Q1

Report

2018

bouvet

Key figures

NOK MILLION	JAN-MAR 2018	JAN-MAR 2017	CHANGE %	YEAR 2017
Revenue	462.3	419.1	10.3 %	1 607.4
Operating profit (EBIT)	50.5	41.2	22.7 %	144.1
Ordinary profit before tax	49.7	41.5	19.8 %	145.9
Profit for the period	38.6	31.5	22.6 %	112.0
Net cash flow operations	-14.6	-13.3	N/A	149.0
Cash and cash equivalents	159.0	134.4	18.3 %	205.4
Number of employees (end of period)	1 260	1 131	11.4 %	1 215
Number of employees (average)	1 247	1 117	11.6 %	1 171
Earnings per share	3.79	3.07	23.5 %	10.92
Diluted earnings per share	3.76	3.04	23.7 %	10.79
EBIT-margin	10.9 %	9.8 %		9.0 %
Equity ratio	35.1 %	35.9 %		34.2 %

Bouvet in brief

Bouvet is a consultancy delivering digital services. At 31 March, it had 1 260 employees at 14 offices in Norway and Sweden.

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

Bouvet's regional model with local offices provides clear benefits for marketing and competitiveness. Many enterprises regard it as important that their provider of business-critical systems has local entrenchment and expertise. In addition, this model makes it easier to establish long-term relationships and thereby become acquainted with the client's business and systems.

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

BOUVET ASA

Highlights of the first quarter

- Sesam's GDPR platform was chosen by the Norwegian Data Protection Authority as one of the three best solutions in a competition on built-in privacy protection in practice
- Bouvet was named innovative partner of the year by SAP Norge
- Innovative project on the use of machine learning for predication analysis at Avinor
- Operating revenues up by 10.3 per cent to NOK 462.3 million from NOK 419.1 million for the first quarter of 2017
- Operating profit (EBIT) up by 22.7 per cent to NOK 50.5 million from NOK 41.2 million for the first quarter of 2017
- EBIT margin of 10.9 per cent, compared with 9.8 per cent for the same period of last year
- Employees up by 45 from 31 December to 1 260, an increase of 129 over the past 12 months

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CEO'S COMMENTS

We change, renew and improve

"We change, renew and improve", it says on the opening view of our website. We were once again involved with our clients in very interesting projects during the quarter, where access to and the application of new technology have been important in reaching the targets we were collectively working to attain. Our clients sought expertise in the period for important digitalisation projects from our consultants, project managers, graphic and interaction designers, and technologists. The high level of demand led us to recruit a substantial number of new employees, and another quarter passed with growth and good results.

Our clients, who will ensure a prosperous society for the future, are making rapid progress where challenges and opportunities are queuing up. The great majority implement important digitalisation-related projects in order to meet tomorrow's requirements. These efforts require a broad range of knowledge, and demand for our services and expertise was very high during the quarter. As a partner, we have delivered consultancy services and technical expertise where we join with the clients to identify which opportunities the technology can provide and how solutions can be developed and put together. We were increasingly used during the quarter as a system integrator, since tomorrow's solutions will comprise many different components. Analysts Forrester, Gartner and Behringer all find that consultancies with an expertise profile similar to ours will be the most important IT deliverers in the time to come.

The quarter showed that our commitment to artificial intelligence (AI) and machine learning (ML) has been important for us and for our clients. Making use of data is important, and a number of enterprises have established a platform where AI and ML are now utilised.

We work for companies and organisations in virtually every sector, and all are making rapid progress. An example of using machine learning is supplied by our client Kinect Energy Group, which provides consultancy on and management of energy and renewable power for clients in Europe and the world. We are working to establish a technological platform at this company which makes it better equipped to exploit its wind power portfolio in the European market. Machine learning and advanced analysis techniques permit value-creating services such as output estimates for the wind farms to be offered. At Avinor, we initiated a very interesting project during the quarter to develop new models for capacity planning for security control.

Clients in the oil and gas sector utilised our expertise in many projects during the quarter. We are strongly involved in Statoil's digitalisation work, and are working with interesting projects at MHWirth, Point Resources, Repsol and the Norwegian Petroleum Directorate (NPD). The level of activity and thereby demand for our expertise rose considerably during the quarter.

Many interesting developments are taking place in the transport sector, with clients using new technologies to change and enhance the efficiency of business models and processes. We are fortunate to have the opportunity to participate in many of the exciting things happening. During the quarter, we continued our collaboration on renewal work with Ruter, Sporveiene, Bane NOR, Skyss, Kolumbus, the Norwegian

Public Roads Administration, the Swedish Transport Administration and others. We serve as consultants, and we design and develop new solutions which are efficient and user-friendly.

A lot of developments are also taking place at the energy companies which require the expertise we possess. Statnett, Svenska kraftnät, Agder Energi, Skagerak Energi, Hafslund and Lyse are all big players, and we contributed during the quarter to their work on renewing and changing IT solutions. This is a sector where we have built up very solid commercial understanding and domain knowledge, and we see that our clients are increasingly seeking this expertise from us.

The retail sector is experiencing challenges with both business models and IT solutions. We were able to participate during the quarter in a number of projects where business models are being put to the test and where we are looking a new solutions together with clients. Vinmonopolet is one of our most important clients in this sector.

During the quarter, we also had the opportunity to participate in important projects for the health and banking sectors. Our regional office in Bergen has built up substantial expertise in banking/finance, and experienced substantial demand during the quarter. The public sector is continuing work on digitalising its services. We are involved here with large government organisations in Norway and Sweden, such as the armed forces, the Norwegian and Swedish police services, the Norwegian Labour Inspection Authority, the Swedish National Board of Health and Welfare, the Norwegian Courts Administration, the Financial Supervisory Authority of Norway, the Norwegian Directorate of Taxes, the Norwegian Directorate for Education and Training, the Norwegian Ministry of Social Affairs, the NPD and the Norwegian Directorate of Immigration. In addition, our agreement with Sweden's Legal, Financial and Administrative Services Agency led to a number of new assignments in the period. Local authorities in Norway and Sweden are also working on renewal, and we had many assignments for these during the quarter, including the cities of Oslo, Bergen, Trondheim and Stockholm, IKT Agder and Vest-Agder county council.

Sesam, our integration platform, has experienced growing interest in its product and secured more projects and new clients during the period.

Our Olavstoppen subsidiary also became wholly owned in the quarter.

Our clients have a growing need for good advice and forward-looking solutions. We deliver this today and intend to continue to doing so, so we are pursing continuous expertise development. In addition, we must increase our delivery capacity and therefore recruited a number of new employees during the quarter. We now have 1 260 committed, motivated and able employees, and more are set to join the team. All our new recruits will contribute to developing us as the most attractive company to work for and with. That will ensure continued success.

Sverre Hurum
President and CEO

Financial results

Operating revenues

Bouvet had operating revenues of NOK 462.3 million for the first quarter, compared with NOK 419.1 million in the same period of 2017. That represented a rise of 10.3 per cent. Fee income generated by the group's own consultants increased by NOK 45.9 million or 13.4 per cent from the first quarter of last year. Fee income generated by sub-contractors declined by NOK 2.4 million or 3.9 per cent from the same period of 2017. Other revenues came to NOK 16.2 million, compared with NOK 16.5 million for the first quarter of 2017.

The first quarter of 2018 had three fewer working days than the same period of last year. That had a negative effect of NOK 15.6 million on fee income generated by Bouvet's own employees compared with the first quarter of 2017. An increase in the amount of holiday taken during the quarter also had a negative effect of NOK 5.8 million on fee income generated by employees compared with the same period of last year.

Fee income generated by the group's own employees benefited by NOK 15.0 million from an increase of 3.4 percentage points in the billing ratio for the group's consultants compared with the first quarter of 2017. It was also boosted by NOK 40.2 million through an 11.6 per cent rise in the average number of employees. Rates for the group's hourly based services rose by 3.4 per cent compared with the same period of the year before, which increased fee income by NOK 11.6 million. Other factors, such as overtime, leave of absence and sickness absence, boosted fee income by NOK 0.2 million overall. The positive effect of these factors on fee income generated by the group's own employees totalled NOK 67.0 million.

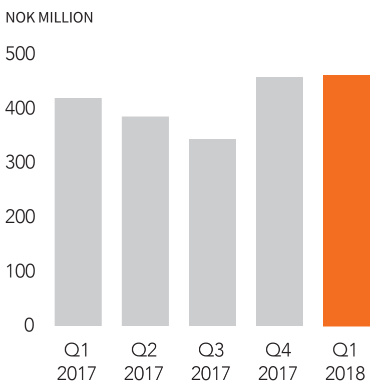
Viewed overall, sales to existing clients made good progress during the quarter. Clients who also used the group in the first quarter of 2017 accounted for 94.7 per cent of operating revenues. In addition, clients acquired since 31 March 2017 contributed a total of NOK 24.3 million to first-quarter operating 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 12.6 per cent in the first quarter, compared with 14.4 per cent in the same period of 2017.

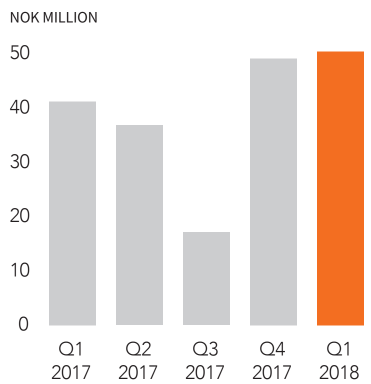
Operating costs

Bouvet's operating costs, including depreciation and amortisation, were NOK 411.7 million for the first quarter, up from NOK 377.9 million in the same period of 2017. That represented an increase of nine per cent. Payroll costs increased because the average number of employees rose, in addition to the general growth in pay rates. The group experienced a general rise in pay of 1.7 per cent over the past 12 months. The cost of sales rose to NOK 64.1 million, compared with NOK 67 million for the first quarter of 2017, and primarily comprised procurement of sub-contractor services, hire of course instructors and sale of software licences. The reduction in the cost of sales primarily related to the procurement of sub-contractor services. Other

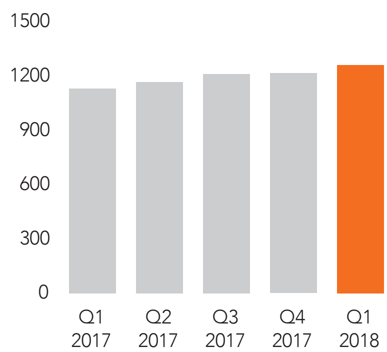
Operating revenue



Operating profit (EBIT)



Number of employees (end of quarter)



operating expenses grew by 10.1 per cent from the same period of 2017 to NOK 41.7 million. This rise primarily reflected higher costs for premises, ICT and external services.

Profit

Operating profit (EBIT) for the first quarter came to NOK 50.5 million, compared with NOK 41.2 million in the same period of 2017. That represented an increase of 22.7 per cent. The EBIT margin rose to 10.9 per cent, compared with 9.8 per cent in the first quarter of the year before. Net profit came to NOK 38.6 million, compared with NOK 31.5 million in the same period of 2017. Diluted earnings per share were NOK 3.76, compared with NOK 3.04 in the first quarter of last year.

Cash flow, liquidity and capital adequacy

Consolidated cash flow from operations was negative at NOK 14.6 million for the first quarter, compared with a negative NOK 13.3 million in the same period of 2017. Cash flow for the quarter was affected negatively by an increase of NOK 75.9 million in working capital related to accounts receivable from customers, work in progress and other current receivables from the fourth quarter of 2017. Furthermore, a reduction of NOK 22.3 million in accounts payable and direct and indirect taxes from the fourth quarter of 2017 also had a negative effect on cash flow. Other current liabilities increased by NOK 36.4 million from fourth quarter and had a positive effect on cash flow. Consolidated cash flow from operations over the past 12 months was NOK 147.7 million, while net profit for the same period came to NOK 119.1 million.

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

The group has no interest-bearing debt. Bank deposits at 31 March totalled NOK 159 million, compared with NOK 134.4 million a year earlier. The group had an undrawn overdraft facility of NOK 50 million at 31 March. Bouvet held 97 053 of its own shares at 31 March. Equity at 31 March totalled NOK 236.8 million, representing an equity ratio of 35.1 per cent. The corresponding figures for 31 March 2017 were an equity of NOK 207.7 million and an equity ratio of 35.9 per cent. Adjusted for the proposed dividend totalling NOK 87.1 million, which will be paid in the second quarter of 2018, the equity ratio was 25.5 per cent at 31 March. Bouvet's long-term target is to maintain an equity ratio in excess of 30 per cent.

Segment reporting

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

Turnover public/private

- Turnover from customer 100 % public owned: 49.6 %
- Turnover from customer wholly or partially private owned: 50.4 %

Turnover per business

Public admin	26.9 %
Oil & gas	22.5 %
Transportation	10.4 %
Power supply	9.0 %
Info and communication	6.5 %
Retail	6.3 %
Service industry	5.2 %
Industry	4.3 %
Bank & finance	3.8 %
Health	2.6 %
Other	2.5 %

Developments and market

Attention continued to focus on technology and service development during the quarter in order to meet new market conditions. This led to good progress for Bouvet and a good market for its services in the period. Existing clients see the value of Bouvet's breadth of expertise, and show their confidence in the company by extending assignments and utilising a broader range of services. Statoil extended contractor agreements with Bouvet during the quarter, and the Directorate of Mining extended the company's involvement in its digitalisation programme.

Bouvet is continuing to make an active contribution to digitalising the public sector. It is developing a solution for the National Library of Norway to take care of the country's heritage of knowledge, and plays a key role in developing Miljøloftet.no for tomorrow's Bergen. The company also won new assignments from such existing clients as the Norwegian University of Science and Technology (NTNU), the cities of Oslo, Trondheim and Stockholm, and Central Norway Regional Health IT (HEMIT).

Demand for system development remained high during the quarter. A change in the market is that new delivery models are being sought which permit early testing to check against the desired commercial value. This has generated a substantial demand for services related to service design and user interface design. Clients include the armed forces, the Norwegian Government Security and Service Organisation and the Swedish National Board of Health and Welfare.

Bouvet is contributing to the development of business-critical core systems, which calls for expertise in consultancy and in change, project and test management. Demand for these services increased during the quarter from such clients as BN-bank, Sparebank 1 Midt-Norge Kredittkort and Agder Energi.

The market for data utilisation has matured, and many enterprises are moving towards becoming more data-driven. That has boosted demand for data platforms, Big Data analysis, artificial intelligence and machine learning. In this context, mention can be made of the Norwegian Petroleum Directorate's frame agreement for digitalisation, analysis at Repsol, an agreement with Lyse on the internet of things, a data platform related to the SmartCity commitment in Stavanger, and artificial inelligence projects with Statoil's R&D department.

Enhancing data availability has also resulted in more assignments for computer science. Bouvet is supporting Avinor in developing new models for capacity planning in safety checks, and a platform is being developed at Kinect Energy Group to improve understanding of its wind power portfolio in the European market.

Bouvet is continuously developing services to support its clients in extracting commercial value. This has increased demand for the company as a system integrator, with its breadth of services and business understanding.

The EU's general data protection regulation (GDPR) comes into force this year and has boosted demand for Bouvet's expertise with the legislation. Assignments include a project carried out for Nord-Trøndelag E-verk and the NAF. Sesam, Bouvet's digitalisation platform, launched a GDPR platform during the quarter which automates consumer rights pursuant to the new EU regulation.

Olavstoppen AS, which was previously part-owned, became a wholly owned subsidiary from 5 January 2018 after Bouvet ASA acquired the remaining 40 per cent of the shares in the company. Olavstoppen has leading-edge expertise in the development of digital services, and has won a number of national and international assignments.

Bouvet's visibility in the media amounted to some 52 newspaper cuttings during the quarter. These articles covered professional statements and group information.

Employees

Combined with its local presence, Bouvet's reputation and corporate culture yielded good organic growth during the quarter. The workforce increased by 45 people from the previous period, and the company had 1 260 employees at 31 March – up by 129 from the same date in 2017.

A continued high level of demand for Bouvet's expertise and broad range of services has created a continuous need for recruitment. Securing the right expertise in a market characterised by strong competition is demanding, but Bouvet manages to be attractive to relevant candidates in all age groups and service areas. That also applies to new graduates, who contribute positively by providing new expertise for clients and internally in Bouvet's sharing arenas. Recruits also include a number of former employees who have returned with new experience and relevant knowledge.

Bouvet is working long term to increase the female proportion of its workforce. This has been pursued as part of the recruitment process. The female proportion in the Norwegian part of the company is 27.9 per cent, up from 27 per cent from the same date in 2017.

As a knowledge-based company, Bouvet concentrates attention on expertise development by sharing knowledge across projects, disciplines and regions. This is done through its own courses, schools and internal conferences, such as BouvetOne and Gnist. These are gatherings for and with employees to share knowledge and project experience. During the quarter, BouvetOne was staged in the eastern region with about 350 participants.

Risk

The group is exposed at any given time to various forms of operational, market and financial risk. The board and executive management work continuously on risk management and control. This is described in more detail under corporate governance in the annual report for 2017 (section 10: risk management and internal control). In the board's view, no significant changes occurred over the past three months in the various risks to which the group is exposed.

Prospects

The market is maturing, and technology is perceived as more of an enabler than a threat to existing enterprises. The consequence is growing technology- and service-driven business development in private- and public-sector enterprises. Since entire enterprises must understand the opportunity space offered by the technology, increased technological competence is required at every level in organisations from system development to user behaviour, technology trends, strategies and business development. Bouvet has this breadth and a regional model which allows it to be present at the local level and able to adapt to the pace of client change and innovation. That has proved valuable for the company's clients.

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

Bouvet is well positioned for continued growth.

Contacts

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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 quarter 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, 16 May 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 JAN-MAR 2018	UNAUDITED JAN-MAR 2017	CHANGE	CHANGE %	YEAR 2017
Revenue	462 276	419 052	43 224	10.3 %	1 607 353
Operating expenses					
Cost of sales	64 070	67 035	-2 965	-4.4 %	247 346
Personell expenses	299 579	267 825	31 754	11.9 %	1 035 043
Depreciation fixed assets	4 547	2 958	1 589	53.7 %	12 994
Amortisation intangible assets	1 852	2 183	-331	-15.2 %	8 149
Other operating expenses	41 695	37 868	3 827	10.1 %	159 684
Total operating expenses	411 743	377 869	33 874	9.0 %	1 463 216
Operating profit	50 533	41 183	9 350	22.7 %	144 137
Financial items					
Interest income	487	296	191	64.5 %	1 291
Financial income	107	205	-98	-47.8 %	1 497
Interest expense	-33	-25	-8	N/A	-137
Finance expense	-1 368	-143	-1 225	N/A	-852
Net financial items	-807	333	-1 140	-342.3 %	1 799
Ordinary profit before tax	49 726	41 516	8 210	19.8 %	145 936
Income tax expense					
Tax expense on ordinary profit	11 103	10 019	1 084	10.8 %	33 914
Total tax expense	11 103	10 019	1 084	10.8 %	33 914
Profit for the period	38 623	31 497	7 126	22.6 %	112 022
Assigned to:					
Shareholders in parent company	38 623	31 186			110 632
Non-controlling interests	0	311			1 390
Diluted earnings per share	3.76	3.04	0.72	23.7 %	10.79
Earnings per share	3.79	3.07	0.72	23.5 %	10.92

Consolidated statement of other income and costs

NOK 1 000	UNAUDITED JAN-MAR 2018	UNAUDITED JAN-MAR 2017	CHANGE	CHANGE %	YEAR 2017
Profit for the period	38 623	31 497	7 126	22.6 %	112 022
Items that may be reclassified through profit or loss in subsequent periods					
Currency translation differences	-463	33	-495	-1 513.5 %	171
Sum other income and costs	-463	33	-495	-1 513.5 %	171
Total comprehensive income	38 160	31 530	6 631	21.0 %	112 193
Assigned to:					
Shareholders in parent company	38 160	31 219			110 803
Non-controlling interests	0	311			1 390

Consolidated balance sheet

NOK 1 000	UNAUDITED 31.03.2018	UNAUDITED 31.03.2017	CHANGE	CHANGE %	31.12.2017
ASSETS					
NON-CURRENT ASSETS					
Intangible assets					
Deferred tax asset	303	0	303	N/A	0
Goodwill	32 669	32 873	-204	-0.6 %	33 460
Other intangible assets	29 625	26 161	3 464	13.2 %	27 764
Total intangible assets	62 597	59 034	3 563	6.0 %	61 224
Fixed assets					
Office equipment	15 607	17 346	-1 739	-10.0 %	16 973
Office machines and vehicles	3 158	4 305	-1 147	-26.6 %	3 425
IT equipment	18 821	15 815	3 006	19.0 %	17 755
Total fixed assets	37 586	37 466	120	0.3 %	38 153
Financial non-current assets					
Other financial assets	116	11	105	954.5 %	116
Other long-term receivables	1 942	1 917	25	1.3 %	2 009
Total financial non-current assets	2 058	1 928	130	6.7 %	2 125
Total non-current assets	102 241	98 428	3 813	3.9 %	101 502
CURRENT ASSETS					
Work in progress	99 122	142 914	-43 792	-30.6 %	84 787
Trade accounts receivable	268 068	167 331	100 737	60.2 %	224 645
Other short-term receivables	45 895	34 919	10 975	31.4 %	27 783
Cash and cash equivalents	159 037	134 436	24 601	18.3 %	205 371
Total current assets	572 122	479 600	92 521	19.3 %	542 586
TOTAL ASSETS	674 363	578 028	96 334	16.7 %	644 088

Consolidated balance sheet

NOK 1 000	UNAUDITED 31.03.2018	UNAUDITED 31.03.2017	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	-99	2	-2.0 %	-47
Share premium fund	10 000	10 000	0	0.0 %	10 000
Total paid-in capital	20 153	20 151	2	0.0 %	20 203
Earned equity					
Other equity	216 687	185 648	31 039	16.7 %	197 186
Total earned equity	216 687	185 648	31 039	16.7 %	197 186
Non-controlling interests	0	1 940	-1 940	-100.0 %	3 019
Total equity	236 840	207 739	29 101	14.0 %	220 408
DEBT					
Long-term debt					
Deferred tax	0	938	-938	-100.0 %	218
Total long-term debt	0	938	-938	-100.0 %	218
Short-term debt					
Trade accounts payable	51 814	64 663	-12 849	-19.9 %	56 865
Income tax payable	30 890	6 042	24 848	411.3 %	31 593
Public duties payable	141 437	116 616	24 821	21.3 %	158 026
Deferred revenue	12 346	14 419	-2 073	-14.4 %	17 275
Other short-term debt	201 036	167 611	33 425	19.9 %	159 703
Total short-term debt	437 523	369 351	68 172	18.5 %	423 462
Total liabilities	437 523	370 289	67 234	18.2 %	423 680
TOTAL EQUITY AND LIABILITIES	674 363	578 028	96 335	16.7 %	644 088

Consolidated statement of cash flows

NOK 1 000	UNAUDITED JAN-MAR 2018	UNAUDITED JAN-MAR 2017	YEAR 2017
Cash flow from operating activities			
Ordinary profit before tax	49 726	41 516	145 936
Paid tax	-11 853	-26 077	-25 582
(Gain)/loss on sale of fixed assets	-10	8	-98
Ordinary depreciation	4 547	2 958	12 994
Amortisation intangible assets	1 852	2 183	8 149
Share based payments	1 793	1 596	6 449
Changes in work in progress, accounts receivable and accounts payable	-62 809	-49 849	-56 834
Changes in other accruals	2 146	14 405	58 020
Net cash flow from operating activities	-14 608	-13 261	149 035
Cash flows from investing activities			
Sale of fixed assets	50	0	971
Purchase of fixed assets	-4 019	-8 770	-20 358
Purchase of intangible assets	-3 747	-3 252	-10 540
Investment in subsidiaries - net cash	-13 390	0	0
Net cash flow from investing activities	-21 106	-12 022	-29 927
Cash flows from financing activities			
Purchase of own shares	-10 620	0	-11 190
Sales of own shares	0	0	9 484
Dividend payments	0	-2 000	-73 750
Net cash flow from financing activities	-10 620	-2 000	-75 456
Net changes in cash and cash equivalents	-46 334	-27 283	43 652
Cash and cash equivalents at the beginning of the period	205 371	161 719	161 719
Cash and cash equivalents at the end of the period	159 037	134 436	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	31 186		31 186	311	31 497
Other income and costs				0		33	33		33
Employee share scheme				0	2 051		2 051		2 051
Dividend				0			0	-2 000	-2 000
Equity at 31.03.2017 (Unaudited)	10 250	-99	10 000	20 151	186 258	-610	185 648	1 940	207 739
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	38 623		38 623	0	38 623
Other income and costs				0		-463	-463		-463
Purchase/sale of own shares (net)		-50		-50	-10 570		-10 570		-10 620
Employee share scheme				0	2 282		2 282		2 282
Payment from non-controlling interests				0	-10 371		-10 371	-3 019	-13 390
Equity at 31.03.2018 (Unaudited)	10 250	-97	10 000	20 153	217 623	-934	216 687	0	236 840

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 considera-tion (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.

Note 2: Business Combinations

Bouvet ASA has acquired the remaining 40 per cent of the shares in the subsidiary Olavstoppen AS from IT Forces AS. The shares was transfered 5 January 2018. This gives Bouvet ASA the full ownership of Olavstoppen AS. The takeover was financed by NOK 13,4 million in cash. Changes in ownership interests in subsidiary has been recorded as an equity transaction. The differance between the changes in minority interests (NOK 3,0 million) and the purchase price (NOK 13,4 million) has been booked directly to equity (NOK 10,4 million).

Note 3: 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 prede-fined 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.

Below specification of revenue by contract category:

NOK 1 000	JAN-MAR 2018	JAN-MAR 2017
Contract category		
Fixed price	4 795	3 692
Target price	7 151	9 661
Maintenance and administration	13 232	12 741
Time and material	420 857	376 447
Other income	16 241	16 511
Total revenue	462 276	419 052
Work in progress	99 122	142 914
Deferred revenue	12 346	14 419

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	JAN-MAR 2018	JAN-MAR 2017	CHANGE %	YEAR 2017
INCOME STATEMENT				
Operating revenue	462 276	419 052	10.3 %	1 607 353
EBITDA	56 932	46 324	22.9 %	165 280
Operating profit (EBIT)	50 533	41 183	22.7 %	144 137
Ordinary profit before tax	49 726	41 516	19.8 %	145 936
Profit for the period	38 623	31 497	22.6 %	112 022
EBITDA-margin	12.3 %	11.1 %	11.4 %	10.3 %
EBIT-margin	10.9 %	9.8 %	11.2 %	9.0 %
BALANCE SHEET				
Non-current assets	102 241	98 428	3.9 %	101 502
Current assets	572 122	479 600	19.3 %	542 586
Total assets	674 363	578 028	16.7 %	644 088
Equity	236 840	207 739	14.0 %	220 408
Long-term debt	0	938	-100.0 %	218
Short-term debt	437 523	369 351	18.5 %	423 462
Equity ratio	35.1 %	35.9 %	-2.3 %	34.2 %
Liquidity ratio	1.31	1.30	0.7 %	1.28
CASH FLOW				
Net cash flow operations	-14 608	-13 261	N/A	149 035
Net free cash flow	-35 714	-25 283	N/A	119 108
Net cash flow	-46 334	-27 283	N/A	43 652
Cash flow margin	-3.2 %	-3.2 %	N/A	9.3 %
SHARE INFORMATION				
Number of shares	10 250 000	10 250 000	0.0 %	10 250 000
Weighted average basic shares outstanding	10 178 836	10 151 318	0.3 %	10 133 943
Weighted average diluted shares outstanding	10 277 344	10 268 544	0.1 %	10 248 708
EBIT per share	4.96	4.02	23.6 %	14.04
Diluted EBIT per share	4.92	3.97	23.8 %	13.89
Earnings per share	3.79	3.07	23.5 %	10.92
Diluted earnings per share	3.76	3.04	23.7 %	10.79
Equity per share	23.11	20.27	14.0 %	21.50
Dividend per share	0.00	0.00	N/A	7.00
EMPLOYEES				
Number of employees (year end)	1 260	1 131	11.4 %	1 215
Average number of employees	1 247	1 117	11.6 %	1 171
Operating revenue per employee	371	375	-1.2 %	1 373
Operating cost per employee	330	338	-2.4 %	1 250
EBIT per employee	41	37	9.9 %	123

Definitions

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

Our regions and offices

The Group has 14 offices in Norway and Sweden. Our philosophy is that competence should be utilized across the company, while projects are attached locally.

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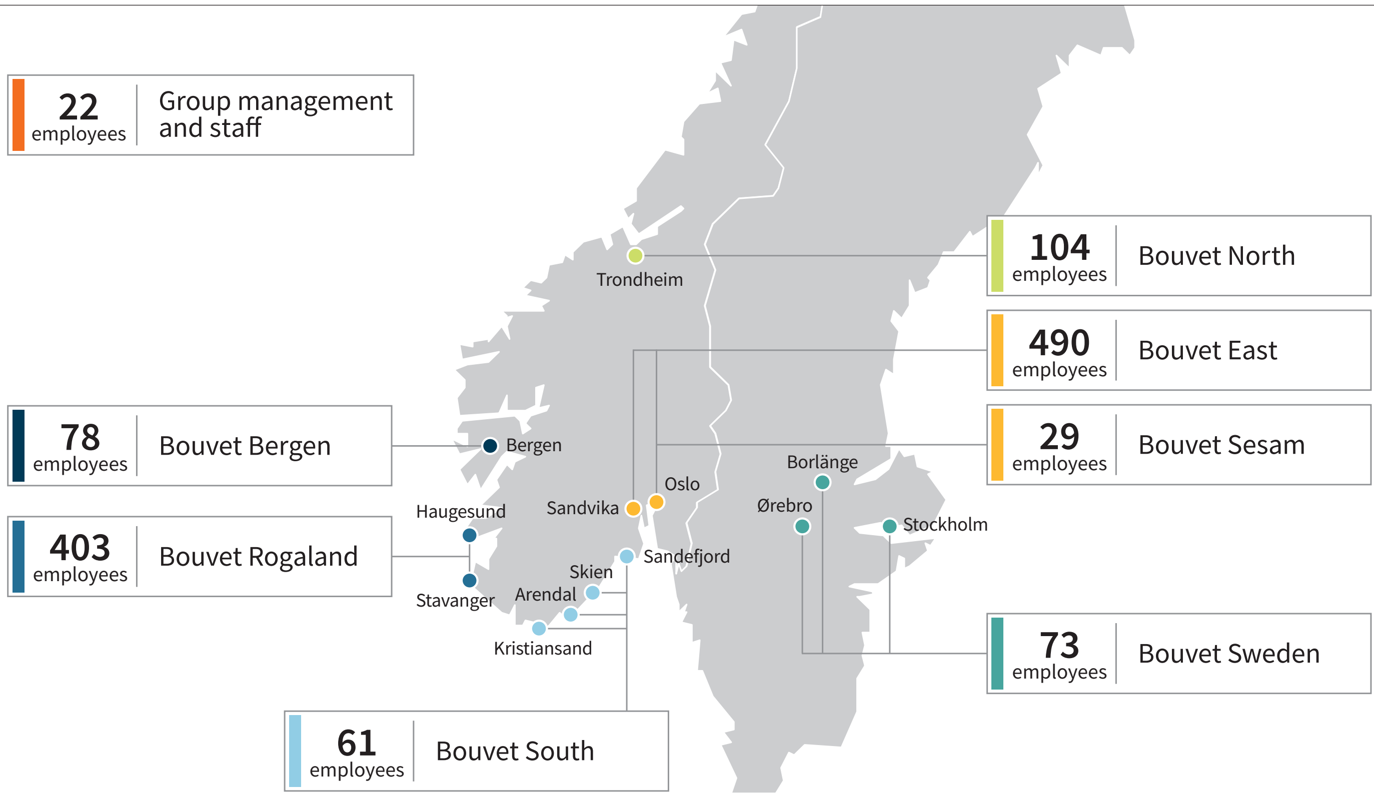

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