on society, and this shift increases the need for change and development at our clients. Demand for the rapid development of new solutions led during the quarter to very good demand for our services in every region. Clients are continuing to hire teams with cross-disciplinary expertise which complements their own competence. That has led in turn to even closer collaboration than before as well as faster development and implementation of solutions. Increasing use is being made of proof of concept (POC) during implementation. We also see that the trend towards fewer large projects starting up continued during the quarter.

We experienced greater demand from our clients during the quarter. The oil industry, with Equinor in the lead, and the energy sector, with such companies as Statnett, Agder Energi, Hafslund and Lyse, are making a commitment to new technology and we won very interesting assignments during the period. Our clients in retailing are increasingly seeking our knowledge of e-commerce, and our leading-edge expertise in transport also proved attractive in the quarter. The pace of change in banking, insurance and health is rapid, and our expertise has been in demand. Our manufacturing clients are well under way with their Industry 4.0 commitment, which has led to assignments where we contribute to the introduction and integration of new technology such as machine learning, artificial intelligence (AI) and the Internet of Things (IoT) in enterprise systems at clients.

During the quarter, we also continued our good and close collaboration with clients in the public sector over the digitalisation of public services. We are involved in developing society by being allowed to participate in building good and relevant solutions for central and local government in Norway and Sweden.

Technological progress continued during the quarter, and most of our clients are now working with platform concepts and thereby with services in data science, data platforms, AI, machine learning and the IoT. We have built up solid expertise in

“We in Bouvet believe that our corporate culture represents the most important factor for our continued progress.”

these areas, and our own Sesam integration platform attracted great interest and substantial demand during the quarter. A number of the projects pursued during these three months can be characterised as innovation, with the use of new technology and the development of new business opportunities.

Expertise development is incredibly important both for us and for our clients. Our course department has developed a broad and relevant range of programmes, which were very well subscribed during the quarter.

Our geographical presence, our long-term approach to creating a good working environment, our expertise development and our long-term client relationships make us an attractive place to work. We are doing well in retaining and further developing our employees. At the same time, we are popular with new graduates. This meant that we again acquired a number of new colleagues in every region during the quarter. The gender balance in our workforce developed positively over the period, which also reinforces diversity in our ranks.

We in Bouvet believe that our corporate culture represents the most important factor for our continued progress. Strategy, plans and expertise will have to be changed, but we will continue to retain and further develop our culture. Success here means that our progress will continue.

Sverre Hurum
President and CEO

Financial results

Operating revenues

Bouvet had operating revenues of NOK 395.4 million for the third quarter, compared with NOK 344.2 million in the same period of 2017. That represented a rise of 14.9 per cent.
Fee income generated by the group's own consultants increased by NOK 46.1 million or 16.2 per cent from the third quarter of 2017. Income generated by sub-contractors grew by NOK 4.2 million or 9.1 per cent from the same period of last year. Other revenues rose by NOK 0.8 million from the third quarter of 2017 to NOK 13.2 million.

A rise of 1.5 percentage points in the billing ratio from the same period of last year had a positive effect of NOK 5.7 million on operating revenues generated by the group's own employees. At the same time, an 11.3 per cent increase in the average workforce had a positive effect of NOK 33.6 million on operating revenues. A 3.6 per cent growth in rates for the group's hourly based services compared with the third quarter of 2017 increased operating revenues by NOK 10.6 million. Reduced sickness absence, fewer days of holiday and more overtime working had an overall positive impact of NOK 6.4 million.
The total positive effect on operating revenues generated by the group's own employees was NOK 56.3 million.

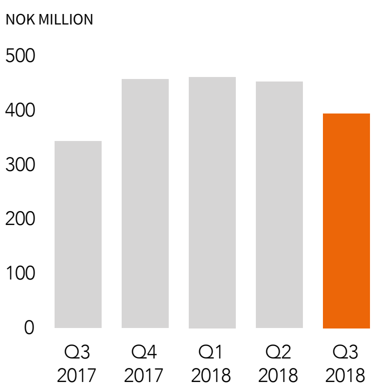
During the third quarter, the group reached agreement with a client on terminating an ongoing delivery. This had a negative one-off effect of NOK 10.2 million for the period.

Sales to existing clients made good progress during the quarter. Clients who also used the group in the third quarter of 2017 accounted for 94.2 per cent of operating revenues. In addition, clients acquired since 30 September 2017 contributed a total of NOK 23 million to third-quarter operating revenues.

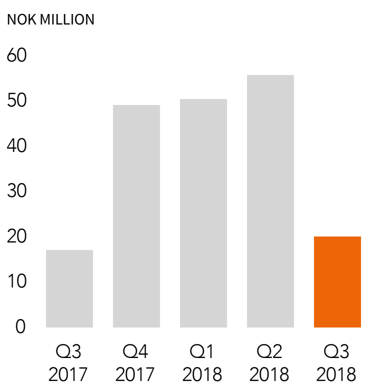
Bouvet's strategy is to use services from sub-contractors when it lacks the capacity to meet demand with its own personnel or when clients require leading-edge expertise outside the group's priority areas. The sub-contractor share of total revenues was 12.9 per cent in the third quarter, compared with 13.5 per cent in the same period of 2017.

Operating revenues for the first nine months came to NOK 1 311.3 million, compared with NOK 1 149 million in the same period of 2017. That represented a rise of 14.1 per cent.
Fee income generated by the group's own consultants for the first nine months increased by NOK 152.7 million or 16.2 per cent from the same period of last year. This growth is primarily attributable to an 11.2 per cent rise in the average number of employees, a 1.9 percentage point increase in the billing ratio for the group's consultants and a 3.4 per cent growth in rates for the group's hourly based services. In addition, income generated by sub-contractors increased by NOK 6.6 million from the same period of 2017.

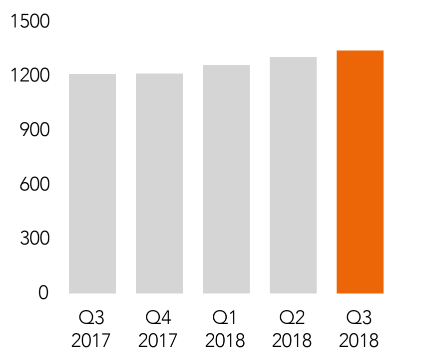
Operating revenue



Operating profit (EBIT)



Number of employees (end of quarter)



Operating costs

Bouvet's operating costs, including depreciation and amortisation, totalled NOK 375.3 million for the third quarter, up from NOK 327.2 million in the same period of 2017. That represented an increase of 14.7 per cent. Payroll costs rose by 13.5 per cent from the third quarter of 2017 to NOK 259.7 million. This increase 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 1.6 per cent over the past 12 months. The cost of sales rose to NOK 56.3 million, compared with NOK 50.4 million for the third quarter of 2017, and primarily comprised procurement of sub-contractor services and software as well as the hire of course instructors. Other operating expenses grew by 24.6 per cent from the third quarter of 2017 to NOK 53 million. This rise primarily reflected higher costs for leasing and operating office premises, social events and ICT.

Operating costs totalled NOK 1 184.9 million for the first nine months, up by 12.4 per cent from the same period of 2017. The cost of sales rose by 4.9 per cent to NOK 183.3 million, primarily because greater use was made of sub-contractors. Payroll costs increased by 12.9 per cent from the first nine months of last year to NOK 842.2 million. Other operating expenses came to NOK 140.5 million. The NOK 23.1 million increase from the same period of 2017 was primarily attributable to higher costs for leasing and operating office premises, social events and ICT.

Profit

Operating profit (EBIT) for the third quarter came to NOK 20.1 million, compared with NOK 17.1 million in the same period of 2017. During the third quarter, the group reached agreement with a client on terminating an ongoing delivery. This produced a one-off charge of NOK 7.6 million against operating profit for the period.

The EBIT margin thereby rose from five per cent in the third quarter of last year to 5.1 per cent. Net profit came to NOK 15.4 million, compared with NOK 12.5 million in the same period of 2017. Diluted earnings per share were NOK 1.51, compared with NOK 1.22 in the third quarter of last year.

Cumulative operating profit for the first nine months amounted to NOK 126.4 million, compared with NOK 95 million in the same period of 2017. That represented an increase of 33 per cent. The EBIT margin thereby rose from 8.3 per cent in the first nine months of last year to 9.6 per cent. Net profit came to NOK 97 million, compared with NOK 72.4 million in the same period of 2017. Diluted earnings per share were NOK 9.45, compared with NOK 6.97 for the first nine months of last year.

Cash flow, liquidity and capital adequacy

Consolidated cash flow from operations was negative at NOK 14.1 million for the third quarter, compared with a negative NOK 2.5 million in the same period of 2017. Cash flow for the

Revenue public/private

- Revenue from customer 100 % public owned: 51.4 %
- Revenue from customer wholly or partially private owned: 48.6 %

Revenue per business

Public admin	27.5 %
Oil & gas	25.8 %
Power supply	10.0 %
Transportation	6.8 %
Retail	5.9 %
Service industry	5.3 %
Industry	4.9 %
Info and communication	4.9 %
Bank & finance	4.2 %
Other	2.4 %
Health	2.3 %

quarter was affected negatively by an increase of NOK 17.4 million from the second quarter of 2018 in working capital related to accounts receivable from clients, work in progress and other current receivables. Furthermore, a reduction of NOK 19.9 million in current liabilities from the second quarter of 2018 had a negative effect on cash flow. Consolidated cash flow from operations in the first nine months was NOK 3 million, compared with a negative NOK 9.5 million in the same period of 2017. Consolidated cash flow from operations over the past 12 months was NOK 161.6 million, while net profit for the same period came to NOK 136.6 million.

Capital spending in the quarter totalled NOK 10.5 million, including NOK 7.9 million for the acquisition of new operating assets and NOK 2.6 million for investment in intangible assets. During the period, the group sold operating assets for NOK 0.4 million. Net investment thereby came to NOK 10.1 million, compared with NOK 7.1 million in the same quarter of 2017. Investment for the first nine months totalled NOK 47.7 million, broken down by NOK 25.2 million on operating assets, NOK 9.1 million on intangibles and NOK 13.4 million on the Olavstoppen subsidiary in connection with buying out minority shareholders. The group sold operating assets for NOK 0.5 million during the first nine months, so that net investment came to NOK 47.2 million compared with NOK 25.7 million in the same period of 2017.

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

The group has no interest-bearing debt. Bank deposits at 30 September totalled NOK 63.4 million, compared with NOK 41.6 million a year earlier. Of bank deposits at 30 September, the account for employee tax deductions totalled NOK 28.4 million. The group had an undrawn overdraft facility of NOK 100 million at 30 September. Bouvet held 97 053 of its own shares at 30 September. Equity at 30 September totalled NOK 213.3 million, representing an equity ratio of 35 per cent. The corresponding figures for 30 September 2017 were an equity of NOK 170.8 million and an equity ratio of 34.2 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 continuously high pace of digitalisation and innovation in the market generated 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, with a growing demand for cross-diciplinary teams. Equinor has engaged Bouvet to contribute to the development of digital solutions for supporting offshore operations. The Falstad Centre has chosen the group to develop a new prisoner register in order to make available information on all Soviet prisoners-of-war during the Second World War. Vinmonopolet has extended its hire of an e-commerce team from Bouvet for its digitalisation work.

During the quarter, Bouvet collaborated closely with its public-sector clients on the digitalisation of public services. The group delivered expertise in consultancy, communication and technology. It is helping to develop the base data which will allow the City of Bergen to offer new and innovative services to its employees and residents. In addition, Bouvet won new assignments from clients as Trøndelag county council, the Norwegian Public Service Pension Fund, the Norwegian Public Roads Administration, Statnett, Ruter, BaneNor, the police force and the National Library of Norway.

Closer relationships between business and technology and the attention being paid to data utilisation led in the quarter to a number of enquiries for platform concepts and thereby for services in data science, data platforms, AI, machine learning and the IoT. Bouvet serves in this work as an accelerator for initiating and choosing the direction of travel through testing with the aid of POC, as well as being a system integrator.
A number of the projects pursued during the quarter involve technology-driven innovation. Bouvet entered into a research and development agreement with the Public Roads Administration to develop a platform for drivers of heavy goods vehicles in the fish farming sector. Bouvet's Sesam digitalisation platform won a contract from Fredrikstad Energi, which thereby becomes the fifth energy company to adopt the Sesam datahub integration platform.

Attention at the group's clients is on technology tightly integrated with their own development of services and efficiency improvements. Demand for system development remains high. Other services being increasingly sought include industrial IoT management and mixed reality. Equinor has extended and expanded the team for augmented and virtual reality. Bouvet has delivered a pilot study to Hydro for a traffic system with real-time positioning which will optimise transport using manually driven and automated vehicles.

Bouvet contributes to the development of business-critical core systems which call for expertise in providing advice and in change, project and test management. Demand for this type of expertise rose during the quarter from such clients as Sporveien, Yara, Norconsult, the Norwegian Directorate of Health, Statnett and the Ministry of Foreign Affairs.

Focusing attention on end users in operations at our clients is critical in achieving the desired effects, whether for employees or customers. Demand for service design and design-related services is high. Examples of clients include Canal Digital, Statistics Norway, the Ministry of Foreign Affairs, Millum, the Bergen International Festival, the City of Oslo and Obos. The wholly owned Olavstoppen subsidiary is a leading centre of expertise for developing digital services and has secured a number of high-profile assignments, both nationally and internationally.

The need for digital expertise related to technology, projects, innovation and management led during the quarter to increased appetite for courses, both internal at companies and open, as well as breakfast seminars.

In the quarter Bouvet was ISO27001-certified.

Employees

A good corporate culture and a high level of job satisfaction among employees, combined with Bouvet's regional model, yielded good organic growth during the quarter. The workforce increased by 38 people from the previous three months, and the group had 1 342 employees at 30 September – up by 131 from the same date in 2017.

Client demand for Bouvet's expertise in every service area has resulted in a continuous focus on recruitment in order to strengthen delivery capacity. The recruitment market is tough and challenging, but Bouvet attracts relevant candidates in all age groups and service areas.

Knowledge of the group is growing among students. Bouvet's presence at conferences, universities and university colleges allows students to share in its creativity and technology enthusiasm. This year's summer programme gave a number of students the opportunity to work on relevant and technically challenging client projects. During the quarter, 30 graduates had their first working day in Bouvet.

As a knowledge-based group, Bouvet has a strong culture for sharing expertise across disciplines, projects and regions. This year's BouvetPlay cross-group event took place during the quarter, providing a social event including professional sharing and network building between colleagues.

Bouvet will be a relevant employer for knowledge workers in the meeting with tomorrow's demand for expertise. In addition to relevant and specialist client projects, the group has various arenas for expertise development such as in-house schools, courses and conferences. These arenas are being continuously developed in response to technology trends, market developments and expertise requirements among personnel.

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

Digitalisation is fundamental to increased prosperity and sustainable competitiveness in the meeting with demographic changes, globalisation and climate challenges. Technology is an enabler for change at enterprises and in working life generally. Commercial chains and business models are changing.
A number of enterprises are experiencing productivity growth and a wider opportunity space for service development.

This social trend, with growing technology- and service-driven business development in private- and public-sector enterprises, means a shift towards demand for more expertise on design, technology and change.

Bouvet has the breadth of services, the structure for establishing cross-disciplinary teams, and a regional and adaptable model with which to meet this development. That has proved valuable for the group'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 third quarter of 2018 and the period from 1 January to 30 September 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 overall 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, 14 November 2018
The board of directors of Bouvet ASA

Pål Egil Rønn
Chair of the board

Tove Raanes
Deputy chair

Grethe Høiland
Director

Ingebrigt Steen Jensen
Director

Egil Christen Dahl
Director

Sverre Hurum
President and CEO

Consolidated income statement

NOK 1 000	UNAUDITED JUL-SEP 2018	UNAUDITED JUL-SEP 2017	CHANGE	CHANGE %	UNAUDITED JAN-SEP 2018	UNAUDITED JAN-SEP 2017	CHANGE	CHANGE %	YEAR 2017
Revenue	395 377	344 240	51 137	14,9 %	1 311 314	1 148 954	162 360	14,1 %	1 607 353
Operating expenses									
Cost of sales	56 312	50 412	5 900	11.7 %	183 261	174 665	8 596	4.9 %	247 346
Personell expenses	259 684	228 884	30 800	13.5 %	842 185	746 219	95 966	12.9 %	1 035 043
Depreciation fixed assets	4 212	3 277	935	28.5 %	13 198	9 397	3 801	40.4 %	12 994
Amortisation intangible assets	2 012	2 023	-11	-0.5 %	5 762	6 268	-506	-8.1 %	8 149
Other operating expenses	53 036	42 575	10 461	24.6 %	140 528	117 381	23 147	19.7 %	159 684
Total operating expenses	375 256	327 171	48 085	14.7 %	1 184 934	1 053 930	131 004	12.4 %	1 463 216
Operating profit	20 121	17 069	3 052	17.9 %	126 380	95 024	31 356	33.0 %	144 137
Financial items									
Interest income	330	396	-66	-16.7 %	1 202	986	216	21.9 %	1 291
Financial income	140	106	34	32.1 %	289	994	-705	-70.9 %	1 497
Interest expense	-14	-72	58	-80.6 %	-65	-113	48	-42.5 %	-137
Finance expense	-383	-506	123	-24.3 %	-2 547	-800	-1 747	218.4 %	-852
Net financial items	73	-76	149	-196.1 %	-1 121	1 067	-2 188	-205.1 %	1 799
Ordinary profit before tax	20 194	16 993	3 201	18.8 %	125 259	96 091	29 168	30.4 %	145 936
Income tax expense									
Tax expense on ordinary profit	4 773	4 458	315	7.1 %	28 298	23 739	4 559	19.2 %	33 914
Total tax expense	4 773	4 458	315	7.1 %	28 298	23 739	4 559	19.2 %	33 914
Profit for the period	15 421	12 535	2 886	23.0 %	96 961	72 352	24 609	34.0 %	112 022
Assigned to:									
Shareholders in parent company	15 421	12 413			96 961	71 439			110 632
Non-controlling interests	0	122			0	913			1 390
Diluted earnings per share	1.51	1.22	0.29	23.6 %	9.45	6.97	2.48	35.6 %	10.79
Earnings per share	1.52	1.23	0.29	23.4 %	9.54	7.05	2.49	35.3 %	10.92

Consolidated statement of other income and costs

NOK 1 000	UNAUDITED JUL-SEP 2018	UNAUDITED JUL-SEP 2017	CHANGE	CHANGE %	UNAUDITED JAN-SEP 2018	UNAUDITED JAN-SEP 2017	CHANGE	CHANGE %	YEAR 2017
Profit for the period	15 421	12 535	2 886	23.0 %	96 961	72 352	24 609	34.0 %	112 022
Items that may be reclassified through profit or loss in subsequent periods									
Currency translation differences	115	-67	183	N/A	-592	57	-649	-1 131.0 %	171
Sum other income and costs	115	-67	183	N/A	-592	57	-649	-1 131.0 %	171
Total comprehensive income	15 536	12 468	3 069	24.6 %	96 369	72 409	23 960	33.1 %	112 193
Assigned to:									
Shareholders in parent company	15 536	12 346			96 369	71 496			110 803
Non-controlling interests	0	122			0	913			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	**1 379**	152	1 227	807.2 %	0
Goodwill	**32 501**	33 247	-746	-2.2 %	33 460
Other intangible assets	**31 070**	28 242	2 828	10.0 %	27 764
Total intangible assets	**64 950**	61 641	3 309	5.4 %	61 224
Fixed assets					
Office equipment	**23 954**	17 738	6 216	35.0 %	16 973
Office machines and vehicles	**5 517**	3 694	1 823	49.4 %	3 425
IT equipment	**20 589**	17 393	3 196	18.4 %	17 755
Total fixed assets	**50 060**	38 825	11 235	28.9 %	38 153
Financial non-current assets					
Other financial assets	**11**	116	-105	-90.5 %	116
Other long-term receivables	**1 877**	1 932	-55	-2.8 %	2 009
Total financial non-current assets	**1 888**	2 048	-160	-7.8 %	2 125
Total non-current assets	**116 898**	102 514	14 384	14.0 %	101 502
CURRENT ASSETS					
Work in progress	**82 999**	148 448	-65 449	-44.1 %	84 787
Trade accounts receivable	**315 675**	183 719	131 956	71.8 %	224 645
Other short-term receivables	**30 954**	23 034	7 920	34.4 %	27 783
Cash and cash equivalents	**63 440**	41 595	21 845	52.5 %	205 371
Total current assets	**493 068**	396 796	96 272	24.3 %	542 586
TOTAL ASSETS	**609 966**	499 310	110 656	22.2 %	644 088

Consolidated balance sheet

NOK 1 000	UNAUDITED 31.09.2018	UNAUDITED 31.09.2017	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**	-169	72	-42.6 %	-47
Share premium fund	**10 000**	10 000	0	0.0 %	10 000
Total paid-in capital	**20 153**	20 081	72	0.4 %	20 203
Earned equity					
Other equity	**193 161**	148 130	45 031	30.4 %	197 186
Total earned equity	**193 161**	148 130	45 031	30.4 %	197 186
Non-controlling interests	**0**	2 542	-2 542	-100.0 %	3 019
Total equity	**213 314**	170 753	42 561	24.9 %	220 408
DEBT					
Long-term debt					
Deferred tax	**0**	0	0	N/A	218
Total long-term debt	**0**	0	0	N/A	218
Short-term debt					
Trade accounts payable	**59 753**	55 552	4 201	7.6 %	56 865
Income tax payable	**36 578**	19 512	17 066	87.5 %	31 593
Public duties payable	**134 735**	111 386	23 349	21.0 %	158 026
Deferred revenue	**9 151**	8 025	1 126	14.0 %	17 275
Other short-term debt	**156 435**	134 082	22 353	16.7 %	159 703
Total short-term debt	**396 652**	328 557	68 095	20.7 %	423 462
Total liabilities	**396 652**	328 557	68 095	20.7 %	423 680
TOTAL EQUITY AND LIABILITIES	**609 966**	499 310	110 656	22.2 %	644 088

Consolidated statement of cash flows

NOK 1 000	UNAUDITED JUL-SEP 2018	UNAUDITED JUL-SEP 2017	UNAUDITED JAN-SEP 2018	UNAUDITED JAN-SEP 2017	YEAR 2017
Cash flow from operating activities					
Ordinary profit before tax	20 193	16 994	125 259	96 091	145 936
Paid tax	7	-5	-23 456	-26 552	-25 582
(Gain)/loss on sale of fixed assets	-417	-3	-385	-161	-98
Ordinary depreciation	4 212	3 278	13 198	9 397	12 994
Amortisation intangible assets	2 012	2 023	5 762	6 268	8 149
Share based payments	1 793	1 596	5 378	4 787	6 449
Changes in work in progress, accounts receivable and accounts payable	-30 234	-9 518	-86 353	-80 882	-56 834
Changes in other accruals	-11 690	-16 824	-36 367	-18 472	58 020
Net cash flow from operating activities	-14 124	-2 460	3 035	-9 523	149 035
Cash flows from investing activities					
Sale of fixed assets	437	100	528	955	971
Purchase of fixed assets	-7 884	-4 101	-25 248	-17 353	-20 358
Purchase of intangible assets	-2 649	-3 098	-9 111	-9 263	-10 540
Investment in subsidiaries - net cash	0	0	-13 390	0	0
Net cash flow from investing activities	-10 096	-7 099	-47 221	-25 661	-29 927
Cash flows from financing activities					
Purchase of own shares	0	-4 890	-10 620	-11 190	-11 190
Sales of own shares	0	0	0	0	9 484
Dividend payments	0	0	-87 125	-73 750	-73 750
Net cash flow from financing activities	0	-4 890	-97 745	-84 940	-75 456
Net changes in cash and cash equivalents	-24 220	-14 449	-141 931	-120 124	43 652
Cash and cash equivalents at the beginning of the period	87 660	56 044	205 371	161 719	161 719
Cash and cash equivalents at the end of the period	63 440	41 595	63 440	41 595	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	71 439		71 439	913	72 352
Other income and costs				0		57	57		57
Purchase/sale of own shares (net)		-70		-70	-11 120		-11 120		-11 190
Employee share scheme				0	7 126		7 126		7 126
Dividend				0	-71 750		-71 750	-2 000	-73 750
Equity at 30.09.2017 (Unaudited)	10 250	-169	10 000	20 081	148 716	-586	148 130	2 543	170 753
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	96 961		96 961		96 961
Other income and costs				0		-592	-592		-592
Purchase/sale of own shares (net)		-50		-50	-10 570		-10 570		-10 620
Employee share scheme				0	7 672		7 672		7 672
Payment from non-controlling interests				0	-10 371		-10 371	-3 019	-13 390
Dividend				0	-87 125		-87 125		-87 125
Equity at 30.09.2018 (Unaudited)	10 250	-97	10 000	20 153	194 226	-1 063	193 161	0	213 314

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 consistant with those applied in previous financial year, except for the implementation of IFRS 9 - Financial Instuments 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 accordanse 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 yearannual 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 September 2018 indicates a balance recognition of MNOK 225. 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 controles the asset being made or improved. The Group is therefore very little affected by the changes caused from adoption of IFRS 15.

Specification revenue:

NOK 1 000	JUL-SEP 2018	JUL-SEP 2017
Contract category		
Fixed- and target price	8 534	9 074
Variable contracts	386 843	335 166
Total revenue	395 377	344 240
Business sector		
Bank & finance	16 739	14 163
Power supply	39 493	30 685
Health	9 278	8 893
Industry	19 358	17 326
Info and communication	19 398	20 097
Public admin	108 594	92 096
Oil & gas	102 148	74 927
Service industry	20 838	23 014
Transportation	26 925	34 532
Retail	23 294	21 702
Other	9 311	6 806
Total revenue	395 377	344 240
Public/privat sector		
Public sector (100% owned)	203 238	173 137
Privat sector	192 139	171 103
Total revenue	395 377	344 240
Work in progress	82 999	148 448
Deferred revenue	9 151	8 025

At the balance sheet date, processed but not billed services amounted to NOK 83.00 million (2017.09.30: NOK 148.45 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.

TNOK	SOFTWARE	OTHER INTANGIBLE ASSETS	GOODWILL	JAN-SEP 2018	SOFTWARE	OTHER INTANGIBLE ASSETS	GOODWILL	JAN-SEP 2017
Book value 1 January	20 001	7 762	33 460	61 224	15 718	9 314	32 782	57 814
Additions of the period	0	931	0	931		1 104	0	1 104
Self-developed software	8 181	0	0	8 181	8 159	0	0	8 159
Amortisation	-3 593	-2 169	0	-5 762	-3 830	-2 438	0	-6 268
Exchange rate variances	0	-43	-959	-1 002	0	215	465	680
Book value end of period	24 589	6 481	32 501	63 571	20 047	8 195	33 247	61 489
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 and taken use of in July. The rest has an expected completion end of 2018. So far the investment costs is NOK 8 181 thousand. All versions has an economic life of 5 years.

Note 4: Share capital and dividend

SHARES IN THOUSANDS	JUL-SEP 2018	JUL-SEP 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

	NO. OF SHARES		SHARE CAPITAL	
NOK 1 000	JUL-SEP 2018	JUL-SEP 2017	JUL-SEP 2018	JUL-SEP 2017
Ordinary shares issued and fully paid at 31.12.	10 250	10 250	10 250	10 250
Own shares at nominal value	-97	-169	-97	-169

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

Note 5: Transactions with related parties

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

		NO. OF SHARES			
NAME	ROLE	31.06.2018	BUY	SALE	30.09.2018
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 6: Events after the balance sheet date

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

Alternative Performance Measures

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

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

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

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

EBITDA-margin is calculated as EBITDA divided by revenue.

EBIT-margin is calculated as EBIT divided by revenue.

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

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

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

Key figures Group

NOK 1 000	JUL-SEP 2018	JUL-SEP 2017	CHANGE %	JAN-SEP 2018	JAN-SEP 2017	CHANGE %	YEAR 2017
INCOME STATEMENT							
Operating revenue	**395 377**	344 240	14.9 %	**1 311 314**	1 148 954	14.1 %	1 607 353
EBITDA	**26 345**	22 369	17.8 %	**145 340**	110 689	31.3 %	165 280
Operating profit (EBIT)	**20 121**	17 069	17.9 %	**126 380**	95 024	33.0 %	144 137
Ordinary profit before tax	**20 194**	16 993	18.8 %	**125 259**	96 091	30.4 %	145 936
Profit for the period	**15 421**	12 535	23.0 %	**96 961**	72 352	34.0 %	112 022
EBITDA-margin	**6.7 %**	6.5 %	2.5 %	**11.1 %**	9.6 %	15.0 %	10.3 %
EBIT-margin	**5.1 %**	5.0 %	2.6 %	**9.6 %**	8.3 %	16.5 %	9.0 %
BALANCE SHEET							
Non-current assets	**116 898**	102 514	14.0 %	**116 898**	102 514	14.0 %	101 502
Current assets	**493 068**	396 796	24.3 %	**493 068**	396 796	24.3 %	542 586
Total assets	**609 966**	499 310	22.2 %	**609 966**	499 310	22.2 %	644 088
Equity	**213 314**	170 753	24.9 %	**213 314**	170 753	24.9 %	220 408
Long-term debt	**0**	0	N/A	**0**	0	N/A	218
Short-term debt	**396 652**	328 557	20.7 %	**396 652**	328 557	20.7 %	423 462
Equity ratio	**35.0 %**	34.2 %	2.3 %	**35.0 %**	34.2 %	2.3 %	34.2 %
Liquidity ratio	**1.24**	1.21	2.9 %	**1.24**	1.21	2.9 %	1.28
CASH FLOW							
Net cash flow operations	**-14 124**	-2 460	N/A	**3 035**	-9 523	N/A	149 035
Net free cash flow	**-24 220**	-9 559	N/A	**-44 186**	-35 184	N/A	119 108
Net cash flow	**-24 220**	-14 449	N/A	**-141 931**	-120 124	N/A	43 652
Cash flow margin	**-3.6 %**	-0.7 %	N/A	**0.2 %**	-0.8 %	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**	10 105 448	0.5 %	**10 161 482**	10 130 292	0.3 %	10 133 943
Weighted average diluted shares outstanding	**10 251 455**	10 222 674	0.3 %	**10 259 990**	10 247 518	0.1 %	10 248 708
EBIT per share	**1.98**	1.67	18.5 %	**12.44**	9.26	34.3 %	14.04
Diluted EBIT per share	**1.96**	1.65	18.7 %	**12.32**	9.15	34.5 %	13.89
Earnings per share	**1.52**	1.23	23.7 %	**9.54**	7.05	35.3 %	10.92
Diluted earnings per share	**1.51**	1.22	23.7 %	**9.45**	6.97	35.6 %	10.79
Equity per share	**20.81**	16.66	24.9 %	**20.81**	16.66	24.9 %	21.50
Dividend per share	**0.00**	0.00	N/A	**8.50**	7.00	21.4 %	7.00
EMPLOYEES							
Number of employees (year end)	**1 342**	1 211	10.8 %	**1 342**	1 211	10.8 %	1 215
Average number of employees	**1 328**	1 193	11.3 %	**1 286**	1 157	11.2 %	1 171
Operating revenue per employee	**298**	288	3.2 %	**1 020**	993	2.7 %	1 373
Operating cost per employee	**283**	274	3.1 %	**921**	911	1.1 %	1 250
EBIT per employee	**15**	14	6.0 %	**98**	82	19.6 %	123

Definitions

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

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.

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
Laberget 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

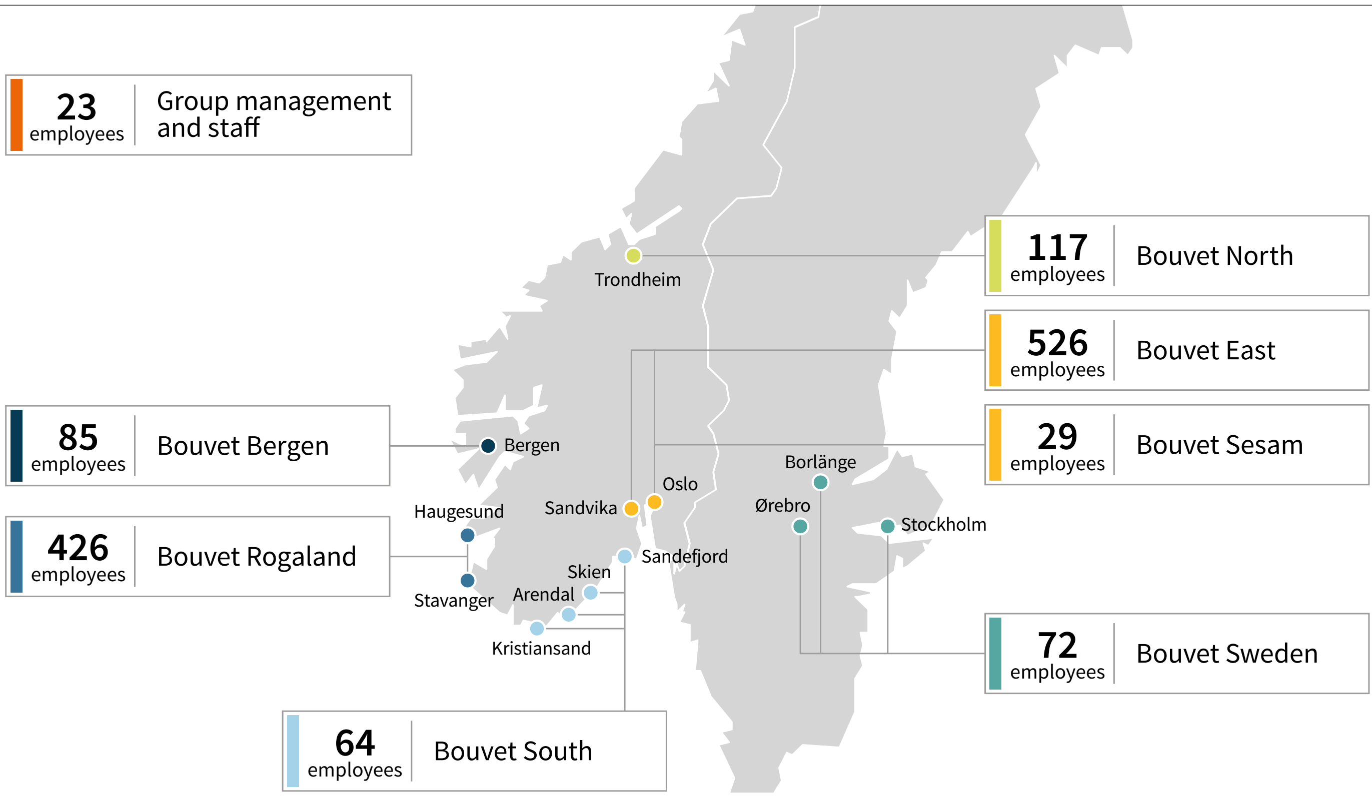
SANDVIKA
Leif Tronstadsplass 7
NO-1337 Sandvika
Tel: (+47) 23 40 60 00

SANDEFJORD
Fokserødveien 12
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



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